Stock Code：5531

Shining Building Business Co. Ltd.

Parent Company Only Financial Statements for the Years Ended December 31, 2023, and 2022 and Independent Auditors' Report

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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 AMOUNT	%	2022. 12. 31 AMOUNT	%
	CURRENT ASSETS					
1100	Cash and cash equivalents	6(1)	$ 164,699	1	$ 357,805	2
1150	Notes receivable, net	6(3) and 6(4)	-	-	3,578	-
1170	Accounts receivable	6(4)	-	-	-	-
1200	Other receivables		331	-	700	-
1210	Other receivables due from related parties	7	131	-	280,787	2
1220	Current tax assets		930	-	1,282	-
130X	Current inventories	6(5) and 8	5,140,822	28	5,947,927	31
1410	Prepayments		68,834	-	79,434	-
1476	Other current financial assets	8	340,068	2	616,531	3
1479	Other current assets, others		228,232	1	225,318	1
	Total current assets		5,944,047	32	7,513,362	39
	NON-CURRENT ASSETS					
1517	Non-current financial assets at fair value through profit or loss	6(2) and 6(29)	-	-	9	-
1550	Non-current financial assets at fair value through other comprehensive income	6(6)	8,653,430	46	8,864,147	46
1600	Property, plant, and equipment	6(7) and 8	730,732	4	726,504	4
1755	Right-of-use assets	6(8)	18,192	-	5,840	-
1760	Investment properties, net	6(9), 6(29) and 8	2,555,682	14	1,482,686	7
1780	Intangible assets		2,195	-	3,053	-
1840	Deferred tax assets	6(25)	831,893	4	703,167	4
1920	Guarantee deposits paid	6(29) and 7	36,317	-	36,404	-
	Total non-current assets		12,828,441	68	11,821,810	61
	TOTAL		$ 18,772,488	100	$ 19,335,172	100

CODE	LIABILITIES AND EQUITY	NOTE	2023. 12. 31 AMOUNT	%	2022. 12. 31 AMOUNT	%
	CURRENT LIABILITIES					
2100	Current borrowings	6(10) 6(28) and 6(30)	$ 254,906	1	$ 338,087	2
2110	Short-term notes and bills payable, net	6(11) 6(28) and 6(30)	3,436,559	19	2,097,626	11
2130	Current contract liabilities	6(19)	594,382	3	1,112,732	6
2150	Notes payables	6(30)	50,137	-	67,772	-
2160	Accounts payables	6(30) and 7	-	-	50,000	-
2170	Accounts payable to related parties	6(30)	60,208	-	208	-
2180	Other payables	6(30) and 7	309,966	2	353,522	2
2200	Other payables to related parties	6(30)	58,822	-	86,396	-
2220	Current tax liabilities	6(28) 6(30) and 7	25,470	-	22,207	-
2280	Current lease liabilities	6(8) 6(28) 6(30) and 7	4,229	-	4,616	-
2320	Long-term liabilities - current portion	6(12) 6(13) 6(28)6(29)and 6(30)	156,241	1	1,813,660	9
2399	Other current liabilities, others		14,135	-	92,401	1
	Total current liabilities		4,965,055	26	6,039,227	31
	NON-CURRENT LIABILITIES					
2540	Non-current portion of non-current borrowings	6(13) 6(28) 6(29)and 6(30)	2,492,299	13	2,743,276	14
2570	Deferred tax liabilities	6(25)	149,502	1	89,778	1
2580	Non-current lease liabilities	6(8) 6(28) 6(30) and 7	13,993	-	1,435	-
2635			1,000,000	6	-	
2640	Net defined benefit liability, non-current	6(14)	14,952	-	16,621	-
2645	Guarantee deposits received	6(28) 6(29) and 6(30)	6,930	-	4,457	-
	Total non-current liabilities		3,677,676	20	2,855,567	15
	Total liabilities		8,642,731	46	8,894,794	46
	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		10,129,757	54	10,440,378	54
	TOTAL		$ 18,772,488	100	$ 19,335,172	100

