Fong-Chien Construction Company Limited
Parent Company Only Financial Statements for the years ended December 31, 2023 and 2022 with Independent Auditors' Report
(Stock Symbol 5523)

Company Address : 25F.-1, No. 501, Sec. 2, Taiwan Blvd., West Dist.,
Taichung City 403 , Taiwan (R.O.C.)

Telephone Number: (04)2326-2593

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INDEPENDENT AUDITORS' REPORT

The Board of Directors and Shareholders
(2024) Ministry of Finance approved No. 23003427
Fong Chien Construction Company Limited

Opinion

We have audited accompanying parent company only financial statements of Fong Chien Construction Company Limited (hereinafter "the Company"), which comprise the parent company only balance sheets as of December 31, 2023 and 2022, and the parent company only statements of comprehensive income, changes in equity and cash flows for the years then ended, and notes to the only financial statements, including a summary of significant accounting policies.

In our opinion, according to our audit result and other auditors' report (Please refer to "Other Matter" paragraph.), the accompanying only financial statements present fairly, in all material respects, the accompanying parent company only financial position of the Company as of December 31, 2023 and 2022, and its parent company only financial performance and its parent company only 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 entrusted by the Company in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and the Standards on Auditing of the Republic of China. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the 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 ethical responsibilities in accordance with these requirements. According to our audit result and other auditors' report, 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 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.
Key audit matters for the Company's parent company only financial statements for the year ended December 31,2023 are as follows:

Cut-off of revenue from sales of buildings and land

Matters description

Refer to Note 4(22) to the consolidated financial statements for accounting policies regarding sales revenue. Refer to Note 6(16) to the consolidated financial statements for the explanation of accounting items. The revenue from sales of buildings and land of the Company for the year ended December 31, 2023 amounted to NT$3,326,986 thousand, accounting for 99.86% of operating revenue.

Revenue from sales of buildings and land in construction industry is recognized when the ownership of the real estate is transferred and the buildings are actually delivered. As the buildings and land are sold to numerous counterparties, sales revenue shall be recognized after checking the status of ownership transfer and property handover documents on a case-by-case basis, which involves many manual operating procedures and tends to result in inappropriateness of the time point to recognized revenue near the end the of the reporting period. Therefore, we list cut-off of revenue from sales of buildings and land as one of the most significant issues in our audit this year.

Responsive audit procedures

Relating to the certain aspects of critical matters stated above, responsive procedures we exercise aggregates and lists as follows:

1. Obtain an understanding and evaluate the internal control procedures about revenue recognition of sales of buildings and land adopted by the management, and test whether the processes at the point of time recognizing revenue from sales of buildings and land are implemented effectively, including verifying the date of the ownership transfers and the related property handover documents, to evaluate the correctness of the time point of bookkeeping.
2. Implement cut-off test to the transactions of sales of buildings and land during a certain period before and after the end of the reporting day, including verifying the date of ownership transfer indicated on the land registration transcript and the land ownership certificate and the date on agreement to hand over the building, and other supporting documents, to confirm revenue from sales of buildings and land has been recorded in the appropriate period.

Valuation of Inventory

Matters description

Refer to Note 4(10) to the parent company only financial statements for accounting policies regarding inventory; Refer to Note 5 for critical accounting estimates and assumptions regarding inventory valuation. Refer to Note 6(4) for the explanation of allowance to reduce

inventory to market. The inventory balance and allowance to reduce inventory to market of the Company are the amount of NT 3,339,437 thousand and 11,283 thousand on December 31, 2023, respectively.
Inventories of the Company are houses and lands, due to the effect of government policies and boom in real estate in recent years, the fluctuation of real estate prices is wider, The inventory valuation measurement of the Company is in accordance with the lower of cost and net realizable value, its net realizable value is often affected by market prices fluctuation and involved with the subjective judgment of management, therefore, we list inventory valuation as one of the most significance in our audit this year.
Responsive audit procedures
Relating to the certain aspects of critical matters stated above, responsive procedures we exercise aggregates and lists as follows:

1. Comprehend business operation and industrial features, and interview with management, evaluate the rationality of method and procedure inventory net realizable value the method and procedure adopt.
2. Obtain the end day of during reporting period of inventory assessment net realizable value statements, review appropriateness of using determined base of the inventory net realizable value, include acquisition of the closing price of recent sale cases or recent dealing information of nearby areas with similar assets in market, in turn assess the rationality of the amount of inventory net realizable value.

Other Matter– Reference to work of other auditors

The financial statements of the investees accounted for using equity method included in the consolidated financial statements of the Company were not audited by us, but by other auditors. Therefore, the amounts related to the financial statements of those companies in our opinions indicated in the aforementioned consolidated financial statements were based on other auditors' report. As of December 31, 2023, the investments in aforementioned companies accounted for using equity method amounted to NT$179,518 thousand, accounting for 3.72% of total assets. The comprehensive losses recognized for the aforementioned companies for the year ended December 31, 2023 amounted to NT$482 thousand, accounted for (0.08%) of total comprehensive income.

Responsibilities of Management and Those Charged with Governance for the Parent Company Only 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 for such internal control as management determines is necessary to enable the preparation of the parent company only financial statements that are free from material misstatement, whether due to the 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 concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance (including 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 Standards on Auditing of the Republic of China will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these parent company only financial statements.

As part of an audit in accordance with the Standards on Auditing of 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 entities or business activities within the Company to express an opinion on the parent company only financial statements. We are responsible for the direction, supervision and performance of the Company 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 parent company only 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.

The engagement partners on the audits resulting in this independent auditors' report are Wang, Yu-Juan and Hong, Shu Hua.

Financial Supervisory Commission
Reference Number of the Approval letter: No.
Financial-Supervisory-Securities-Auditing -1020028992
Former Securities Commission, Ministry of Finance
Reference Number of the Approval letter: No. (85)
Taiwan-Finance-Securities-VI-68701

PwC
Taipei, Taiwan
Republic of China
March 5, 2024

Fong Chien Construction Company Limited
PARENT COMPANY ONLY BALANCE SHEETS
December 31, 2023 and 2022

(In Thousands of New Taiwan Dollars)

	ASSETS	NOTES	December 31, 2023 Amount	%	December 31, 2022 Amount	%
	Current Assets					
1100	Cash and cash equivalents	6(1)	$ 857,568	18	$ 63,613	1
1136	Financial assets at amortized cost	6(2)	100,000	2	-	-
1150	Notes receivable, net	6(3)	123	-	225	-
1170	Accounts receivable, net	6(3)	23,310	-	9,075	-
1200	Other receivables	6(4) and 9(1)	263	-	45,579	1
1220	Current tax assets	6(21)	-	-	266	-
130X	Inventories	6(4), 7(2) and8	3,328,154	69	5,441,780	88
1470	Other current assets	6(5)	35,529	1	202,291	3
11XX	**Total current assets**		4,344,947	90	5,762,829	93
	Noncurrent assets					
1550	Investments accounted for using equity method	6(6)	313,604	7	258,543	4
1600	Property, plant and equipment	6(7) and 7(2)	41,373	1	42,887	1
1760	Investment property, net	6(9) and 8	108,966	2	109,499	2
1840	Deferred income tax assets	6(21)	14,081	-	-	-
1900	Other noncurrent assets		1,020	-	389	-
15XX	**Total noncurrent assets**		479,044	10	411,318	7
1XXX	**Total assets**		$ 4,823,991	100	$ 6,174,147	100

(Continued on next page)

Fong Chien Construction Company Limited
PARENT COMPANY ONLY BALANCE SHEETS
December 31, 2023 and 2022

(In Thousands of New Taiwan Dollars)

	LIABILITIES AND EQUITY	NOTE	December 31, 2023 Amount	%	December 31, 2022 Amount	%
	Current liabilities					
2100	Short-term loans	6(10) and 8	$ 556,800	11	$ 1,240,550	20
2130	Contract liabilities-current	6(16)	227,431	5	724,201	12
2150	Notes payable		1,136	-	545	-
2170	Accounts payable		55,047	1	315,697	5
2200	Other accounts payable	7(2)	32,449	1	33,296	1
2230	Current tax liabilities	6(21)	9,290	-	26,039	-
2320	Long-term liabilities-current portion	6(11)	4,177	-	4,076	-
2399	Other current liabilities-others		13,208	-	30,009	-
21XX	**Total current liabilities**		899,538	18	2,374,413	38
	Noncurrent liabilities					
2540	Long-term debt payable	6(11) and 8	757,696	16	978,885	16
2600	Other noncurrent liabilities		1,204	-	1,312	-
25XX	**Total noncurrent liabilities**		758,900	16	980,197	16
2XXX	**Total liabilities**		1,658,438	34	3,354,610	54
	Equity attributable to shareholders of the parent					
	Capital stock	6(13)				
3110	Capital common stock		1,550,015	32	1,550,015	25
	Capital surplus	6(14)				
3200	Capital surplus		5,226	-	5,226	-
	Retained earnings	6(15)				
3310	Appropriated as legal capital reserve		247,613	5	200,649	4
3350	Unappropriated earnings		1,362,699	29	1,063,647	17
3XXX	**Total equity**		3,165,553	66	2,819,537	46
	Significant contingent liabilities and not recognized contract commitment	9				
3X2X	**Total liabilities and equity**		$ 4,823,991	100	$ 6,174,147	100

The accompanying notes are an integral part of the parent company only financial statements.

Chairman: Yu Qi Yuan　　Manager: Rui Lin Liu　　Accounting supervisor: Qiong Fei Chen

Fong Chien Construction Company Limited
PARENT COMPANY ONLY STATEMENTS OF COMPREHENSIVE INCOME
December 31, 2023 and 2022

(In Thousands of New Taiwan Dollars)
(Except earnings per share)

	ITEM	NOTE	2023 Amount	2023 %	2022 Amount	2022 %
4000	Operating revenue	6(16) and 7 (2)	$ 3,331,795	100	$ 217,455	100
5000	Operating cost	6(4)(20)	(2,577,551)	(78)	(151,710)	(70)
5900	Gross profit		754,244	22	65,745	30
	Operating expenses	6(20) and 7 (2)				
6100	Selling expenses		(142,072)	(4)	(17,225)	(8)
6200	General and administrative		(33,334)	(1)	(29,134)	(13)
6000	Total operating expenses		(175,406)	(5)	(46,359)	(21)
6900	Operating income non-operating income and expenses		578,838	17	19,386	9
7100	Interest income	6(17)	5,174	-	4,972	2
7010	Other income	6(4)(18)	439	-	19,501	9
7050	Finance costs	6(19)	(10,408)	-	(18)	-
7070	Share of profits of subsidiaries and associates	6(6)	510	-	452,113	208
7000	Total non-operating income and expense		(4,285)	-	476,568	219
7900	**Income before income tax**		574,553	17	495,954	228
7950	Income tax benefits (expenses)	6(21)	3,965	-	(26,318)	(12)
8200	**Net income**		$ 578,518	17	$ 469,636	216
8500	**Total comprehensive income**		$ 578,518	17	$ 469,636	216
	Earnings per share	6(22)				
9750	Basis earnings per share		$	3.73	$	3.03
	Diluted earnings per share	6(22)				
9850	Diluted earnings per share		$	3.73	$	3.03

The accompanying notes are an integral part of the parent company only financial statements.

