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潤隆建設股份有限公司

RUN LONG CONSTRUCTION CO., LTD.

2023

Annual Report

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http://www.runlong.com.tw Run Long Construction Co., Ltd.

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I. Letter to the Shareholders

Dear Shareholders,

Thank you all for being here with us. On behalf of Run Long, I would like to express my sincere gratitude for your support over the past year!

In 2023, in Taiwan, the house price, rent, raw materials price and commodity price have almost all risen due to the impact posed by the global inflation. In order to suppress the house price domestically, the government has adopted multiple important policies, including the suspension of lift rate announced by the Central Bank in June, the “Amendment to the Equalization of Land Rights Act “ came into effect in July, the upgraded “New Youth Preferential House Loan Program” implemented in August, and “Non-Self-Use House Tax 2.0” passing the final reading in December. At different levels, the update on these policies posed some impact to home buyers. They provide more support and incentives to owner-occupiers while strengthening the regulations governing investors, thus making some investments less attractive. Notwithstanding, generally speaking, these adjustments can still help build a more stable and sustainable real estate market.

Upon removal of the disruptions, such as election, and due to the advantageous factors, such as the New Youth Preferential House Loan Program to be expired in July 2026 and the Central Bank’s announcement of the suspension of lift rate, the first-time buyers and petty bourgeois have a strong willingness to enter the market. In 2024, given the persisting buy orders for rigid demand in the real estate market, the mainstream products focus on “low total price” and “small occupied area.” Therefore, Run Long continues to plan products, such as “small house,” “small dual mix” and “2+1 unit,” in well-located areas and at low total price, not only for self-residence but also for pursuit of diversified value derived from acquisition and lease of assets.

The “Run Long Park Hyatt” project launched by Run Long in Tainan in 2023 has achieved the remarkable sales over 90%. In 2024, it plans to launch the construction projects including “Xinyi　Fujian” in Taipei, “Windsor Castle” in Taoyuan and “Wen Shang I” and “Wen Shang II” in Xitun, Taichung, all located in the main metropolitan areas of North, Central and South Taiwan, which are expected to become the best-selling products.

The construction industry is a high-carbon emission industry in the world. The carbon emission generated by it accounts for about 40% of the global carbon emissions. Therefore, the adoption of zero-carbon buildings constitutes the ESG trend in the construction industry. Notwithstanding, in the face of the global net zero trend, the Ministry of Environment expects to start collecting carbon fee from 2025. The carbon fee rate is still under consideration by the Ministry of Environment for the time being. According to Article 29 of the Climate

Change Response Act, the entities subject to carbon fee may propose voluntary reduction plans and then apply a preferential rate. According to the plan of the Ministry of Environment, at the very beginning, it will collect the carbon fee only from the manufacturers emitting carbon more than 25,000 tons. Among the other things, the part of construction costs in connection with the carbon fee primarily consists of the costs for steel and cement in the construction raw materials. Run Long is not included in the first batch of subject entities to the carbon fee. Notwithstanding, it will still execute the GHG reduction practices proactively pursuant to the Financial Supervisory Commission's Net Zero Emissions Roadmap. For the time being, Run Long is conducting the internal carbon inventory, and also implements energy conservation and carbon reduction, process carbon reduction, increases the utilization rate of renewable energy, and landscapes adopted roads and parks based on the top-down approach, in order to fulfill its obligations and responsibilities as a global citizen, expecting to achieving a win-win situation for sustainable economic and environmental development.

Finally, I would like to thank all of the colleagues for their hard work. In 2023, Run Long generated its operating revenue primarily from the completed and settled projects including "Shihengbin (Shangye District)" in Keelung, "Shihengbin (Xingye District) in Keelung, "National Central City" in Taoyuan, "Juke Run Long" in Hsinchu, and "Shuhoyuan" in Kaohsiung. With the incentives derived from intensive postings by the completed and settled projects, the Company's annual operating revenue has grown significantly. It is an honor for Run Long to win the trust of all shareholders in its 2023 operations. Notwithstanding, Run Long will insist on its practical and stable management philosophy, and work harder to pursue good returns for each of you in the future.

The operating results of 2022 and the business outlook of 2023 are reported as follows:

1. Operating results of the previous year

(I) Implementation result of the 2023 business plan:

(1) In 2023, the Company's consolidated net operating revenue totaled NT$30,683,941 thousand, an increase of NT$28,198,217 thousand from NT$2,485,724 in 2022.

(2) In 2023, the Company's consolidated net income before tax totaled NT$9,359,841 thousand, an increase of NT$9,126,772 thousand from NT$233,069 thousand in 2022.

(3) To sum up, the construction revenue and net income before tax for 2023 increased compared with 2022, mainly due to the increase in the operating revenue of the Company's newly completed construction projects recognized for 2023 compared with 2022.