(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 AMOUNT	2023 %	2022 AMOUNT	2022 %
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 pair 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		
	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	Total Equity
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	$ 9,775,892	$ 13,755	$ 1,305,280	$ 1,457,140	$ (1,877,505)	$ (544,205)	$ (600)	$ 10,129,757

(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	(248,414)	(535,322)
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	348,279	269,226
NET INCREASE IN CASH AND CASH EQUIVALENTS	(193,106)	(632,845)
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	357,805	990,650
CASH AND CASH EQUIVALENTS AT THE END OF PERIOD	$ 164,699	$ 357,805

(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:

New Standards, Interpretations, and Amendments	Effective date by IASB
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:

New Standards, Interpretations, and Amendments	Effective date by IASB
Amendments to IFRS 10 and IAS 28 “Sale or Contribution of Assets between an Investor and it's 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:

Asset item	Useful life
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. <u>CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY</u>

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

<u>Investment properties</u>

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.

<u>Judgment with significant impacts on associates</u>

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
	$ 164,699	$ 357,805

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)
	$ -	$ 9

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	$ -	$ 3,578

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)	-
		$ 25,531	$ (25,531)	$ -

	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)	-
		$ 29,109	$ (25,531)	$ 3,578

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	$ 25,531	$ 25,531

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

(5) Inventories and sales costs

Item	2023.12.31	2022.12.31
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
	$ 5,140,822	$ 5,947,927

A. Inventory:

(A) Buildings and lands held for sale

Name	2023.12.31	2022.12.31
Shining Shilin Medical Park	$ 1,575,374	$ 2,131,017
Shining Art Museum	771,940	771,940
Shining Yuchuan	-	86,545
	$ 2,347,314	$ 2,989,502

(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
	$ 1,514,095	$ 895,533

(C) Construction in progress

Name	Estimated completion date	2023.12.31	2022.12.31
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
		$ 1,105,643	$ 1,913,876

(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	$ 730,732	$ 726,504

	Land	Buildings	Miscellaneous equipment	Total
Cost				
2023.1.1 balance	$ 319,503	$ 476,682	$ 38,610	$ 834,795
Additions	-	-	14,146	14,146
2023.12.31 balance	$ 319,503	$ 476,682	$ 52,756	$ 848,941
Accumulated depreciation and impairment				
2023.1.1 balance	$ 8,495	$ 65,213	$ 34,583	$ 108,291
Depreciation expense	-	8,491	1,427	9,918
2023.12.31 balance	$ 8,495	$ 73,704	$ 36,010	$ 118,209

	Land	Buildings	Miscellaneous equipment	Total
Cost				
2022.1.1 balance	$ 319,503	$ 476,682	$ 35,287	$ 831,472
Additions	-	-	3,331	3,331
Disposals	-	-	(8)	(8)
2022.12.31 balance	$ 319,503	$ 476,682	$ 38,610	$ 834,795
Accumulated depreciation and impairment				
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	$ 8,495	$ 65,213	$ 34,583	$ 108,291

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

	Buildings	Transport equipment	Total
Cost			
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)
2032.12.31 balance	$ -	$ 1,756	$ 1,756

	Buildings	Transport equipment	Total
Cost			
2022.1.1 balance	$ 16,91	$ 2,339	$ 19,252
Additions	-	3,160	3,160
Decrease	-	(2,339)	(2,339)
2022.12.31 balance	$ 16,91	$ 3,160	$ 20,073
Accumulated depreciation			
2022.1.1 balance	$ 10,14	$ 2,338	$ 12,487
Depreciation expense	3,38	703	4,085
Decrease	-	(2,339)	(2,339)
2022.12.31 balance	$ 13,53	$ 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)
	$ 2,492,299	$ 2,743,276
Interest rate	2.50%～3.79%	2.35%～3.56%

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	$ 14,952	$ 16,621

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	1.15%	1.15%
Expected rate of salary increase	2.00%	2.00%
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	$ 1,000,000

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.