Chairman: Yu Qi Yuan　　Manager: Rui Lin Liu　　Accounting supervisor: Qiong Fei Chen

Fong Chien Construction Company Limited
PARENT COMPANY ONLY STATEMENTS OF CHANGES IN EQUITY
December 31, 2023 and 2022

(In Thousands of New Taiwan Dollars)

	NOTE	CAPITAL COMMON STOCK	CAPITAL SURPLUS	RETAINED EARNINGS LEGAL CAPITAL RESERVE	RETAINED EARNINGS UNAPPROPRIATED EARNINGS	TOTAL EQUITY
2022						
Balance, January 1, 2022		$ 1,550,015	$ 5,226	$ 109,005	$ 964,658	$ 2,628,904
Net income		-	-	-	469,636	469,636
Total comprehensive income		-	-	-	469,636	469,636
Appropriation and distribution of earnings, 2021	6(15)					
Legal capital reserve		-	-	91,644	(91,644)	-
Cash dividends to shareholders		-	-	-	(279,003)	(279,003)
Balance, December 31, 2022		$ 1,550,015	$ 5,226	$ 200,649	$ 1,063,647	$ 2,819,537
2023						
Balance, January 1, 2023		$ 1,550,015	$ 5,226	$ 200,649	$ 1,063,647	$ 2,819,537
Net income		-	-	-	578,518	578,518
Total comprehensive income		-	-	-	578,518	578,518
Appropriation and distribution of earnings, 2022	6(15)					
Legal capital reserve		-	-	46,964	(46,964)	-
Cash dividends to shareholders		-	-	-	(232,502)	(232,502)
Balance, December 12, 2023		$ 1,550,015	$ 5,226	$ 247,613	$ 1,362,699	$ 3,165,553

The accompanying notes are an integral part of the parent company only financial statements.

Chairman: Yu Qi Yuan | Manager: Rui Lin Liu | Accounting supervisor: Qiong Fei Chen

Fong Chien Construction Company Limited
PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS
December 31, 2023 and 2022

(In Thousands of New Taiwan Dollars)

	NOTE	2023	2022
Cash flows from operating activities			
Income before income tax		$ 574,553	$ 495,954
Adjustments for			
Adjustments for reconcile profit (loss)			
Depreciation expense	6(7)(9)(20)	2,234	917
Interest expense	6(19)	10,408	18
Interest income	6(17)	(5,174)	(4,972)
Share of profits of subsidiaries	6(6)	(510)	(452,113)
Accrued expenses transfer to other income	6(18)	-	(595)
Changes in operating assets and liabilities			
Changes in operating assets			
Notes receivable		102	1,201
Accounts receivable		(14,235)	9,929
Other receivables		41,580	(17,896)
Inventories		2,145,492	(1,972,444)
Actual payments of capitalized interests		(31,866)	(36,745)
Other current assets		168,418	(66,756)
Changes in operating liabilities			
Contract liabilities-current		(496,770)	297,165
Notes payable		591	50
Accounts payable		(260,650)	229,368
Other payables		263	(20,460)
Other accounts payables-related parties		(41)	72
Other current liabilities		(16,801)	22,517
Cash generated from (used in) operations		2,117,594	(1,514,790)
Interest received		8,910	1,065
Interest paid		(11,477)	(18)
Income taxes paid		(26,598)	(294)
Net cash generated by (used in) operating activities		2,088,429	(1,514,037)

(Continued on the next page)

Fong Chien Construction Company Limited
PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS
December 31, 2023 and 2022

(In Thousands of New Taiwan Dollars)

	NOTE	2023	2022
Cash flows from investing activities			
Investments accounted for using equity method		($ 180,000)	$ -
Decrease (increase) in financial assets from amortized cost	6(2)	(100,000)	150,000
Acquisition of property, plant and equipment	6(7) and 7(2)	(187)	(42,749)
Increase in guaranteed deposits paid		(2,647)	(35,062)
Decrease in guaranteed deposits paid		359	35,000
Refund of capital decrease from subsidiaries		-	224,715
Cash dividends paid by subsidiaries		124,451	382,713
Refund of paid-up capital due to subsidiaries’ liquidation		998	-
Net cash generated by (used in) investing activities		157,026)	714,617
Cash flows from financing activities		(	
Increase in short-term loans	6(23)	147,220	294,850
Decrease in short-term loans	6(23)	1,387,770)	-
Proceeds from long-term loans	6(23)	(339,800	635,300
Repayment in long-term loans	6(23)	4,088)	(287,638
Increase (decrease) in guaranteed deposits received	6(23)	(108)	108)
Distribution of cash dividends	6(15)(23)	(232,502)	(279,003
Net cash generated by (used in) financing activities		(1,137,448)	363,617)
Increase (decrease) in cash and cash equivalents		793,955	(435,803)
Cash and cash equivalents, beginning of year		63,613	499,416
Cash and cash equivalents, end of year		$ 857,568	$ 63,613

The accompanying notes are an integral part of the parent company only financial statements.

Chairman: Yu Qi Yuan Manager: Rui Lin Liu Accounting supervisor: Qiong Fei Chen

Fong-Chien Construction Co.,LTD.
NOTES TO THE PARENT COMPANY ONLY FINANCIAL STATEMENTS FOR THE YEARS ENDED DECEMBER 31, 2023 and 2022
(Expressed in Thousands of New Taiwan Dollars, Unless Specified otherwise)

(1) Company history and business scope

Fong-Chien Construction Co.,LTD. (the "Company") was named Hong Dou Construction Company Limited originally. The company was changed to Fong-Chien Construction Co.,LTD. by the resolution of shareholders meeting in June 2014. The Company is primarily engaged in mandating construction enterprises to build public housing, leases and sales of commercial buildings, trading, import and export of building materials. The stocks of Company were traded in Taipei Exchange since December 27, 1999. Additionally, the subsidiary, Hung Yeu Construction Co., Ltd., is primarily engage in comprehensive construction, trading of properties, developments and leases of residences and buildings etc.

(2) Approval date and procedures of the parent company only financial statements.

The parent company only financial statements for the years ended December 31, 2023 and 2022 of the Company were authorized for issue by the Board of Directors on March 5, 2024.

(3) New standards, amendments and interpretations adopted

1) The accounting standards, including standards or interpretations issued by International Accounting Standards Board and endorsed by the Financial Supervisory Commission (the "FSC") which have been adopted by the Company as of the date of authorization for issue

The following summarizes accounting standards, including new, revised, and amended standards and interpretations, which have been endorsed by the FSC, effective for annual period beginning on January 1, 2023:

New, Revised, or Amended Standards or Interpretations	Effective date per IASB
Amendments to IAS 1 "Disclosure of Accounting Policies"	January 1, 2023
Amendments to IAS 8 "Definition of Accounting Estimates"	January 1, 2023
Amendments to IAS 12 "Deferred Tax related to Assets and Liabilities arising from a Single Transaction"	January 1, 2023
Amendments to IAS 12 "International Tax Reform — Pillar Two Model Rules"	May 23, 2023

The Company assessed that the aforementioned standards and interpretations would not have a significant impact on its financial position and financial performance.

2) The accounting standards, including standards or interpretations issued by International Accounting Standards Board and endorsed by the FSC which have not yet been adopted by the Company as of the date of authorization for issue

The following summarizes accounting standards, including new, revised, and amended standards and interpretations, which have been endorsed by the FSC, effective for annual period beginning on January 1, 2024:

New, Revised, or Amended Standards or Interpretations	Effective date per IASB
Amendments to IFRS 16 "Lease Liability in Sale and Leaseback"	January 1, 2024
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 IAS 7 and IFRS 7 "Supplier Finance Arrangements"	January 1, 2024

The Company assessed that the aforementioned standards and interpretations would not have a significant impact on its financial position and financial performance.

3) The impact of IFRSs accounting standards issued by IASB but not yet endorsed by the FSC

The following summarizes the IFRSs accounting standards issued by IASB but not yet endorsed by the FSC:

New, Revised, or Amended Standards or Interpretations	Effective date per IASB
Amendments to IFRS 10 and IAS 28 "Sale or Contribution of Assets between an Investor and its Associate or Joint Venture"	To be determined by IASB
IFRS 17 "Insurance Contract"	January 1, 2023
Amendments to IFRS 17 "Insurance Contract"	January 1, 2023
Amendments 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 assessed that the aforementioned standards and interpretations would not have a significant impact on its financial position and financial performance.

(4) Summary of significant accounting policies

The primary accounting policies adopted by the parent company only financial statements are explained below. Except as otherwise explained, the policies are consistently applicable in all reporting periods.

1) Statement of compliance

The accompanying parent company only financial statements have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, and the International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations (the "IFRSs) endorsed and issued into effect by the FSC.

2) Basis of preparation

1. The accompanying parent company only financial statements have been prepared on the historical cost basis.
2. Preparing the parent company only financial statements in accordance with IFRSs endorsed by the FSC takes some significant accounting estimates. And in the process of applying the Company's accounting policies involves the managements' judgments. Please refer to Note 5 for the items involving high judgment or complexity or items involving significant assumptions and estimates in the parent company only financial statements.

3) Classification of non-current and current assets and liabilities

1. An asset is classified as current under one of the conditions below:
   (a) The Company expects to realize the asset, or intends to sell or consume it, in its normal operating cycle;
   (b) The Company holds the asset primarily for the purpose of trading;
   (c) The Company expects to realize the asset within twelve months after reporting period;
   (d) The asset is cash or cash equivalent unless the asset is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

   Except the circumstances of 3)3., for those assets that are not current are classified as non-current.
2. A liability is classified as current under one of the conditions below:
   (a) The Company expects to settle the liability in normal operating cycle;
   (b) The Company holds the liability primarily for the purpose of trading;
   (c) The liability is due to be settled within twelve months after the reporting period;
   (d) The Company does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting 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.

   Except the circumstances of 3)3., for those liabilities that are not current are classified as non-current.
3. As the operating cycles of construction and sales of housing are usually longer than 1 year, the assets and liabilities related to construction and long-term construction contracts shall be classified as current or non-current based on operating cycles (usually 3 years). Other assets and liabilities shall be classified by the criteria of 1 year.

4) Cash equivalents

Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash and with maturity dates that do not present significant risks of changes in value. If time deposits conform to the conditions as mentioned above, and the Company holds them for the purpose of short-term cash commitment in operation, they are classified as cash equivalents.

5) Financial assets at amortized cost

1. A financial asset is measured at amortized cost if both of the following conditions are met:
   (a) The objective of the business model for managing the asset is to hold assets in order to collect contractual cash flows.
   (b) The asset's contractual terms of the financial asset give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding
2. A regular way purchase or sale of financial assets at amortized cost Is recognized using trade date accounting.
3. The amount at which the financial assets is measured at initial recognition is the fair value plus transaction costs, and shall be subsequently measured by effective interest method to amortize any difference between that initial amount and the maturity amount as interest revenue, and impairment losses shall be recognized. At derecognition, the profit or loss is recognized in profit or loss.
4. As the holding periods of the time deposits held by the Company that do not conform to the conditions of cash equivalents are short, the effect of discounting is immaterial. They shall be measured by the investment amounts

6) Accounts and notes receivables

1. Accounts and notes receivables are the accounts and notes with the unconditional right to receive the consideration for the goods transferred or services rendered according to the contracts.

2. As the effect of discounting of short-term accounts and notes receivables without bearing interests is immaterial, they shall be measured by the original invoice amount.

7) Impairment of financial assets

At each balance sheet date, the Company shall assess whether the credit risk on financial assets at amortized cost has increased significantly since initial recognition. The Company shall consider all the reasonable and provable information, including foreseeing information. If the credit risk on a financial instrument has not increased significantly since initial recognition, the Company shall measure the loss allowance for that instrument at an amount equal to 12-month expected credit losses. If the credit risk on a financial instrument has increased significantly since initial recognition, the Company shall measure the loss allowance for that instrument at an amount equal to lifetime expected credit losses. For those accounts receivables or contract assets not containing significant financing component, the Company shall measure the loss allowance at an amount equal to lifetime expected credit losses.

8) Derecognition of financial assets

The Company shall derecognize the financial assets when the contractual rights to the cash flows from the financial assets expire

9) Lease of lessor－operating lease

The Company shall recognize the lease income associated with those leases less any incentives offered to the lessees as profit or loss on a straight-line basis over the lease term.