(II) Budget implementation status:

In accordance with the "Regulations Governing the Publication of Financial Forecasts of Public Companies," it is not necessary for the Company to prepare financial forecasting for 2023.

(III) Analysis of financial income and expense and profitability:

(Expressed in Thousands of New Taiwan Dollar)

Item \ Year		2023	2022
Financial income and expenses	Net operating income	30,683,941	2,485,724
	Gross profit from operations	11,281,096	812,617
	Profit after tax	7,701,546	156,636
Solvency	Current ratio (%)	161.84	134.88
	Quick ratio (%)	60.15	23.88
Profitability	Return on assets (%)	18.11	1.47
	Return on equity (%)	78.85	2.46
	Operating profit to paid-in capital ratio (%)	210.12	4.86
	Pre-tax net profit to paid-in capital ratio (%)	207.52	5.16
	Net profit rate (%)	25.09	6.30
	Earnings per share(NT$)	17.08	0.35

Note: Consolidated information of the Company and its subsidiaries.

(IV) Status of research and development:

(1) Architectural planning and design:

①The residential building is designed for first-time buyers and home exchangers. In terms of design space, the apartments are divided into 2 to 3 rooms using safe and healthy building materials. We value the needs of users in a bid to achieve both aesthetics and practicality.

②We will work with famous architectural teams at home and abroad and learn from international teams' experience to improve the four major know-hows of flow planning, space design, delicate construction techniques, and hotel butler service; then, launch building products that are more in alignment with customers' needs and even beyond their expectations.

③Starting from consumer demand and practicality, the company considers practicality as the main focus and combines "green building" and "environmental protection and energy saving." The company also emphasizes digital technology, earthquake resistance, safety, and age-friendly housing to meet the rapidly changing market demands.

④In the design and planning stages, the visual communication platform of the 3D modeling software "Building Information Modeling" (BIM) is used. By taking this approach, we can facilitate horizontal and vertical communication, coordination and integration among design, construction and user units to improve efficiency as well as quality.

⑤In addition to the architectural aesthetics and functions as required, the base ecology, energy and water conservation, green construction materials, and indoor environmental quality are also taken into account. The Company also develops the design and materials that meet the green, low-carbon, recycling requirements proactively.

(2) Construction and management:

①Bathroom waterproof control: At the construction stage, the water supply system has been pressure tested in steps to confirm that there is no leakage in the pipeline, and recorded. In addition to the water-proof piers erected in the bathroom partitions, the junctions of different materials are made of single-liquid PU to prevent cracks. From wall and floor waterproofing to water testing, the waterproofing history is recorded door-to-door.

② Mix and match the structural formwork and aluminum molds to reduce the quantity of the following wall mortar work and increase the unit rate.

③In view of the serious shortage of domestic workers, the Company has introduced foreign workers with legal professional skills to assist in the construction work at various stages, in order to solve the problem about delay in work progress caused by the shortage of workers.

(3)Market research and development:

①The "Group Live House Tour Platform" provides customers with the latest development in the real estate market to help them seize the opportunities in the real estate market and meet the different needs of first-time buyers, home exchangers or real estate buyers, across different cities including Kaohsiung, Tainan, Taichung and Greater Taipei and for various house types. The house tour may be booked immediately at the hotspots where projects are launched, in order to help customers spend the least time in finding the houses which may best fit their needs.

②In response to the era of digital community, the Company has launched online issue-specific digital videos. By integrating our brand principles into the videos, we can capture the hearts and minds of home buyers while gaining recognition from target consumers.

③The Group has launched free line stickers and combined them with the task interaction design to guide users to share them with friends, so that each transmission of the stickers may be considered as a brand promotion message to increases the brand exposure.

④We will continue to operate in the mainstream residential building market, focusing on homeownership and home exchange needs to meet the market demand. We will also strive to improve our after-sales services and quality control processes to gain recognition from home buyers and increase our brand awareness.

2. Summary of the operating plans for the current year

(I) Operating Policy

1. Continue to plan high-quality products with precise positioning and flexible sales strategies to meet customer needs.
2. Ensure the quality of each construction project with a system combining construction and building.
3. The proposal mainly focuses on Type 2~3 real estate, to satisfy regional future needs for personal living and first purchase.
4. Give full play to the functions of design material selection and construction management to achieve the objectives of product refinement, cost control and shortening of the construction period.
5. Perfect after-sales service to increase customers' trust in the Company, enhance the Company's future sales performance, and establish brand image and reputation.
6. Constantly explore possibilities for developing different types of land. Actively expand and reserve high-quality plots and land resources. Draft competitive plans for development.