(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
	$ 13,755	$ 20,351

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	$ (544,205)	$ (600)	$ (544,805)

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	$ (489,297)	$ (593)	$ (489,890)

(20) Operating revenues

Item	2023	2022
Real estate income	$ 2,281,566	$ 384,757
Lease income	31,113	24,028
	$ 2,312,679	$ 408,785

A. Breakdown of customer contract income

	2023	2022
Major regional markets:		
Asia	$ 2,312,679	$ 408,785
Main products/service lines:		
Real estate sales	$ 2,281,566	$ 384,757
Lease	31,113	24,028
	$ 2,312,679	$ 408,785
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
	$ 2,312,679	$ 408,785

B. Contract liabilties

	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
	$ 594,382	$ 1,112,732

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
	$ 5,794	$ 5,500

(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	$ 1,326	$ 15,513

(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)
	$ 519,273	$ 7,905

(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)
	$ 142,446	$ 125,107

(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	-	51,469	51,469	-	49,918	49,918
Labor cost	$ -	$ 196,336	$ 196,336	$ -	$ 236,781	$ 236,781

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
Current income tax		
Current tax expense	$ -	$ -
Land value increment tax	6,629	10,356
Prior period adjustments of income tax Item	-	4,274
Deferred income tax		
The origination and reversal of temporary differences	(55,247)	(242,802)
Income tax expense (gain)	$ (48,618)	$ (228,172)

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
	$ (13,747)	$ 121,954

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	2023 Income tax expense	2023 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	$ (102)	$ 20	$ (82)
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	2022 Income tax expense (benefit)	2022 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	$ 7,180	$ (1,435)	$ 5,745
Items that may be reclassified subsequently to profit or loss:			
Exchange differences on translation of foreign operations	$ 602,590	$ (120,519)	$ 482,071

(28) Loss per share

	2023	2022
Basic and diluted loss per share:		
Net loss attributable to ordinary equity holders of the parent entity	$ (195,191)	$ (1,375,980)
Weighted average shares outstanding (in thousands)	977,589	977,589
Basic loss per share(after-tax)(NT$)	$ (0.20)	$ (1.41)

(29) Reconciliation of liabilities from financing activities

	January 1, 2023	Cash flow	Non-cash changes: Exchange rate changes	Non-cash changes: Changes in fair value	Non-cash changes: Other non-cash changes	December 31, 2023
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	$ 7,003,157	$ 348,279	$ -	$ -	$13,721	$ 7,365,157

	January 1, 2022	Cash flow	Non-cash changes: Exchange rate changes	Non-cash changes: Changes in fair value	Non-cash changes: Other non-cash changes	December 31, 2022
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	$ 6,730,271	$ 269,226	$ -	$ -	$ 3,660	$ 7,003,157

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
Financial assets				
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
Financial liabilities				
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:

	2023.12.31			
Item	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

	2022.12.31			
Item	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)						
Financial assets						
Monetary item						
USD	$ 40	30.71	$ 1,216	increase 1%	$ 12	$ -
RMB	97	4.327	419	increase 1%	4	-
Financial liabilities						
Monetary item						
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)						
Financial assets						
Monetary item						
USD	$ 220	30.71	$ 6,754	increase 1%	$ 68	$ -
RMB	63,897	4.408	281,658	increase 1%	2,817	-
Financial liabilities						
Monetary item						
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	Carrying amount 2022.12.31
Cash flow interest rate risk:		
Financial assets	$ 504,767	$ 974,336
Financial liabilities	(2,903,446)	(3,737,774)
Net	$ (2,398,679)	$ (2,763,438)

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					
	Within 1 year	1-2 years	2-5 years	Over 5 years	Contract Cash Flow	Carrying Value
Non-derivative financial liabilities						
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	$ 4,442,444	$ 1,116,305	$ 1,521,708	$ 1,577	$ 7,082,034	$ 6,869,760

	2022.12.31					
	Within 1 year	1-2 years	2-5 years	Over 5 years	Contract Cash Flow	Carrying Value
Non-derivative financial liabilities						
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	$ 4,938,838	$ 364,294	$ 2,496,209	$ 34,464	$ 7,833,805	$ 7,583,262

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

Related Party Name	Related Party Category
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

Item	Related Party Category	2023	2022
Operating cost	Subsidiary	$ 611,210	$ 877,524