10) Inventories

Inventories are initially recognized by acquisition cost. Costs are carried over by construction site, and allocated by the ratio of floor space if the inventory is a building, by land ownership portion if the inventory is a land for construction. Inventories in the end of the period are measured at the lower of cost and net realizable value item by item. Net realizable value is the estimated selling price in the ordinary course of business less the estimated cost of completion and the estimated cost necessary to make the sale.

11) Investments accounted for using equity method/subsidiaries and associates

1. Subsidiaries are all entities (including structured entities) controlled by the Company. The Company controls an entity when the Company is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.
2. Unrealized profit or losses on transactions with subsidiaries have been eliminated. Appropriate adjustments of accounting policies of the subsidiaries have been made to be uniform with the accounting policies of the Company.
3. Share of profit or loss of subsidiaries is recognized in profit or loss, and share of other comprehensive income of subsidiaries is recognized in other comprehensive income. If the Company's share of losses of a subsidiary equals or exceeds its interest in the subsidiary, the Company continues recognizing its share of further losses.
4. An associate is an entity over which the Company has significant influence, but does not control. Generally, the Company directly or indirectly holds over 20% of ownership with voting rights of associates' shares. Investments in associates shall be accounted for by equity method, and recognized by cost at acquisition.
5. An investment in an associate is adjusted thereafter to recognize the Company's share of profit or loss and other comprehensive income of the associate in profit or loss and other comprehensive income accordingly. If the Company's share of losses of an associate equal or exceed its interest in the associate (including any other receivables without guarantees), the Company discontinues recognizing its share of further losses. After the Company's interest is reduced to zero, additional losses are provided for, and a liability is recognized, only to the extent that the Company has incurred legal or constructive obligations or made payments on behalf of the associate.

6. If the changes in equity of associates not due to profit or loss and other comprehensive income, and the changes have no influence to the Company's percentage of ownership to the associates, the Company shall recognize the relevant changes in equity by percentage of ownership into "capital surplus."
7. The Company's share of unrealized profits or losses arising from transactions between the Company and associates are eliminated. Unless transactions provide evidence of an impairment loss of the assets transferred, the unrealized losses shall be eliminated as well. Appropriate adjustments of accounting policies of the associates have been made to be uniform with the accounting policies of the Company.
8. When the Company disposes an associate, if the Company losses significant influence of the associate, the amount previously recognized in other comprehensive income which relates to the associate, the accounting treatment shall be the same as disposal of the related assets and liabilities. That is, if a gain or loss previously recognized in other comprehensive income by the Company would be reclassified to profit or loss on the disposal of the related assets or liabilities, the Company reclassifies the gain or loss to profit or loss. If the Company still has significant influence over the associate, the Company shall only reclassify to profit or loss the proportion of the gain or loss that had previously been recognized in other comprehensive income relating to that reduction in ownership interest.
9. According to "Regulations Governing the Preparation of Financial Reports by Securities Issuers," the profit or loss during the period and other comprehensive income presented in parent company only financial reports shall be the same as the allocations of profit or loss during the period and of other comprehensive income attributable to owners of the parent presented in the financial reports prepared on a parent company only basis, and the owners' equity presented in the parent company only financial reports shall be the same as the equity attributable to owners of the parent presented in the financial reports prepared on a parent company only basis.

12) Property, plant and equipment

1. Property, plant and equipment are initially recognized by acquisition cost. The relevant borrowing cost during the period of construction shall be capitalized.
2. Subsequent costs shall be recognized in the carrying value of the assets or as an individual asset, only if it's probable that future economic benefits associated with the item are expected to flow to the Company, and the costs can be measured reliably. The carrying value of the replaced items shall be derecognized. Other fix and maintenance cost are recognized in profit or loss.
3. Property, plant and equipment are subsequently measured by cost model. Aside from land, which shall not be depreciated, straight-line method is used to allocate the depreciable amount of an asset over its useful life. Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item shall be depreciated separately.
4. The residual value and the useful life of an asset shall be reviewed at each financial year-end, and if expectations differ from previous estimate, or there's significant change in the consuming way of future economic benefits associated with the asset, the changes shall be accounted for as a change in an accounting estimate in accordance with IAS 8 "Accounting Policies, Changes in Accounting Estimates and Errors" since the date of the changes. The useful lives of each asset are listed below: Buildings and structures 20～55 years, auxiliary equipment 10 years, and other equipment3～5 years.

13) Investment properties

An investment property is measured initially at cost, and subsequently measured by cost model. Except for land, other investment properties shall be depreciated by straight-line method over their useful life of 50～55 years.

14) Impairment of non-financial assets

The Company shall assess at the balance sheet date whether there is any indication that an asset may be impaired. If any indication is present, the Company shall assess the recoverable amount of the asset. If the recoverable amount of the asset is less than its carrying amount, impairment loss shall be recognized. Recoverable amount is the higher of the cash-generating unit's net fair value and its value in use. If the circumstances or reasons for recognizing impairment loss for an asset in prior years no longer exist or diminish, the impairment loss shall be reversed. The increased carrying amount of an asset attributable to a reversal of an impairment loss shall not exceed the carrying amount that would have been determined (net of amortization or depreciation) had no impairment loss ben recognized for the asset in prior years.

15) Borrowings

Borrowings comprise long-term and short-term bank borrowings. Borrowings are recognized initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortized cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognized in profit or loss over the period of the borrowing using the effective interest method.

16) Accounts and notes payables

1. Accounts and notes payables are liabilities to pay for goods or services that have been received from the supplier in operations or not in operations.
2. As the effect of discounting of short-term accounts and notes payables without bearing interests is immaterial, they shall be measured by the original invoice amount.

17) Derecognition of financial liabilities

The Company shall derecognize a financial liability from its statement of financial position when the obligation specified in the contract is discharged or cancelled or expires.

18) Employee benefits

1. Short-term employee benefits
Short-term employee benefits are measured by the undiscounted amount expected to be paid, and recognized as an expense when the employees have rendered service entitling them to the contribution.
2. Pension
For defined contribution plans, the contributions shall be recognized as pension expenses when they are due on the accrual basis. Prepaid contributions shall be recognized that excess as an asset to the extent that the prepayment will lead to a cash refund or a reduction in the future payments.
3. Employees' and directors' remuneration
Employees' and supervisors' remuneration are recognized as expenses and liabilities 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 subsequently actual distributed amounts is accounted for as changes in estimates. If the employee's remuneration is paid by stock, the basis for calculating the number of shares is the closing price before the date of board of directors' resolution.

19) Income tax

1. The income tax expense for the period comprises current and deferred income tax. Tax is recognized in profit or loss, except to the extent that it relates to the items recognized in other comprehensive income or items recognized directly in equity, in which cases the tax is recognized in other comprehensive income or equity.
2. The current income tax expense is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the countries where the entities operate and generate taxable income. Management shall periodically evaluate the tax declaration condition, and estimate the income tax liabilities based on the tax expected to be paid to the taxation authority when applicable. An additional tax on unappropriated earnings is recognized as income tax expenses on unappropriated earnings in the year the shareholders' meeting approves the distribution of earnings based on the actual distribution.
3. Deferred income tax shall be recognized for the temporary differences between the tax bases of assets and liabilities and their carrying amounts in the financial statements, except to the extent that the deferred tax liabilities arise from the initial recognition of an asset or liability in a transaction which is not a business combination, and at the time of the transaction, affects neither accounting profit nor taxable profit (tax loss) ,and does not give rise to equal taxable and

deductible temporary differences. The Company shall not recognize the deferred tax liabilities for temporary differences associated with investments in subsidiaries, if the Company is able to control the timing of the reversal of the temporary differences and it is probable that the temporary differences will not reverse in the foreseeable future. Deferred income tax is measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

4. Deferred tax assets shall be reassessed at each reporting date and recognized to the extent that it has become probable that future taxable profit will allow the deferred tax assets to be recovered.

20) Share capital

Ordinary shares are classified in equity. The incremental costs directly attributable to issuance of new stock or stock options are recognized as the debit elements of the capital in equity.

21) Dividend distribution

The cash dividends to be paid to shareholders shall be recognized as liabilities in the financial statements when the board of directors makes the resolution. The stock dividends shall be recognized as stock dividends to be distributed in the financial statements when the shareholders' meeting makes the resolution, and shall be transferred to ordinary shares at the base date of the new shares.

22) Revenue recognition

1. Sales of properties
   (a) The Company is primarily engaging in the construction and sales of properties. The Company shall recognize revenue when the customer obtains control of that asset. For the contracts of selling houses signed, based on the restriction of the terms of the contracts, the properties cannot be used for other purposes to the Company. And the Company does not have the enforceable rights, until the legal ownership of the properties has transferred to customers. Therefore, revenue is recognized when the legal ownership has transferred to the customers and the Company has acquired the housing confirmation letter at the time the properties are conveyed.
   (b) The contracts of pre-sale houses include the terms of down payments, and the periods from receiving the down payments and the transfers of the control of goods are longer than 1 year. If the Company assesses that individual pre-sale house contract contains significant financial component, the committed consideration shall be adjusted and interest expenses shall be recognized. In addition, the Company shall consider the materiality of the financial component by the contract level, not consider whether the financing is material by the portfolio level. The contract liabilities shall be recognized as revenue when the properties are completed and the control has transferred to customers.
2. Development and resale of land

   Revenue is measured by the amount agreed by contracts. The customers shall pay for the contract consideration when the legal ownership of the properties transferred. Under rare circumstances, the Company negotiates with customers to delay the payment, but the delays do not exceed 12 month. As the Company determines that the contracts are without significant financial components, the amounts of considerations are not adjusted.
3. Costs of obtaining contracts with customers

   The incremental costs of obtaining a contract (primarily sales commission) shall be recognized as an asset (recognized as other current assets) when incurred if the Company expects to recover those costs, and shall be amortized systematically by the same basis as the goods or services provided related to the assets. If the consideration expected to be received less the costs not recognized as expenses is lower than the carrying amount of the asset subsequently, the difference shall be recognized as impairment loss.
4. Rental income

   Rentals are recognized as revenue and amortized by straight-line method over the lease period.

(5) Major sources of uncertainty arising from significant accounting judgments, estimates, and assumptions

When preparing the Company's parent company only financial statements, the management has made judgments to determine the account policies adopted, and make accounting estimates and assumptions based on the reasonable exceptions for future events based on the condition at the balance sheets date. However, these estimates and assumptions could differ from the actual result; thus, they could be assessed and adjusted by taking into account historical experiences and other factors. The estimates and assumptions could result in risks that require a material adjustment to the carrying amount of assets and liabilities in the next fiscal year. The uncertainty of significant accounting judgments, estimates and assumptions is as follows:

Significant accounting estimates and assumptions

As inventories are measured by the lower of cost and net realizable value, the Company has to utilize judgment and estimates to determine the net realizable value of inventories at the balance sheet date.

As of December 31, 2023, the carrying amount of inventories amounted to NT$3,328,154 thousand.

(6) Explanation of significant accounts

1) Cash and cash equivalents

	December 31, 2023	December 31, 2022
Cash on hand	$ 30	$ 30
Checking and demand deposits	457,538	63,583
Time deposits	400,000	-
	$ 857,568	$ 63,613

1. As the correspondent banks are credible and the Company has several correspondent banks to diversify the credit risk, the probability of default is expected to be very low.
2. The Company classified the time deposits with original maturity over 3 months and not for the purpose of short-term cash commitment, and cash and cash equivalents with restricted purposes as "financial assets at amortized cost." As of December 31, 2023 and 2022, the item amounted to NT$100,000 thousand and NT$0 thousand, respectively.
3. The cash and cash equivalents were not pledged as collateral.