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

Item	Related Party Category	2023.12.31	2022.12.31
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)

Item	Related Party Category	2023.12.31	2022.12.31
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
		$ 335,436	$ 425,729

D. Property trading

Acquisition of property, plant and equipment

Related Party Category	Acquisition pricing	
	January to December 2023	January to December 2022
Subsidiary	$ 13,952	$ -

E. Lessee arrangements

Item	2023.12.31	2022.12.31
Right-of-use asset acquired by lessee		
Other related parties	$ 16,788	$ -

Item	Related Party Category	2023.12.31	2022.12.31
Lease liabilities	Other related parties	$ 16,788	$ 3,572

Item	Related Party Category	2023	2022
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

Item	Related Party Category	2023	2022
Operating income (rental income)	Subsidiary	$ 206	$ 206
	Other related parties	953	965
		$ 1,159	$ 1,171

G. Lending to related parties

(A) Ending balance

Item	Related Party Category	2023.12.31	2022.12.31
Other receivables -related parties	Subsidiary	$ -	$ 277,413

(B) Interest income

Item	Related Party Category	2023	2022
Interest income	Subsidiary	$ 652	$ 3,348
Interest rate range		1.50%	1.50%

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

Related Party Category	2023	2022	Transaction type
Subsidiary	$ 9,084	$ 21,071	Entertainment, repair, advertising, donation, and miscellaneous expenses
Other related parties	11,894	4,964	
	$ 20,978	$ 26,035	

(4) Key management compensation

	2023	2022
Salaries and other short-term employee benefits	$ 17,540	$ 15,421
Post-employment benefits	529	407
	$ 18,069	$ 15,828

8. PLEDGED ASSETS

The carrying amount of the assets pledged and guaranteed by the Company is detailed as follows:

Pledged assets	2023.12.31	2022.12.31	Pledge guarantee subject
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	2,537,781	1,465,786	Short-term loans and short-term bills payable
	$ 7,258,007	$ 6,485,098	

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. <u>SUPPLEMENTARY DISCLOSURES</u>

(1) <u>Significant transactions information:</u>

A. Loans provided to other parties:

(In Thousands of New Taiwan Dollars)

No. (Note 1)	Financing Company	Counter-party	Financial Statement Account	Related Party	Maximum Balance for the Period	Ending Balance	Amount Actually Drawn	Interest Rate	Nature for Financing (Note 2)	Transaction Amounts	Reason for Financing	Allowance for Bad Debt	Collateral Item	Collateral Value	Financing Limits for Financing Company's (Note 3)	Financing Company's Total Financing Amount Limits (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	237,94	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	Endorsees: Name of endorsees	Endorsees: Limit for a Single Entity	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
0	The Company	Nanjing Dingzheng Real Estate	b	10,129,757 (Note 3)	222,250	216,350	216,350	-	2.14 %	20,259,514 (Note 3)	Y	N	Y
		Billion	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: Number of shares	Ending balance: Carrying Value	Ending balance: Ownership	Ending balance: Fair value	Remark
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	Transcation 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$l00 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 Amount	Overdue in Subsequent Period	Amounts Received in Subsequent Period	Allowance for Bad Debts	Remark
Taiyu Construction	The Company	Subsidiary	309,966	-	-		-	-	–
Fast	Billion	The same parent company	577,965 (USD 18,820)	-	-		-	-	–
	168	The same parent company	268,119 (USD 8,731)	-	-		-	-	–
168	Billion	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	1,158,965 (CNY 267,842)	-	-		-	-	–
Nanjing Dingzheng Hotel	Nanjing Dingzheng Real Estate	The same parent company	1,372,848 (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	Transaction: Amount (Note 4)	Transaction: Transaction terms	Transaction: 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: End of the current period	Original Investment Amount: End of the prior year	Shares Held as at the End of the Period: Number of shares	Shares Held as at the End of the Period: Ratio	Shares Held as at the End of the Period: Carrying amount	Net Income (Loss) of the Investee	Share of Profit/Loss of Investee	Remark
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	- (USD-)	- (USD-)	-	100.00%	654 (USD21)	(28) (USD-1)	(28) (USD-1)	Subsidiary
Quantum	Billion	Samoa	Investment	2,100,103 (USD68,385)	2,000,084 (USD65,128)	68,385	100.00%	1,314,575 (USD42,806)	(210,420) (USD-6,754)	(210,420) (USD-6,754)	Subsidiary
Fast	Century Up	Hong Kong	Investment	941,870 (USD30,670)	741,212 (USD24,136)	239,244	81.21%	(326,864) (USD-10,644)	(303,899) (USD-9,754)	(241,935) (USD-7,766)	Subsidiary

(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
Remitted	Received	Remitted	Received	Remitted	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

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.

Shining Building Business Co. Ltd.
Statement of cash and cash equivalents
December 31, 2023

Amounts in Thousands of New Taiwan Dollars

Item	Index	Amount
Cash	Cash on hand and petty cash	$ 608
Bank deposits	Checking accounts and demand deposits	164,091
		$ 164,699

Shining Building Business Co. Ltd.
Statement of accounts receivable
December 31, 2023

Amounts in Thousands of New Taiwan Dollars

Name of the case	Description	Amount	Remark
Accounts receivable			
Living With Nature A section		$ 25,531	Non-related party
Less: Allowance for bad debts		(25,531)	
Net		$ -	

Shining Building Business Co. Ltd.
Statements of other receivables
December 31, 2023

Amounts in Thousands of New Taiwan Dollars

Item	Description	Amount	Remark
Others	House and parking space management fee, etc	$ 322	
Interest receivable		9	
Related party	Reimbursement fee	131	
		$ 462	

Shining Building Business Co. Ltd.
Statement of inventories
December 31, 2023

Amounts in Thousands of New Taiwan Dollars

Item	Description	Amount		Remark
		Cost	Net realizable value	
Property for sale	Shining Art Museum	$ 771,940	$ 791,723	
	Shining Shilin Medical Park	1,575,374	3,129,385	
Construction land	Central section, Wanhua District, Taipei	295,479	1,701,741	
	Dehui section A, Zhongshan District, Taipei	32,755	1,801,354	
	Dehui section B, Zhongshan District, Taipei	241,608	518,446	
	Yuanlin Huinong section of Zhanghua County	517,572	1,100,735	
	Haifenglun section, Douliu, Yunlin	426,681	1,101,193	
Construction in progress	Shining Rural Dome	654,878	654,878	
	Shining The Zhongshan	37,797	37,797	
	Shining Yun Feng	26,234	26,234	
	Bulk transfer	386,734	894,619	
Other expenses under construction	Advance payment for decoration of sample house	79,493	79,493	
Prepayment for land purchases	Nong'an Street, Zhongshan District, Taipei	37,459	37,459	
	Longquan section, Da'an District, Taipei	24,366	7,027,519	
	Dehui section B, Zhongshan District, Taipei	29,641	29,641	
	Central section, Wanhua District, Taipei	1,087	1,087	
	Hongfu Section, Sinjhuang District, New Taipei	1,724	1,724	
Less: Valuation allowance		-	-	
		$ 5,140,822	$ 18,935,028	

Shining Building Business Co. Ltd.
Statement of prepayments
December 31, 2023

Amounts in Thousands of New Taiwan Dollars

Item	Description	Amount	Remark
Offset against business tax payable	Business tax	$ 23,532	
Prepaid rent	Rent for office, billboard, etc	223	
Prepaid insurance	Accident and product insurance	175	
Other prepayments	Urban renewal case sale of rights and compensation for demolition, etc.	20,633	
Other prepaid expenses	Corporate bond issuance fees, legal advisory fees, bank loan application fees, prepaid decoration fees, etc	24,271	
		$ 68,834	

Shining Building Business Co. Ltd.
Statements of other current assets
December 31, 2023

Amounts in Thousands of New Taiwan Dollars

Item	Description	Amount	Remark
Temporary payments	Service fees for redevelopment projects, land loans interest, etc	$ 151,908	
Payment on behalf of others	Payment of management committee expenses	76,324	
		$ 228,232	

Shining Building Business Co. Ltd.