2) Financial assets at amortized cost

Item	December 31, 2023	December 31, 2022
Current items:		
Time deposits with original maturity over 3 months	$ 100,000	$ -

1. The profit or loss arising from financial assets at amortized cost recognized is as follows:

	2023	2022
Interest revenue		
Interest revenue from Time deposits with original maturity over 3 months	$ 543	$ 312

2. Without consider the collaterals held and other credit enhancement, as of December 31, 2023 and 2022, the most representative credit risk exposure amounts of financial assets at amortized cost are the disclosed amount of financial assets at amortized cost at each period.
3. Please refer to Note 12.2 for the credit risk related to financial assets at amortized cost.

3) Notes and accounts receivables

	December 31, 2023	December 31, 2022

	December 31, 2023	December 31, 2022
Notes receivables	$ 123	$ 225
Accounts receivables	$ 23,310	$ 9,075

1. The aging analysis of notes and accounts receivables is as follows:

	December 31, 2023		December 31, 2022	
	Accounts receivables	Notes receivables	Accounts receivables	Notes receivables
Undue	$ 23,310	$ 123	$ 9,075	$ 225

   The aging analysis is based on the days of overdue.
2. As of December 31, 2023 and 2022 the balances of accounts receivables are arising from contracts with customers. And as of January 1, 2022, the balance of accounts receivables amounted to NT$20,430 thousand.
3. The notes and accounts receivables were not pledged as collateral.
4. Without consider the collaterals held and other credit enhancement, as of December 31, 2023 and 2022, the most representative credit risk exposure amounts of financial assets at amortized cost are the disclosed amount of notes and accounts receivables at each period.
5. Please refer to Note 12.2 for the credit risk related to notes and accounts receivables.

4) Inventories

	December 31, 2023		
	Cost	Allowance for price decline	Carrying amount
Buildings and land held for sale	$ 471,859	($ 6,950)	$ 464,909
Land under construction	2,212,772	-	2,212,772
Construction work in process	71,147	-	71,147
Land for building	583,659	(4,333)	579,326
Total	$ 3,339,437	($ 11,283)	$ 3,328,154

	December 31, 2022		
	Cost	Allowance for price decline	Carrying amount
Buildings and land held for sale	$ 117,855	($ 1,559)	$ 116,296
Land under construction	3,260,560	-	3,260,560
Construction work in process	1,486,211	-	1,486,211
Land for building	583,046	(4,333)	578,713
Total	$ 5,447,672	($ 5,892)	$ 5,441,780

1. The inventory costs recognized as expenses or losses in current period:

	2023	2022
Costs of buildings and land sold	$ 2,571,627	$ 151,177

Inventory valuation losses	5,391	-
	$ 2,577,018	$ 151,177

2. Buildings and land held for sale are as follows:

Name of buildings and land	December 31, 2023	December 31, 2022
Taichung City (Senlifang)	$ 359,408	$ -
Taichung City (Mizhidi)	37,511	37,511
Taoyuan City(Jingyinghui)	30,545	35,949
Chiayi City(Chongwentianxia)	29,900	29,900
Houjhuang Section, Duanzhu Section, Tongxing Section	13,500	13,500
Taichung City (Shidaijingying)	995	995
	$ 471,859	$ 117,855

3. Land under construction is as follows:

Name of construction site	December 31, 2023	December 31, 2022
Aixing section , Zhubei City (VITA)	$ -	$ 720,914
Pingtian section, Taichung City (Senlifang)	-	494,729
Zhenfu section, Taichung City	709,671	709,671
Dingqiaozitou section, Taichung City (Chien 18)	716,043	718,442
Renping section, Taichung City	787,058	616,804
	$ 2,212,772	$ 3,260,560

4. Construction work in process is as follows:

Name of construction site	December 31, 2023	December 31, 2022
Aixing section , Zhubei City (VITA)	$ -	$ 943,254
Pingtian section, Taichung City (Senlifang)	-	511,013
Zhenfu section, Taichung City	30,274	20,195
Dingqiaozitou section, Taichung City (Chien 18)	33,139	8,697
Renping section, Taichung City	7,734	3,052
	$ 71,147	$ 1,486,211

5. Land held for construction is as follows:

Name of construction site	December 31, 2023	December 31, 2022
Neiweng Section	$ 547,259	$ 546,658
Pingxin Section	24,797	24,785
Renyitan hotel	11,603	11,603
	$ 583,659	$ 583,046

6. Please refer to Note 6.19 for the capitalized amount of the interests of inventories for the years ended December 31, 2023 and 2022. The interest rate intervals used for calculating the capitalization of interests are 2.29%~2.62% and 1.76%~2.28%.
7. Please refer to Note 8 for the inventories pledged as collaterals.
8. The Company has signed of the sale and purchase of land with the seller of the land of No. 46 on Zhenfu section, Taichung City on July 31, 2020. As the seller applied seal change with the land office on September 10, 2020, the Company was unable to proceed with the registration process of transferring the ownership. In addition, as the seller's second son applied a ruling that orders an injunction to Taiwan Taichung District Court and the registration of restriction was issued, the Company was unable to implement the transfer of ownership. Therefore, the Company filed a complaint based on the contract to request the seller to repay the first installment of down payment, and the second installment of official seal payment, with total amount NT$23,540 thousand (recognized as other receivables) and liquidated damages, etc. Taiwan Taichung District Court has completed the civil judgment on June 30, 2022, the result is that the seller has to repay the Company NT$23,540 thousand of considerations, NT$17,662 thousand of liquidated damages, NT$370 thousand of court costs, and NT$3,971 thousand of legal interests accrued until December 31, 2022. The total amount is NT$45,453 thousand (recognized as other receivables). The Company has applied to the court to distraint the land of No. 46 on Zhenfu section, Taichung City on July 11, 2022, and the proceeds from the distraint of NT$46,272 thousand (including the legal interests accrued from January 1 to March 9, 2023 of NT$393 thousand and the expense of execution of NT$336 thousand) has been distributed by the letter from the court on April 6, 2023. They payment has been collected in full on May 10, 2023.

5) Other current assets

	December 31, 2023	December 31, 2022
Current incremental costs of obtaining contracts	$ 26,807	$ 150,550
Taxes overpaid retained for offsetting the future tax payables	5,175	47,354
Prepayments	277	3,150
Other current assets-others	3,270	1,237
	$ 35,529	$ 202,291

6) Investments accounted for using equity method

	2023	2022
January 1	$ 258,543	$ 413,858
Additions in investment accounted for using equity method	180,000	-
Share of profit or loss of investments accounted for using equity method	510	452,113
Capital reduction for share capital refund from investments accounted for using equity method	-	(224,715)
Earnings distributions from investments accounted for using equity method	(124,451)	(382,713)
Refund of paid-up capital from liquidation of investments accounted for using equity method	(998)	-
December 31	$ 313,604	$ 258,543

	December 31, 2023	December 31, 2022
Subsidiaries:		
Hung Yeu Construction Co., Ltd.	$ 134,086	$ 133,094
Hungtu Alishan International Development Co., Ltd.	-	125,449
Associates:		
Fong Suei Construction Co., Ltd.	179,518	-
	$ 313,604	$ 258,543

1. Subsidiaries and associates
   The basic information on significant subsidiaries is as follows:

Company name	Main operating location	Percentage of ownership December 31, 2023	Percentage of ownership December 31, 2022	Relationship	Measurement
Hung Yeu Construction Co., Ltd.	Taiwan	92.83%	92.83%	Subsidiary	Equity method
Hungtu Alishan International Development Co., Ltd.	Taiwan	-%	99.87%	Subsidiary	Equity method
Fong Suei Construction Co., Ltd.	Taiwan	30.00%	-%	Associate	Equity method

(a) As Hungtu Alishan has no loner substantively operated, the dissolution and liquidation have been resolved by the shareholders meeting on April 27, 2022. The completion of liquidation has been approved by Chiayi District Court on May 5, 2023.

(b) The Company resolved by the board of directors on March 15, 2023 to participate in the “Urban Renewal Project in the Renewal Area in Southern Side of Chien Kung Senior High School, Hsinchu City” by business alliance with DaMei Investment Co., Ltd. and jointly establish “Fong Suei Construction Co., Ltd.” The Company invested NT$180,000 thousand, and acquired 30% of ownership. As the Company has significant influence over the investee, it is recognized as investments accounted for using equity method.

2. The profit or loss of long-term equity investments accounted for using equity method for the years ended December 31, 2023 and 2022 was recognized based on the audited and attested financial statements of each investee in the same period. The profit (loss) of long-term equity investments accounted for using equity method is as follows:

	2023		2022	
Hung Yeu Construction Co., Ltd.	$	992	($	566)
Hungtu Alishan International Development Co., Ltd.		-		452,679
Fong Suei Construction Co., Ltd.	(	482)		-
	$	510	$	452,113

3. The aforementioned long-term equity investments with percentage of ownership over 50% were included in the parent company only entities in the consolidated financial statements for the years ended December 31, 2023 and 2022.

7) Property, plant and equipment

	January 1, 2023		Additions		Deductions		December 31, 2023	
Cost								
Land	$	17,738	$	-	$	-	$	17,738
Buildings and structures		16,894		-		-		16,894
Auxiliary equipment		8,117		-		-		8,117
Other equipment		3,005		187		-		3,192
	$	45,754	$	187	$	-	$	45,941
Accumulated depreciation								
Buildings and structures	($	6)	($	804)	$	-	($	810)
Auxiliary equipment	(	6)	(	738)		-	(	744)
Other equipment	(	2,855)	(	159)		-	(	3,014)
	($	2,867)	($	1,701)	$	-	($	4,568)
	$	42,887					$	41,373

	January 1, 2022		Additions		Deductions		December 31, 2022	
Cost								
Land	$	-	$	17,738	$	-	$	17,738
Buildings and structures		-		16,894		-		16,894
Auxiliary equipment		-		8,117		-		8,117
Other equipment		4,034		-	(	1,029)		3,005
	$	4,034	$	42,749	($	1,029)	$	45,754
Accumulated depreciation								
Buildings and structures	$	-	$	-	$	-	$	-
Buildings and structures	$	-	($	6)	$	-	($	6)
Auxiliary equipment		-	(	6)		-	(	6)
Other equipment	(	3,512)	(	372)		1,029	(	2,855)
	($	3,512)	($	384)	$	1,029	($	2,867)
	$	522					$	42,887

8) Lease transactions－lessor

1. The underlying assets of the lease transactions that the Company involves are land. The duration of lease term is usually 1 to 6 years. The lease contracts are negotiated individually and applicable to different terms and conditions. In order to guarantee the condition of the leased assets, the Company usually requests the lessees not to use the

lease assets as collaterals, or to provide guarantees for residual values.

2. The rental income (recognized as operating revenue-rental income of buildings) from operating leases for the years ended December 31, 2023 and 2022 amounted to NT$4,809 thousand and NT$4,286 thousand, respectively. There is no variable lease payment.
3. The maturity analysis of the lease payments of operating lease is as follows:

	December 31, 2023	December 31, 2022
1 year	$ 3,407	$ 4,767
1~5 years	62	3,291
Total	$ 3,469	$ 8,058

9) Investment properties

	January 1, 2023	Additions	Deductions	December 31, 2023
Cost				
Land	$ 92,700	$ -	$ -	$ 92,700
Buildings and structures	27,713	-	-	27,713
	$ 120,413	$ -	$ -	$ 120,413
Accumulated depreciation				
Buildings and structures	($ 10,914)	($ 533)	$ -	($ 11,447)
	($ 10,914)	($ 533)	$ -	($ 11,447)
	$ 109,499			$ 108,966

	January 1, 2022	Additions	Deductions	December 31, 2022
Cost				
Land	$ 92,700	$ -	$ -	$ 92,700
Buildings and structures	7,713	-	-	27,713
	$ 120,413	$ -	$ -	$ 120,413
Accumulated depreciation				
Buildings and structures	($ 10,381)	($ 533)	$ -	($ 10,914)
	($ 10,381)	($ 533)	$ -	($ 10,914)
	$ 110,032			$ 109,499

1. The rental income and direct operating expenses of investment properties are as follows:

	2023	2022
Rental income from investment properties	$ 4,129	$ 4,121
Direct operating expenses incurred by the investment properties with current rental income	$ 656	$ 766

2. The fair value of the investment properties amounted to NT$126,870 thousand and NT$124,652 thousand for the years ended December 31, 2023 and 2022, respectively. The fair value is in the scope of level 3 of fair value hierarchy, which is the not valuated by an independent appraiser. The fair value is evaluated by the management using the valuation model often used by market participants, by discounting future cash flows of rental income. The significant unobservable inputs include the discount rate.
3. Please refer to Note 8 for the information on investment properties pledged as

collaterals.