Financial assets measured at fair value through other comprehensive profit or loss - statements of non-current changes

January 1 to December 31, 2023

Amounts in Thousands of New Taiwan Dollars

Name	Beginning balance		Additions		Disposals		Ending balance				
	Shares or in thousand shares	Fair value	Thousand shares	Amount	Shares or in thousand shares	Amount	Shares or in thousand shares	Name	Shares or in thousand shares	Fair value	Thousand shares
Lalu Network Technology Co., Ltd	75 thousand shares	$ 9	-	$ -	-	$ (9)	75 thousand shares	$ -	$ 750	None	

Shining Building Business Co. Ltd.
Statement of changes in investments accounted for using the equity method
January 1 to December 31, 2023

Amounts in Thousands of New Taiwan Dollars

Names	Beginning balance		Additions (Note 1)		Disposals (Note 2)		Ending balance			Market Value or Net Worth		Collateral	Remark
	Shares	Amount	Shares	Amount	Shares	Amount	Shares		Shares	Amount	Shares	Amount	Shares
(Long-term equity investment)													
Taiyu Construction Co., Ltd	18,633,334	$ 106,374	–	$ 11,803	–	$ –	18,633,334	92.70%	$ 118,177	$ –	$ –	None	
Headway Investment Ltd.	9,642,586	277,795	–	2,150	–	–	9,642,586	66.67%	279,945	–	–	None	
Baihuang Investment Co., Ltd	–	1,017	–	3	–	–	–	100.00%	1,020	–	–	None	
Dinglin International Enterprise Co., Ltd	25,500	393	–	1	–	–	25,500	51.00%	394	–	–	None	
168 Investment Ltd.	208,900,428	5,259,593	7,996,702	245,173	–	(510,624)	216,897,130	95.59%	4,994,142	–	–	None	
Diamond Overseas Co. Ltd.	385,835	408	–	–	–	(48)	385,835	100.00%	360	–	–	None	
Fast Growth Limited	103,517,801	1,998,561	14,411,950	442,385	–	(303,938)	117,929,751	100.00%	2,137,008	–	–	None	
Quantum Investment Ltd.	55,128,095	1,220,006	3,256,892	104,673	–	(202,295)	58,384,987	85.38%	1,122,384	–	–	None	
		$ 8,864,147		$ 806,188		$ (1,016,905)			$ 8,653,430	$ –	$ –		

Note 1: The increase for the current period is based on the investment profit recognized under the equity method by the invested company $17,173 thousand, foreign exchange differences arising from the translation of financial statements of overseas operating entities ($3,246 thousand), other comprehensive income changes of subsidiary Taiyu $30 thousand and a capital increase $792,331 thousand.

Note 2: The decrease for the current period is based on the investment loss recognized under the equity method by the invested company (-$891,076 thousand), foreign exchange differences arising from the translation of financial statements of overseas operating entities ($65,389 thousand), accumulated changes in retained earnings ($53,844 thousand) and change adjustment of shareholding percentage ($6,596 thousand).

Shining Building Business Co. Ltd.
Statement of changes in property, plant, and equipment
January 1 to December 31, 2023

Refer to Note 6. (7) of the parent company only financial statements for the relevant information of "Statement of changes in property, plant, and equipment".

Refer to Note 6. (8) of the parent company only financial statements for the relevant information on "Right-use assets".

Refer to Note 6. (9) of the parent company only financial statements for the relevant information on "Investment real estate".

Shining Building Business Co. Ltd.
Statement of changes in intangible assets
January 1 to December 31, 2023

Amounts in Thousands of New Taiwan Dollars

Item	Beginning balance	Additions	Disposals	Ending balance	Remark
Computer Softwares	$ 3,053	$ -	$ (858)	$ 2,195	

Shining Building Business Co. Ltd.
Statement of short-term loans
December 31, 2023

Amounts in Thousands of New Taiwan Dollars

Types of loans	Bank	Ending balance	Contract period	Interest rate (%)	Financing Amount	Collateral	Remark
Secured loan	King's Town Bank	$ 98,859	November 27, 2023-November 27, 2024	3.20%	$ 98,859	Shining Art Museum-Land and houses for sale	
Secured loan	Taipei Fubon Bank	109,047	December 30, 2022-December 30, 2023	3.87%	109,047	Shining Art Museum-Land and houses for sale	
Secured loan	Far Eastern Int'l Bank	27,000	June 26, 2023-June 26, 2024	3.28%	27,000	Shining Art Museum -Land and houses for sale	
Secured loan	Hua Nan Bank Business Department	20,000	August 10, 2023-February 7, 2024	3.43%	20,000	Reserve Account	
		$ 254,906			$ 254,906		

Shining Building Business Co. Ltd.
Statement of short-term bills payable
December 31, 2023

Amounts in Thousands of New Taiwan Dollars

Item	Guarantee or acceptance agency	Contract period	Interest rate (%)	Amount			Guarantee or acceptance agency
				Issuance amount	Unamortized discounts on short-term bills payable	Item	
Commercial paper payable	International Bills Finance Corporation	December 25, 2023-January 23, 2024	3.62%	$ 3,300,000	$ (5,703)	$ 3,294,297	
Commercial paper payable	China Bills Finance Corporation	December 8, 2023-January 5, 2024	3.36%	62,400	(23)	62,377	
Commercial paper payable	Mega Bills Finance Co., Ltd.	November 17, 2023-January 16, 2024	3.51%	80,000	(115)	79,885	
				$ 3,442,400	$ (5,841)	$ 3,436,559	

Shining Building Business Co. Ltd.
Statement of notes payables and account payables
December 31, 2023

Amounts in Thousands of New Taiwan Dollars

Client Name	Description	Amount	Remark
Notes payables			
A04876	Land purchase payment	$ 32,000	
CCPLAN DESIGN CO., LTD.	Reception center decoration construction	9,070	
Other (Note)		9,067	
		$ 50,137	
Account payables-related parties			
TaiYu Construction Co., Ltd.	Construction and retention payment	$ 309,966	
Account payables			
Personnel A	Land purchase payment	60,000	
Other (Note)	Construction retention payment	208	
		$ 370,174	

Note: the individual amount does not exceed 5% of the balance of this account and is not listed separately.

Shining Building Business Co. Ltd.
Statement of other payables
December 31, 2023

Amounts in Thousands of New Taiwan Dollars

Item	Description	Amount
Related parties		$ 25,470
Non-related parties		
Salaries payable		10,229
Interest payable		3,059
Resident committee payable		7,325
Project integration fee payable		6,250
Others (less than 5% of the balance)		31,959
		$ 58,822

Shining Building Business Co. Ltd.
Statement of other current liabilities
December 31, 2023

Amounts in Thousands of New Taiwan Dollars

Item	Description	Amount	Remark
Temporary payments	Parking space repair payment	$ 13	
Payment on behalf of others	Payment of behalf of resident committee	14,122	
		$ 14,135	

Shining Building Business Co. Ltd.
Statement of long-term loans
December 31, 2023

Amounts in Thousands of New Taiwan Dollars

Creditor	Description	Amount	Contract Period	Interest rate	Collateral	Remark
Shanghai Commercial & Savings Bank		$ 612,000	August 28, 2017-January 30, 2028	3.35%	Secured loan	
Land Bank of Taiwan		170,000	November 22, 2021-November 21, 2027	2.62%	Land financing	
First Bank		130,000	May 12, 2023-November 12, 2027	2.50%	Land financing	
Bank of Kaohsiung		500,000	July 27, 2023-July 27, 2027	3.79%	Secured loan	
First Bank		150,000	July 27, 2023-July 27, 2027	3.79%	Secured loan	
Land Bank of Taiwan		150,400	September 12, 2023-September 12, 2027	2.85%	Land financing	
Shanghai Commercial & Savings Bank		44,600	January 8, 2021-January 18, 2024	2.95%	General guarantee	
Taiwan Cooperative Bank		325,000	February 8, 2021-August 31, 2025	2.90%	Land financing	
Taiwan Cooperative Bank		431,334	February 8, 2021-August 31, 2025	3.15%	Construction financing	
First Bank		135,206	December 20, 2022-December 20, 2025	2.85%	Credit loan	
Less: long-term loans due within one year or one business cycle		(156,241)				
		$ 2,492,299				