10) Short-term borrowings

Types of borrowing	Loan period and repayment	Interest rate	Collateral	December 31, 2023
Bank loan				
Secured loans	June 9, 2022~ June 9, 2027 Interests shall be paid monthly, and the principal shall be repaid at maturity.	2.300%	Inventories－land under construction	$ 435,000
Unsecured loans	November 14, 2022~ June 9, 2027 Interests shall be paid monthly, and the principal shall be repaid at maturity.	2.550%	None	28,000
Secured loans	January 18, 2023~ June 9, 2027 Interests shall be paid monthly, and the principal shall be repaid at maturity.	2.400%	Inventories－land under construction	93,800
				$ 556,800

Types of borrowing	Loan period and repayment	Interest rate	Collateral	December 31, 2022
Bank loan				
Secured loans	May 31, 2019~ May 31, 2024 Interests shall be paid monthly, and the principal shall be repaid at maturity.	2.350%	Inventories－land under construction	$ 576,700
Secured loans	May 22, 2019~ May 22, 2024 Interests shall be paid monthly, and the principal shall be repaid at maturity.	2.350%	Inventories－land under construction	369,000
Secured loans	August 21, 2020~ August 21, 2025 Interests shall be paid monthly, and the principal shall be repaid at maturity.	2.500%	Inventories－construction work in process	160,650
Secured loans	February 9, 2021~ February 9, 2026 Interests shall be paid monthly, and the principal shall be repaid at maturity.	2.400%	Inventories－construction work in process	134,200
				$ 1,240,550

1. Inventories were pledged as collaterals for the aforementioned borrowings as of December 31, 2023 and 2022, and key management also provided guarantees. Please refer to Note 7.2.
2. Please refer to Note 8 for the assets pledge as collaterals for the short-term borrowings.

11) Long-term borrowings

Types of borrowing	Loan period and repayment	Interest rate	Collateral	December 31, 2023
Long-term bank loans				
Secured loans	April 19, 2017~ April 19, 2032 Interests shall be paid monthly, and the principal shall be repaid in installments	2.380%	Inventories-buildings and land held for sale, investment properties	$ 26,088

	since the third year.			
Secured loans	August 11, 2017~ August 11, 2032 Interests shall be paid monthly, and the principal shall be repaid in installments since the third year.	2.380%	Investment properties	12,485
Secured loans	July 13, 2021~January 13, 2025 Interests shall be paid monthly, and the principal shall be repaid at maturity.	2.450%	Inventories-land under construction	305,000
Secured loans	April 27, 2022~January 13, 2025 Interests shall be paid monthly, and the principal shall be repaid at maturity.	2.550%	Inventories-land under construction	172,300
Secured loans	March 15, 2023~ March 15, 2028 Interests shall be paid monthly, and the principal shall be repaid at maturity.	2.550%	Inventories-land under construction	246,000
Subtotal				761,873
Less: current portion of long-term borrowings				(4,177)
Total				$ 757,696

Types of borrowing	Loan period and repayment	Interest rate	Collateral	December 31, 2022
Long-term bank loans				
Secured loans	April 19, 2017~ April 19, 2032 Interests shall be paid monthly, and the principal shall be repaid in installments since the third year.	2.130%	Inventories-buildings and land held for sale, investment properties	$ 28,890
Secured loans	August 11, 2017~ August 11, 2032 Interests shall be paid monthly, and the principal shall be repaid in installments since the third year.	2.130%	Investment properties	13,771
Secured loans	July 13, 2021~January 13, 2025 Interests shall be paid monthly, and the principal shall be repaid at maturity.	2.325%	Inventories-land under construction	305,000
Secured loans	April 27, 2022~January 13, 2025 Interests shall be paid monthly, and the principal shall be repaid at maturity.	2.425%	Inventories-land under construction	172,300
Secured loans	June 9, 2022~ June 9, 2027 Interests shall be paid monthly, and the principal shall be repaid at maturity.	2.175%	Inventories-land under construction	435,000
Unsecured loans	November14, 2022~June 9, 2027 Interests shall be paid monthly, and the principal shall be repaid at maturity.	2.425%	None	28,000
Subtotal				982,961
Less: current portion of long-term borrowings				(4,076)
Total				$ 978,885

(The remainder is intentionally left blank.)

1. Inventories and investment properties were pledged as collaterals for the aforementioned borrowings as of December 31, 2023 and 2022, and key management also provided guarantees. Please refer to Note 7.2.
2. Please refer to Note 8 for the assets pledged as collaterals for the long-term borrowings.

12) Pension

1. The employee pension plan under the Labor Pension Act of the R.O.C. is a defined contribution plan. Since July 1, 2005, pursuant to the plan, the Company and domestic subsidiaries make monthly contributions of 6% based on each individual employee's salary or wage to employees' pension accounts for employees who chose to continue to be subject to the pension mechanism under the Labor Standards Act. The labor pension shall be paid for monthly pension payments or lump-sum payment, based on the principal and accrued dividends from an employee's individual labor pension account.

2. The pension costs recognized based on the aforementioned pension plan amounted to NT$631 thousand and NT$596 thousand for the years ended December 31, 2023 and 2022, respectively.

13) Share capital

The Company had authorized capital of NT$2,000,000 thousand as of December 31, 2023, of which 155,001 thousand shares with par value of NT$10 were issued. The paid-in capital is NT$1,550,015 thousand.

The numbers of outstanding ordinary shares in the beginning and in the end of the period are reconciled as follows (unit: thousands of shares):

	2023	2022
Number of shares as of January 1 and December 31	155,001	155,001

14) Capital surplus

According to the regulation of the Company Act, where a company incurs no loss, it may distribute the income derived from the issuance of new shares at a premium, and the income from endowments received by the company, by issuing new shares which shall be distributable as dividend shares to its original shareholders in proportion to the number of shares being held by each of them or by cash. Based on the relevant regulations of Securities and Exchange Act, where a company intends to capitalize the aforementioned capital surplus, the total amount per year shall not exceed 10% of paid-in capital. A company shall not use the capital surplus to make good its capital loss, unless the surplus reserve is insufficient to make good such loss.

15) Retained earnings

1. According to the Articles of Incorporation, if there is any net profit after closing of a fiscal year, the profits shall be distributed in the following order:
   (a) payment of all taxes and dues;
   (b) offsetting losses in prior years;
   (c) setting aside a legal capital reserve at 10% of the profits left over, provided that no allocation of legal reserve is required if the accumulated legal reserve is equivalent to the total capital amount of the Company;
   (d) setting aside or rotating special reserve according to the rule set out by the government authority in charge;
   (e) If there is still remaining balance, the Company shall set aside with accumulated unappropriated retained earnings for shareholders' dividends. The Board of Directors shall draw up a meeting regarding the issue of profit distribution and report to the shareholders' meeting for the resolution of the distribution of the dividend.
   The dividned policies of the Company take consideration of the operation of the Company, funding requirements, the changes in internal and external environments and shareholders' interests. Earnings may be distributed entirely or partially. The dividends may be distributed in cash or in stock, and the ratio of cash dividend shall be no less than 10% of total distribution.
   According to Article 240-5 of the Company Act, the Company authorizes the distributable dividends and bonuses may be paid in cash after a resolution has been adopted at a meeting of the board of directors; and in addition thereto a report of such distribution shall be reported to the shareholders' meeting, but shall not be submitted to the shareholders' meeting for approval.
2. The legal reserve shall not be used except for making good the deficit of the company and being distributed by issuing new shares which shall be distributable as dividend shares to its original shareholders in proportion to the number of shares being held by each of them or by cash, for the portion in excess of 25% of the paid-in capital.
3. When distributing distributable earnings, the Company shall set aside special reserve for the debit balance under other equity in the balance sheets according to regulations. If any of the debit balance under other equity is reversed, the special reserve in the amount equal to the reversal may be reversed for earnings distribution.
4. The earnings distribution proposal of 2021 has been resolved by the physical shareholder's meeting held on June 8, 2022. The earnings distribution proposal of 2022

has been resolved by the board of directors on March 15, 2023, and submitted to shareholders meeting on May 31, 2023. The distribution proposals are as follows:

	2022		2021	
	Amount	Dividend per share	Amount	Dividend per share
Legal reserve	$ 46,964		$ 91,644	
Cash dividend	232,502	$ 1.5	279,003	$ 1.8
Total	$ 279,466		$ 370,647	

The earnings distribution proposal for the year ended December 31, 2021 is the same as the board of directors' proposals proposed on March 16, 2022.

5. The earnings distribution for the year ended December 31, 2023 has been resolved by the board of directors to be NT$1.5 of dividend per ordinary share, with total amount NT$232,502 thousand on March 15, 2024.

16) Operating revenue

	2023	2022
Revenue from contracts with customers	$ 3,326,986	$ 213,169
Others-Rental income of buildings	4,809	4,286
Total	$ 3,331,795	$ 217,455

1. Classification of revenue from contracts with customers

The revenue of the Company can be classified geographically as follows:

	Construction division			
2023	South area	Central area	North area	Total
Segment revenue	$ -	$ 1,159,540	$ 2,167,446	$ 3,326,986
Time of revenue recognition				
Revenue recognized at a point in time				$ 3,326,986

	Construction division			
2022	South area	Central area	North area	Total
Segment revenue	$ -	$ 1,266	$ 211,903	$ 213,169
Time of revenue recognition				
Revenue recognized at a point in time				$ 213,169

2. As of December 31, 2023 and 2022, the total amount of the allocated transaction prices for not fulfilling contractual obligations and the expected years of revenue recognition of the signed contracts of sales of buildings and land are as follows:

	December 31, 2023	December 31, 2022
Contract amount of signed contracts	$ 756,920	$ 3,914,720
Expected years of revenue recognition	2024~2026	2023~2024

3. Contract liabilities

The receipts in advance are contract liabilities relevent to recognition of revenue from contracts with customers as follows:

	December 31, 2023	December 31, 2022	January 1, 2022
Contract liabilities	$ 227,431	$ 724,201	$ 427,036

Revenue arising from contract liabilities in the beginning of the period recognized in the current period:

	2023	2022
Revenue arising from contract liabilities in the beginning of the period recognized in the current period	$ 645,601	$ 2,058

17) Interest revenue

	2023	2022
Interest revenue from financial assets at amortized cost	$ 543	$ 312
Interests from bank savings	4,213	679
Other interest revenue	418	3,981
	$ 5,174	$ 4,972

18) Other revenue

	2023	2022
Other commission income	$ -	$ 69
Unpaid payables transferred to other revenue	-	595
Income from liquidated damages (Note)	-	17,662
Other revenue－others	439	1,175
	$ 439	$ 19,501

Note: Other revenue- others is the income from liquidated damages, which is recognized based on the judgment of litigation in 2022. Please refer to Note 6.4.8 for explanations.

19) Financial costs

	2023	2022
Interest expenses:		
Bank loans	$ 38,370	$ 37,990
Others	3,904	18
	42,274	38,008
Less: interests eligible for capitalization	(31,866)	(37,990)
Financial costs	$ 10,408	$ 18

20) Additional information on nature of expenses

	2023		
	Operating costs	Operating costs	total
Employee benefits expenses			
Payroll expenses	$ -	$ 16,586	$ 16,586
Labor and health insurance expenses	-	1,363	1,363
Pension expenses	-	631	631
Directors' remuneration	-	8,223	8,223
Other employment expenses	-	2,363	2,363
Total	$ -	$ 29,166	$ 29,166
Depreciation expenses of property, plant and equipment	$ -	$ 1,701	$ 1,701
Depreciation expenses of investment properties	$ 533	$ -	$ 533

	2022		
	Operating costs	Operating costs	total
Employee benefits expenses			
Payroll expenses	$ -	$ 15,101	$ 15,101
Labor and health insurance expenses	-	1,426	1,426
Pension expenses	-	596	596
Directors' remuneration	-	6,935	6,935
Other employment expenses	-	773	773
Total	$ -	$ 24,831	$ 24,831
Depreciation expenses of property, plant and equipment	$ -	$ 384	$ 384
Depreciation expenses of investment properties	$ 533	$ -	$ 533

1. The average numbers of employees are 21 and 23 as of December 31, 2023 and 2022, respectively. Among them, the numbers of directors not serving as employees are 5 and 7, respectively.
2. The average employee benefit expenses amounted to NT$1,309 thousand ("Total amount of employee benefits expenses of the current year-total amount of directors' remuneration"/"number of employees of the current year-number of directors not serving as employees") and NT$1,119 thousand ("Total amount of employee benefits

expenses of the prior year-total amount of directors' remuneration"/"number of employees of the prior year-number of directors not serving as employees") in 2023 and 2022, respectively.

3. The average payroll expenses amounted to NT$1,037 thousand ("Total amount of payroll expenses of the current year"/"number of employees of the current year-number of directors not serving as employees") and NT$944 thousand ("Total amount of payroll expenses of the prior year"/"number of employees of the current year-number of directors not serving as employees")in 2023 and 2022, respectively.
4. The rate of changes in average payroll expenses is 9.85% ("Average payroll expenses of the current year-average payroll expenses of the prior year"/ average payroll expenses of the prior year).
5. Directors' payroll include the directors' compensation and directors' remuneration. Directors' compensation is determined by reference to the usual level in the same industry. Directors' remuneration shall be set aside in accordance with the regulation of the the Articles of Incorporation, reviewed by the remuneration committee, resolved by the board of directors, and submitted to the shareholders' meeting. Managers and employees' remuneration include payroll, bonus, and employees' remuneration, , which shall be calculated based on the positions, the responsibilities accepted, the level in the same industry, andn the result of performance appraisal. Manegers' payroll shall be reviewed by the remuneration committee, and approved by the board of directors.
6. According to the Company's Articles of Incorporation, in order to motivate employees and the operating team, the Company shall allocate remuneration to employees at the rate no lower than 1‰ of annual profits, and to directors at the rate of no higher than 3% of annual profits during the period; provided, however, that when the Company has accumulated losses, the profits shall be preserved to make up for losses, before distributing to employees and directors. The employees' remuneration shall be distributed in stock or cash, which may include eligible employees of affiliated companies.. The resolution shall be made by a majority vote at a meeting of the board of directors attended by two-thirds of the total number of directors, and reported to the shareholders' meeting. The directos' remuneration shall be only distributed in cash. Employees entitled to receive employees' remuneration in stock or in cash, may include the employees of affiliated companies meeting certain specific requirements.
7. The employees' and directors' remunerations are estimated as follows:

	2023	2022
Employees' remuneration	$ 581	$ 501
Directors' remuneration	5,809	5,015
	$ 6,390	$ 5,516

The aforementioned amounts are recognized as payroll expenses, which are accrued based on the profitability of the year. The employees' and directors' remunerations for the years ended December 31, 2023 and 2022 were accrued by the ratios as follows:

	2023	2022
Employees' remuneration ratio	1‰	1‰
Directors' remuneration ratio	1%	1%

The amounts resolved by the board of directors are the same as the employees' and directors' remunerations amounts recognized in the financial statements of 2022. The employees' and directors' remunerations will be paid in cash. The actual distribution amounts of employees' and directors' remunerations are the same as the accrued amounts.

8. The information about the employees' and directors' compensation resolved by the board of directors is available at the Market Observation Post System website.

21) Income tax

1. Income tax expenses

Composition of income tax expenses

	2023	2022
Current income tax:		
Current income tax charge	$ 519	$ 279
Additional tax on unappropriated earnings	9,508	26,039
Underestimation of income tax of prior periods	89	-
Total current income tax	10,116	26,318
Deferred income tax		
Origination and reversal of temporary differences	(14,081)	-
Total deferred income tax	(14,081)	-
Income tax expenses (benefits)	($ 3,965)	$ 26,318

2. The relationship between income tax expenses and accounting profit

	2023	2022
Tax payables calculated by profit before tax multiplying the enacted tax rates	$ 114,911	$ 99,191
Revenue that should be included based on tax laws	24,890	-
Tax exempt income based on tax laws	(25,317)	(93,714)
Expenses that should be included based on tax laws	(50)	-
Additional tax on unappropriated earnings	9,508	26,039
Effect of Land Value Increment Tax	519	279
Unrecognized deferred tax assets arising from temporary differences	-	(1,021)
Evaluation changes in the realizability of deferred tax assets	(128,515)	(4,456)
Underestimation of income tax of prior periods	89	-
Income tax expenses (benefits)	($ 3,965)	$ 26,318

3. The amounts of deferred income tax assets or liabilities arising from temporary differences are as follows:

	2023 January 1	Recognized in profit or loss	December 31
Deferred income tax assets:			
-Temporary differences：			
Allowances for inventory valuation losses	$ -	$ 412	$ 412
Unrealized gross profit in the current period	-	13,643	13,643
Capitalized interests under new system	-	26	26
Total	$ -	$ 14,081	$ 14,081

2022: None.

4. The deductible deadline of unused tax loss and amount of the unrecognized deferred tax assets of the Company are as follows:

December 31, 2023

Year of occurrence	Declared/verified amount	Undeducted amount	Amount of unrecognized deferred tax assets	Last deductible year
2018	Verified amount	$ 21,489	$ 21,489	2028

December 31, 2022

Year of occurrence	Declared/verified amount	Undeducted amount	Amount of unrecognized deferred tax assets	Last deductible year
2013	Verified amount	$ 514,995	$ 514,995	2023
2015	Verified amount	43,964	43,964	2025
2016	Verified amount	26,666	26,666	2026
2017	Verified amount	7,458	7,458	2027
2018	Verified amount	53,155	53,155	2028
	Total	$ 646,238	$ 646,238	

5. Deductible temporary differences of unrecognized deferred tax assets:

	December 31, 2023	December 31, 2022
Deductible temporary differences	$ 9,225	$ 79,231

6. Profit-seeking Enterprise Income Taxes of the Company have been verified by the tax collection authority until 2021.

22) Earnings per share

2023	After-tax amount	Weighted –average outstanding shares(thousand)	Earnings per share (NT$)
Basic earnings per share			
Profit	$ 578,518	155,001	$ 3.73
Diluted earnings per share			
Profit attributable to ordinary shareholders	578,518	155,001	
Effect of diluted potential ordinary shares Employees' remuneration	-	25	
Profit attributable to ordinary shareholders plus the effect of potential ordinary shares	$ 578,518	155,026	$ 3.73

2022	After-tax amount	Weighted –average outstanding shares(thousand)	Earnings per share (NT$)
Basic earnings per share			
Profit	$ 469,936	155,001	$ 3.03

Diluted earnings per share			
Profit attributable to ordinary shareholders	469,936	155,001	
Effect of diluted potential ordinary shares Employees' remuneration	-	27	
Profit attributable to ordinary shareholders plus the effect of potential ordinary shares	$ 469,936	155,028	$ 3.03

When calculating the diluted earnings per share, assume the employees' remunerations to be paid in stock, and add the diluted potential ordinary shares into the calculation of diluted weighted average number of ordinary shares outstanding to calculate the diluted earnings per share.

23) Changes in the liabilities arising from financing activities

	January 1, 2023	Changes in cash flows from financing activities	Non-cash flow increase	Non-cash flow transfers	December 31, 2023
Short-term borrowings	$ 1,240,550	($ 1,240,550)	$ 556,800	$ -	$ 556,800
Long-term borrowings (including the current portion)	982,961	335,712	-	(556,800)	761,873
Dividends payables	-	(232,502)	232,502	-	-
Guaranteed deposits received	1,312	(108)	-	-	1,204
Total liabilities arising from financing activities	$ 2,224,823	($ 1,137,448)	$ 789,302	($ 556,800)	$ 1,319,877

	January 1, 2022	Changes in cash flows from financing activities	Non-cash flow increase	Non-cash flow transfers	December 31, 2022
Short-term borrowings	$ 945,700	$ 294,850	$ -	$ -	$ 1,240,550
Long-term borrowings (including the current portion)	635,299	347,662	-	-	982,961
Dividends payables	-	(279,003)	279,003	-	-
Guaranteed deposits received	1,204	108	-	-	1,312
Total liabilities arising from financing activities	$ 1,582,203	$ 363,617	$ 279,003	$ -	$ 2,224,823

(7) Related party transactions

1) Related party names and relationships

Related party name	Relationship with the Company
Hung Yeu Construction Co., Ltd.(Hung Yeu Company)	Subsidiary of the Company
Hungtu Alishan International Development Co., Ltd. (Hungtu Alishan)	Subsidiary of the Company
Fong Suei Construction Co., Ltd. (Fong Suei Construction)	Associate of the Company
Fong yi construction co., ltd. (fong yi construction)	The chairman is the first degree relative of the general manager of the Company
Holy grace construction corp. (holy grace construction)	The chairman is the first degree relative of the general manager of the Company
Grace Hospitality Management Co., Ltd. (Grace Hospitality)	The chairman is the second degree relative of the general manager of the Company
Jing Chi Development Co., Ltd.(Jing Chi Development.)	The chairman is the general manager of the Company

Liu, Shu-Chu	The first degree relative of the general manager of the Company

2) Significant transactions with related parties

1. Operating revenue

	2023	2022
Lease income:		
Hung Yeu Company	$ -	$ 11

The underlying assets leased to Hung Yeu Company to earn rental income is the office. The lease period is from July, 2018 to April, 2022. The calculation of rental is determined by the rental in the neighborhood and the area rent. The rents are paid in every half year.

2. Purchases and commitments

	2023	2022
Contract project:		
Hung Yeu Company	$ 4,286	$ -

The aforementioned contract project was entrusted to Hung Yeu Company by the Company. The transaction price was negotiated by both parties. Based on the payment terms, the payment is made by the progress of the contract, which is not significantly different from the terms with non-related parties.

3. Lease transactions-lessee

(a) The Company rents buildings from other related parties. The periods of the lease contracts are 1 month to 3 years. The calculation of rental is determined by the rental in the neighborhood and the area rent. The rents to holy grace construction are paid in every half year, and to Hung Yeu Company are paid monthly based on the lease contracts.

(b) Rental expenses

	2023	2022
Holy grace construction	$ -	$ 165
Hung Yeu Company	16	657
Total	$ 16	$ 822

4. Other payables

	2023	2022
Hung Yeu Company	$ -	$ 72
Grace Hospitality	32	-
Total	$ 32	$ 72

5. Jointly and severally liability of peer industries－commission expenses

	2023	2022
Jing Chi Development.	$ -	$ 201
Grace Hospitality	30	-
Total	$ 30	$ 201

6. Property transactions

Acquisition of property, plant and equipment

	2023	2022
Hung Yeu Company	$ -	$ 42,749

7. Details of guarantees

(a) The Company provided endorsement and guarantee for other related parties as follows:

a. As of December 31, 2023 and 2022, in order to provide companies in the same industry among themselves joint and several security for a performance guarantee of a sales contract for pre-construction homes pursuant to the Consumer Protection Act for each other, the Company provided jointly and severally liability of peer industries for related parties, Fong Yi Construction Co., Ltd. ,and Cornerstone Inverstment Co., Ltd. by the amount of NT$425,690 thousand. The guarantee period is from the date of signing mutual guarantee contracts, which are audited and approved by the association, and the performance guarantee expires when the constructions receive the user license.