Shining Building Business Co. Ltd.
Statement of lease liabilities
December 31, 2023

Amounts in Thousands of New Taiwan Dollars

Item	Description	Lease term	Discount rate	Ending balance	Remark
Office rental		within 1 year	3.06%	$ 3,158	
		1 to 2 years	3.06%	3,255	
		2 to 5 years	3.06%	10,375	
Benz car rental		within 1 year	2.57%	1,071	
		1~2 years	2.57%	363	
				$ 18,222	

Shining Building Business Co. Ltd.
Statement of net revenue
January 1 to December 31, 2023

Amounts in Thousands of New Taiwan Dollars

Item	Description	Amount	Remark
Rental income	Science Building	$ 631	
	Xianglin Office	419	
	Shining Shilin Medical Park	30,063	
	Subtotal	31,113	
Income from house sales	Shining Hengmei	759,144	
	Shining Yuchuan	41,514	
	Subtotal	800,658	
Income from land sale	Shining Hengmei	1,421,469	
	Shining Yuchuan	65,890	
	Subtotal	1,487,359	
Total operating revenue		2,319,130	
Less: sales discount		(6,451)	
		$ 2,312,679	

Shining Building Business Co. Ltd.
Statement of operating cost
January 1 to December 31, 2023

Amounts in Thousands of New Taiwan Dollars

	Amount	
Item	Subtotal	Item
beginning inventory		
Land under construction	$ 895, 533	
Construction in progress	1, 913, 876	
Other expenses under construction	87, 191	
Property for sale	2, 990, 115	
Prepayment for land purchases	61, 825	$ 5, 948, 540
Add： Houses under construction	73, 098	
Construction in progress	738, 200	
Prepayment for land purchases	621, 148	-
Other	32, 857	1, 465, 303
Less: For sale, property is reclassified as investment property	555, 643	555, 643
Ending inventory		
Land under construction		
Construction in progress	1, 514, 095	
Other expenses under construction	1, 105, 643	
Property for sale	79, 493	
Prepayment for land purchases	2, 347, 314	
Construction cost	94, 277	5, 140, 822
Plus: rental cost		1, 717, 378
Inventory depreciation loss		4, 368
Less: For sale property is reclassified as investment property		(613)
Ending inventory		
		$ 1, 721, 133

Shining Building Business Co. Ltd.
Statement of operating expense
January 1 to December 31, 2023

Amounts in Thousands of New Taiwan Dollars

Item	Sales expense	Management expense	Remark
Salary expenses	$ 14, 373	$ 92, 682	$ 107, 055
Advertising expenses	58, 117	91	58, 208
Taxes	11, 496	1, 711	13, 207
Depreciation	–	14, 354	14, 354
Amortization of various items	–	51, 469	51, 469
Professional service fees	770	11, 887	12, 657
Miscellaneous	22, 547	25, 737	48, 284
Other (individual items not exceeding 5%)	9, 106	31, 059	40, 165
	$ 116, 409	$ 228, 990	345, 399
Expected credit loss			–
Total operating expenses			$ 345, 399

Shining Building Business Co. Ltd.
Statement of other gains and losses
January 1 to December 31, 2023

Amounts in Thousands of New Taiwan Dollars

Item	Description	Amount	Remark
Interest income:			
Interest income		$ 5, 794	
Other income:			
Termination fee income		$ 1, 245	
Miscellaneous income		81	
Others		$ 1, 326	
Other gains and losses"			
Fair value adjustments gains on investment properties		$ 517, 353	
Foreign exchange		1, 920	
Other expenses		$ 519, 273	
Financial cost: ：			
Interest expenses			
Interest payment		$ 179, 483	
Corporate bonds payable		5, 499	
Interest on lease liabilities		151	
Other		125	
Less: capitalization		(42, 812)	
Subtotal		$ 142, 446	