(b) Other related parties provided endorsement and guarantee for the Company as follows:

a. As of December 31, 2023 and 2022, in order to provide companies in the same industry among themselves joint and several security for a performance guarantee of a sales contract for pre-construction homes pursuant to the Consumer Protection Act for each other, to the related party, Jing Chi Development Co., Ltd., provided jointly and severally liability of peer industries for the Company’s construction project “Senlifang” by the amount of NT$257,965 thousand, which is the construction costs on the construction license. The guarantee period is from the date of signing mutual guarantee contracts, which are audited and approved by the association. As the construction project has received the user license on July 28, 2023, the performance guarantee expired automatically.

b. The board of directors resolved on August 8, 2023 that the related party, Grace Hospitality provides companies in the same industry among themselves joint and several security for a performance guarantee of a sales contract for pre-construction homes pursuant to the Consumer Protection Act for each other, to the Company’s construction project “Chien 18”, by the amount of NT$311,906 thousand, which is the construction costs on the construction license. The guarantee period is from the date of signing mutual guarantee contracts, which are audited and approved by the association, and the performance guarantee expires when the constructions receive the user license.

(c) The Company provided endorsement and guarantee for associates as follows:

The board of directors resolved on May 23, 2023 to become the joint guarantor for the bank loans of associate, Fong Suei Construction Co., Ltd., based on the 30% of shareholding ratio. The loan amount is NT$1,086,000 thousand, and the credit line has been received on November 20, 2023.

8. Others

The key management is the joint guarantor of the long-term and short-term loans. Please refer to Note 6.10 and 6.11 for explanations.

3) Information on key management personnel compensation

	2023	2022
Short-term employee benefits	$ 14,898	$ 12,935

(8) Pledged assets

The assets pledge as collaterals are as follows:

	Carrying amount		
Assets	December 31, 2023	December 31, 2022	Object
Inventories	$ 2,242,672	$ 4,127,923	Long-term and short-term bank loans
Investment properties	108,966	109,499	Long-term bank loans
	$ 2,351,638	$ 4,237,422	

(9) Significant contingencies and unrecognized contract commitments

1) Contingencies

1. Please refer to Note 7.2 for guarantees for related parties.
2. Please refer to Note 6.4.8 for the litigations about the dispute regarding the performance of the contract of inventories.

2) Commitments

The capital expenditures that the Company has signed contracts for but have not yet occurred.

	December 31, 2023	December 31, 2022
Land for construction	$ -	$ 47,200
Construction work in process	46,324	450,362
	$ 46,324	$ 497,562

(10) Losses due to major disasters

None.

(11) Significant subsequent events

None.

(12) Others

1) Capital management

The primary objective of the Company's capital management is to ensure that it operates continuously and maintains optimal capital structure to decrease the cost of capital and maximized the shareholders' equity. The Company manages and adjusts the capital structure, probably by adjusting dividend payment, returning of capital, issuing new shares, or disposing assets. The Company utilized debt to capital ratio to monitor the Company's capital. The ratio is calculated by net debt divided by total capital. Net debt is calculated by the total borrowings (including "current and non-current borrowings" stated in the parent company only financial statements) less of cash and cash equivalents. And total capital is calculated by "equity" stated in the parent company only balance sheets plus net debt. As of December 31, 2023 and 2022, the debt to capital ratio of the Company's asset is as follows:

	December 31, 2023	December 31, 2022
Total borrowings	$ 1,318,673	$ 2,223,511
Less: cash and cash equivalents	(857,568)	(63,613)
Net debt	461,105	2,159,898
Total equity	3,165,553	2,819,537
Total capital	$ 3,626,658	$ 4,979,435
Debt to capital ratio	12.71%	43.38%

2) Financial instruments

1. Types of financial instruments

	December 31, 2023	December 31, 2022
Financial assets		
Financial assets at amortized cost		
Cash and cash equivalents	$ 857,568	$ 63,613
Current financial assets at amortized cost	100,000	-
Notes receivables	123	225
Accounts receivables	23,310	9,075
Other receivables	263	45,579
Refundable deposits (Recognized as other current and non-current assets)	2,739	451
	$ 984,003	$ 118,943
Financial liabilities		
Financial liabilities at amortized cost		
Short-term borrowings	$ 556,800	$ 1,240,550
Notes payables	1,136	545
Accounts payables	55,047	315,697
Other payables	32,449	33,296
Long-term borrowings (including current portion)	761,873	982,961
Guaranteed deposits received	1,204	1,312
	$ 1,408,509	$ 2,574,361

2. Risk management policies
   (a) The Company's operation is influence by several financial risks, including market risk (including interest rate risk), credit risk, and liquidity risk.
   (b) Risk management is implemented by the finance department's cooperating with each operating unit in the Company, to identify, assess, and avoid financial risks.
3. Nature and extent of significant financial risk
   (a) Market risk

   <u>Cash flow and fair value interest rate risk</u>

   A. The Company's interest rate risk arises from short-term and long-term borrowings at floating interest rate. Borrowings at floating interest rates expose the Company to cash flow interest rate risk. As of December 31, 2023 and 2022, the borrowings at floating interest rate are primarily denominated in New Taiwan Dollars.
   B. As of December 31, 2023 and 2022, if the interest rate of borrowings denominated in New Taiwan Dollars had increased or decreased by 1%, the Company's profit would have decreased or increased by NT$10,549 thousand and NT$17,788 thousand for the years ended December 31, 2023 and 2022, assuming all other variable factors remain constant. The changes in profit are resulted from the changes in interest expense due to borrowings at floating interest rate.

   (b) Credit risk

   A. Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in financial losses to the Company. The Company is exposed to credit risks from accounts receivables that the counterparty is unable to pay off by the payment term, and the contractual cash flows from investments in debt instruments at amortized cost.
   B. The Company manages credit risk in terms of the Company. The Company only accepts banks or institutions assessed to be with good credit quality as correspondent bank or financial institutions. The notes receivables and accounts receivables are receivables from customers for selling buildings and land. Based on the internal credit policies, the Company shall manage and implement credit risk analysis before determine payment terms and delivery terms with new customers. Internal risk control evaluates customers' credit quality by considering the financial condition, past experiences, and other factors.
   C. The Company adopts the presumptions in the scope of IFRS9. When contractual payments are more than 90 days past due, the payments shall be deemed as that default has occurred.
   D. The Company adopts the following presumptions in the scope of IFRS9, to determine whether the credit risk of the financial instruments has increased significantly since initial recognition:
      The credit risk on financial assets has increased significantly since initial recognition when contractual payments are more than 30 days past due.
   E. The Company is keep implementing the legal procedures of recourse, to preserve the creditor's right. As of December 31, 2023 and 2022, the debts that are still under recourse amounted to both NT$0 thousand.
   F. The Company classifies the accounts receivables from customers by the characteristics of customer types, estimates expected credit losses by loss rate method under simplified approach, and adjust the loss rates built based on the historical and current information in specific periods by taking into consideration of foreseeing information, to estimate the loss allowances for accounts

receivables. As of December 31, 2023 and 2022, the Company assessed that the impairment losses that may occur are little.

(c) Liquidity risk

A. The cash flow forecast is summarized by the financial department of the Company. The financial department monitors the forecast of working capital requirement, ensures there's enough capital to support the operating requirements, and maintains enough unused credit lines of borrowings at any time.

B. Unused credit lines of the Company are as follows:

	December 31, 2023	December 31, 2022
Due within 1 year	$ -	$ 56,020
Due over 1 year	-	246,000
	$ -	$ 302,020

C. The table below analyzed the Company's non-derivative financial liabilities into relevant maturity Companyings based on the remaining period at the balance sheet date to the contractual maturity date for non-derivative financial liabilities. The contractual cash flows disclosed below are not discounted.

Non-derivative financial liabilities: December 31, 2023	Within 6 months	6 months-1year	1-2 years	Over 2 years	Total
Short-term borrowings	$ 6,485	$ 6,485	$ 12,970	$ 575,499	$ 601,439
Notes payables	1,136	-	-	-	1,136
Accounts payables	44,962	101	9,984	-	55,047
Other payables	29,433	2,443	573	-	32,449
Long-term borrowings (including current portion)	11,595	11,595	489,038	292,360	804,588
Guaranteed deposits received	-	-	1,204	-	1,204

Non-derivative financial liabilities: December 31, 2022	Within 6 months	6 months-1year	1-2 years	Over 2 years	Total
Short-term borrowings	$ 745,631	$ 507,886	$ -	$ -	$1,253,517
Notes payables	545	-	-	-	545
Accounts payables	292,260	15,561	7,876	-	315,697
Other payables	17,710	8,550	7,036	-	33,296
Long-term borrowings (including current portion)	13,202	13,202	26,403	1,002,611	1,055,418
Guaranteed deposits received	-	-	-	1,312	1,312

3) Fair value information

1. The definitions of each level in valuation techniques used to measure the fair value of financial and non-financial instruments are as follows:

   Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities that entities can access at the measurement date. An active market is the market in which transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis.

   Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

   Level 3: unobservable inputs for the assets or liabilities. Part of the investments in derivative instruments, equity instruments without and active market, and the investment properties held by the Company are in the scope.

2. Please refer to Note 6.9 for the fair value information of investment properties measured at cost.
3. Financial instruments no measured at fair value

   The carrying amount of cash and cash equivalents, financial assets at amortized cost, notes receivables, accounts receivables, other receivables, refundable deposits, short-term borrowings, notes payables, accounts payables, other payables, long-term borrowings (including current portion), and guaranteed deposits received is the reasonable approximation of fair value
4. Financial and non-financial instruments at fair value: None.

(13) Other disclosures

1) Information on significant transactions

1. Loans to others: None.
2. Provision of endorsements and guarantees to others: Please refer to Table 1.
3. Holding of marketable securities at the end of the period (excluding investment in subsidiaries, associates, and joint ventures): None.
4. Acquisition or sale of the same security with the accumulated cost exceeding NT$300 million or 20% of the Company's paid-in capital or more: None.
5. Acquisition of real estate reaching NT$300 million or 20% of the Company's paid-in capital or more: None.
6. Disposal of real estate reaching NT$300 million or 20% of the Company's paid-in capital or more: None.
7. Purchases or sales of goods from or to related parties reaching NT$100 million or 20% of paid-in capital or more: None.
8. Receivables from related parties reaching NT$100 million or 20% of paid-in capital or more: None.
9. Trading in derivative instruments: None.
10. Business relationships among the parent company and subsidiaries, and significant intercompany transactions: None.

2) Information on investees

The information about company names, locations, etc. of investees: Please refer to Table 2.

3) Information on investees in Mainland China

None.

4) Information on major shareholders

Information on major shareholders: Please refer to Table 3.

(14) Segment information

N/A.

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Fong-Chien Construction Co.,LTD.
Provision of endorsements and guarantees to others
For the Year Ended December 31,2023

Table 1

Expressed in thousands of New Taiwan Dollars
(Except as indicated)

No.	Name of endorser and guarantor	Guarantee and endorsee: Company name	Relationship (Note 3)	Limitation on amount of guarantees and endorsements for a specific enterprise	Highest balance for guarantee and endorsements during the period	Balance of guarantees and endorsements, end of year	Actual usage amount	Amount of property pledged for guarantee and endorsements	Ratio of accumulated amounts of guarantees and endorsements to net worth of the latest financial statements	Maximum amount for guarantees and endorsements	Parent company endorsements/guarantees to subsidiary	Subsidiary endorsements/guarantees to the parent company	Endorsements/guarantees to third parties on behalf of companies in Mainland China	Note
0	Fong-Chien Construction Co.,LTD.	Fong Yi Construction CO., LTD. Cornerstone Inverstmant Co., Ltd.	7	$ 6,331,106	$ 425,690	$ 425,690	$ 425,690	$ -	13.45%	$ 6,331,106	N	N	N	Note 2, Note 5
0	Fong-Chien Construction Co.,LTD.	Fong Suei Construction Co.,LTD.	6	6,331,106	1,086,000	1,086,000	1,086,000	-	34.31%	6,331,106	N	N	N	Note 2
1	Hung Yeu Construction Co., Ltd.	Grace Hospitality Management Co., Ltd.	7	1,444,415	159,101	159,101	159,101	-	110.15%	1,444,415	N	N	N	Note 4, Note 5

Note 1:According to the “Operational Procedures for Loaning of Company Funds,” the total amount available for endorsement provided to others shall not exceed 50% of the Company’s net worth in the current financial statements, and the total amount for endorsement provided to one entity shall not exceed 50% of the Company’s net worth in the current financial statements.

Note 2:Where the Company fulfills its contractual obligations by providing mutual endorsements/guarantees for another company in the same industry or for joint builders for purposes of undertaking a construction project, or where all capital contributing shareholders make endorsements/ guarantees for their jointly invested company in proportion to their shareholding percentages, or where companies in the same industry provide among themselves joint and several security for a performance guarantee of a sales contract for pre-construction homes pursuant to the Consumer Protection Act for each other, such endorsements/guarantees may be made free of the restriction of Note 1. However, the total amount shall not exceed 200% of the Company’s net worth.

Note 3:There are 7 types of relationships between the endorser/guarantor and the endorsee/guarantee. Only numbers of types shall be indicated:

(1)Entities have business relations with the Company

(2) The Company directly or indirectly holds more than 50% of voting shares of the entity.

(3) Entity directly or indirectly owns more than 50% of voting shares of the Company.

(4) The Company directly or indirectly holds 90% of voting shares of the entity.

(5) The Company fulfills its contractual obligations by providing mutual endorsements/guarantees for another company in the same industry or for joint builders for purposes of undertaking a construction project

(6) All capital contributing shareholders make endorsements/ guarantees for their jointly invested company in proportion to their shareholding percentages.

(7) Companies in the same industry provide among themselves joint and several security for a performance guarantee of a sales contract for pre-construction homes pursuant to the Consumer Protection Act for each other

Note 4:For companies in the same industry provide among themselves joint and several security for a performance guarantee of a sales contract for pre-construction homes pursuant to the Consumer Protection Act for each other,, the total amount available for endorsement provided to others shall not exceed 12 times of the Company’s net worth in the current financial statements, and the total amount for endorsement provided to one entity shall not exceed 10times of the Company’s net worth in the current financial statements

Note 5: Actual usage amount is based on the construction costs on the construction license.

Fong-Chien Construction Co.,LTD.
The Information about company names, locations, etc. of Investees (excluding investees in Mainland China)
For the Year Ended December 31,2023

Table 2

Expressed in thousands of New Taiwan Dollars
(Except as indicated)

				Original investment amount		Ownership as of December 31, 2023					
Investor company	Investee company	Location	Main business	December 31, 2023	December 31, 2022	Number of shares	Percentage	Carrying amount	Profit (loss) of investees in the current period	Gain (loss) of investees recognized in the current period	Note
Fong-Chien Construction Co.,LTD.	Hung Yeu Construction Co., Ltd.	Taiwan	Comprehensive construction, trading of properties, developments and leases of residences and buildings etc.	$ 220,000	$ 220,000	22,000,000	92.83	$ 134,086	$ 1,069	$ 992	
Fong-Chien Construction Co.,LTD.	Hungtu Alishan International Development Co., Ltd.	Taiwan	Operation of hotel and restaurant business	-	668,665	-	-	-	-	-	Note 1
Hung Yeu Construction Co., Ltd.	Hungtu Alishan International Development Co., Ltd.	Taiwan	Operation of hotel and restaurant business	-	14,985	-	-	-	-	-	Note 1
Fong-Chien Construction Co.,LTD.	Fong Suei Construction Co.,LTD.	Taiwan	Comprehensive construction, trading of properties, developments and leases of residences and buildings etc.	180,000	-	18,000,000	30.00	179,518	(1,609)	(482)	

Note 1: The completion of liquidation has been approved by Chiayi District Court on May 5, 2023.

Fong-Chien Construction Co.,LTD.

Information on major shareholders

December 31,2023

Table 3

Name of major shareholders	Shares: Number of shares held	Shares: Percentage of ownership
Morning Honor Investment Co., Ltd.	34,411,027	22.20%
Blessing & Praise Construction Corp.	29,696,536	19.15%
Wealth W&E Engineering Company	10,537,407	6.79%

Note:If the information on the chart is from the Taiwan Depository & Clearing Corporation, matters as follows may be explained:

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

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

Fong-Chien Construction Co.,LTD.
Statements of cash and cash equivalents
December 31, 2023

Statement 1

Expressed in thousands of New Taiwan Dollars

Item	Summary	Amount
Cash on hand		$ 30
Bank deposits		
Demand deposits	NTD	457,538
Cash equivalents		
Time deposits	NTD: Maturity: 2024/1/13~2024/3/21; Interest rate: 1.16%~1.20%	400,000
		$ 857,568

Fong-Chien Construction Co.,LTD.
Statements of inventories
December 31, 2023

Statement 2 | Expressed in thousands of New Taiwan Dollars

Item	Summary	Amount Cost	Amount Market price	Note
Buildings and land held for sale	Chongwentianxia	$ 29,900	$ 75,763	Net realizable value (pledge as collateral)
	Shidaijingying	995	1,053	Net realizable value
	Jingyinghui	30,545	28,213	Net realizable value
	Mizhidi	37,511	48,253	Net realizable value
	Houzhuang, Duanzhu, Tongxing section	13,500	10,195	Net realizable value
	Senlifang	359,408	516,640	Net realizable value
		471,859	680,117	
Buildings and land under construction	Zhenfu section, Taichung City	739,945	751,516	Net realizable value (partially pledge as collateral)
	Dingqiaozitou section, Taichung City	749,182	1,104,931	Net realizable value (partially pledge as collateral)
	Renping section, Taichung City	794,792	1,101,252	Net realizable value (partially pledge as collateral)
		2,283,919	2,957,699	
Land for building		583,659	676,493	Net realizable value
		3,339,437	$ 4,314,309	
Less: Allowance for price decline of inventories		(11,283)		
		$ 3,328,154		

Fong-Chien Construction Co.,LTD.
Statements of changes in investment accounted for using equity method
For the Year Ended December 31, 2023

Statement 3

Expressed in thousands of New Taiwan Dollars

Name	Beginning balance		Additions		Deductions		Ending balance			Net worth of equity	Valuation basis	Collateral or guarantee provided
	Number of shares	Amount	Number of shares	Amount	Number of shares	Amount	Number of shares	Percentage of ownership (contribution)	Amount			
Long-term investments accounted for using equity method:												
Hung Yeu Construction Co., Ltd.	22,000,000 shares	$ 133,094	-	$ 992	-	$ -	22,000,000 shares	92.83%	$ 134,086	$ 134,086	Equity method	None
Hungtu Alishan International Development Co., Ltd.	99,873 shares	125,449	-	-	(99,873 shares)	(125,449)	-	0.00%	-	-	Equity method	None
Fong Suei Construction Co., Ltd.	-	-	18,000,000 shares	180,000	-	(482)	18,000,000 shares	30.00%	179,518	179,518	Equity method	None
		$ 258,543		$ 180,992		($ 125,931)			$ 313,604			

Fong-Chien Construction Co.,LTD
Statements of short-term borrowings
December 31, 2023

Statement 4 Expressed in thousands of New Taiwan Dollars

Creditor	Summary	Ending balance	Contract period	Interest rate	Collateral or guarantee
Chang Hwa Bank	Secured loan	$ 435,000	June 9, 2022~ June 9, 2027	2.300%	Inventories-land under construction
Chang Hwa Bank	Unsecured loan	28,000	November 14, 2022~ June 9, 2027	2.550%	None
Chang Hwa Bank	Secured loan	93,800	January 18, 2023~ June 9, 2027	2.400%	Inventories- land under construction
		$ 556,800			

Fong-Chien Construction Co.,LTD.
Statements of contract liabilities
December 31, 2023

Statement 5 Expressed in thousands of New Taiwan Dollars

Item	Summary	Amount
Advance real estate receipts	Chienlong Section, Taoyuan City (Jingyinghui)	$ 874
	Beitun District, Taichung City (Mizhidi)	411
	Pingtian Section, Taichung City (Senlifang)	204,804
	Dingqiaozitou Section, Taichung City (Chien 18)	21,342
		$ 227,431

Fong-Chien Construction Co.,LTD
Statements of long-term borrowings
December 31, 2023

Statement 6 Expressed in thousands of New Taiwan Dollars

Creditor	Summary	Interest rate	Contract period	Collateral or guarantee	Ending balance	Current portion of long-term borrowings	Long-term borrowings
Land Bank of Taiwan	Secured loan	2.380%	April 19, 2017~ April 19, 2032	Inventories-buildings and land held for sale, investment properties	$ 26,088	($ 2,864)	$ 23,224
Land Bank of Taiwan	Secured loan	2.380%	August 11, 2017~ August 11, 2032	Investment properties	12,485	(1,313)	11,172
First Commercial Bank	Secured loan	2.450%	July 13, 2021~January 13, 2025	Inventories－land under construction	305,000	-	305,000
First Commercial Bank	Secured loan	2.550%	April 27, 2022~January 13, 2025	Inventories－land under construction	172,300	-	172,300
Chang Hwa Bank	Secured loan	2.550%	March 15, 2023~March 15, 2028	Inventories－land under construction	246,000	-	246,000
					$ 761,873	($ 4,177)	$ 757,696

Fong-Chien Construction Co.,LTD.
Statements of construction revenue
For the Year Ended December 31, 2023

Statement 7 Expressed in thousands of New Taiwan Dollars

Project name	Revenue from buildings	Revenue from land	Total	Note
Jingyinghui	$ 3,109	$ 2,086	$ 5,195	Sales of parking lost
Senlifang	507,754	648,247	1,156,001	Sales after completion
VITA	964,331	1,197,920	2,162,251	Sales after completion
Others	-	3,539	3,539	Transaction amount does not exceed 5% of the account balance.
	$ 1,475,194	$ 1,851,792	3,326,986	
Lease revenue			4,809	
			$ 3,331,795	

Fong-Chien Construction Co.,LTD.
Statements of construction costs
For the Year Ended December 31, 2023

Statement 8 Expressed in thousands of New Taiwan Dollars

Project name	Costs for buildings	Costs for land	Total	Note
Jingyinghui	$ 4,983	$ 422	$ 5,405	Sales of parking lost
Senlifang	544,331	354,061	898,392	Sales after completion
VITA	943,955	720,914	1,664,869	Sales after completion
Others	-	2,961	2,961	Transaction amount does not exceed 5% of the account balance.
	$ 1,493,269	$1,078,358	2,571,627	
Lease costs－depreciation			533	
Inventory valuation losses			5,391	
			$ 2,577,551	

Fong-Chien Construction Co.,LTD.
Statements of operating expenses
For the Year Ended December 31, 2023

Statement 9 Expressed in thousands of New Taiwan Dollars

Item	Selling expenses	General and administrative expenses	Total	Note
Payroll expenses	$ 3,107	$ 21,702	$ 24,809	
Commission expenses	134,294	-	134,294	
Service expenses	31	2,395	2,426	
Depreciation	-	1,701	1,701	
Employee benefits	-	1,916	1,916	
Other expenses	4,640	5,620	10,260	Transaction amount does not exceed 5% of the account balance.
	$ 142,072	$ 33,334	$ 175,406	