(II) Forecasted sales volume and the basis

1. Projects completed and under construction this year:

The projects completed this year "Dream City" in Keelung. The projects under construction include "Jing'an Wenhui " in New Taipei City, "Xinyi Fujian " in Taipei, "Windsor Castle" in Taoyuan, "VVS1" and "Shicheng Aiyue" in Taichung, and "Run Long Park Hyatt" in Tainan... etc.

2. New projects expected in this year:

"Xinyi Fujian " in Taipei and "Windsor Castle" in Taoyuan... etc.

3.Other remaining units for sale include "Shihengbin (Xingye District)" in Keelung, "Kuobin Kuandi" in Taipei City, "Bokelai Park" in New Taipei City , "National Central City" in Taoyuan, "Juke Run Long" in Hsinchu, "Taichung Dibao" "NTC National Trading Center" in Taichung, and "Wenhua Run Long" "Shuhoyuan" in Kaohsiung; the goal is to eliminate all the remaining units.

(III) Important production and marketing policies

1. In terms of product planning, the main products are self-occupied units for first-time buyers and home replacement buyers. The planning and construction of individual projects will be strengthened based on the location of each individual project, in order to establish brand continuity and increase customers' willingness to change or purchase homes.
2. Establish appropriate pricing, sales channels and advertisement strategies pertinent to the characteristics of products, supervise the meeting of the targets of each sales scheme and closely monitor market trends to allow flexible adjustment, in order to facilitate project development and maximize performance.

3. Product features tend to be diversified, increasing requirements for smart buildings, humanized residences, green buildings, environmental protection, barrier-free spaces, and medical care.
4. Adopt the principle of healthy and steady operations. In light of market prospects, perform pre-sales or sell houses while constructing them, or sell them after construction. Launch and sell the houses when appropriate.
5. In response to global trends, future projects will actively seek international green building certifications, employing energy-saving technologies and renewable energy to enhance energy efficiency and environmental sustainability of buildings.
6. A 100% invested subsidiary (Chin Chun Construction Co., Ltd.) may effectively supervise the quality of projects, control the construction progress, handle the construction costs, and continue to pursue novel high-tech, high-efficiency technologies, enrich professional knowledge, and strive for quality and service improvement.

3. Future development strategies, impact posed by external competition, the regulatory environment and the overall business environment

(I) Impact posed by external competition and the regulatory environment

In recent years, the government has implemented various measures to curb speculative housing investments. The most impactful policy, The Equalization of Land Rights Act, includes restrictions on resale contracts, regulation of private legal entity home purchases, and heavy penalties for speculative activities, leading to a market dominated by end-users. Additionally, the central bank has set loan limits for second homes in six metropolitan areas and Hsinchu, affecting mainly those looking to upgrade their homes. The “Vacant Property Tax 2.0,” which targets non-owner-occupied residential properties, heavily impacts large landlords and developers with significant inventory. Other real estate policies include mortgage subsidies, with the New Qing’an preferential home loans significantly increasing young people’s willingness to purchase homes due to more favorable loan conditions compared to those available to public servants, including a five-year grace period and repayment terms of up to 40 years.

Therefore, diverse policies are supposed to be adopted for property development, in order to decentralize risks. For instance, diverse products by increasing investments in commercial and industrial real estate, or cooperate with landlords, brands or public sectors to perform land development. Additionally, Net-Zero Transformation has become a global industrial development trend. ESG sustainable building concepts are now crucial criteria for international corporations in site selection. This includes low-energy designs such as green buildings, WELL certification, intelligent buildings, and energy-saving labels. Friendly and diverse service facilities such as conference rooms, shared office spaces, and large event areas—alongside renewable energy installations and electric vehicle charging stations—are strategies that help achieve group ESG goals, becoming a mainstream trend in the commercial office market.

(II) The impact of the overall business environment

Overall, the trend of shrinking transaction volumes in the domestic real estate market was established in 2023, affected by anti-speculation policies, mortgage rates rising above 2.0%, and economic performance below expectations, hitting a four-year low. The land market also weakened due to financing restrictions and market fluctuations impacting real estate developers, leading to a significant reduction in land purchasing power.

Despite the decline in the residential market in 2023, the introduction of "Preferential Housing Loans for the Youth" at the end of the year stimulated the demand for low-priced properties, reflecting the ongoing strength of the demand for owner-occupied housing, which continues to drive the sales of smaller homes.

The commercial market was particularly active in office-related products in 2023, while the industrial property market was limited by global economic growth dynamics. Taiwan's export performance also declined, and plans for new construction and expansion were put on hold due to reduced investment momentum, not as vibrant as the post-US-China trade war period when Taiwanese businesses were investing heavily. The volume of transactions in industrial real estate has shown a decreasing trend.

In 2024, the main demand in the office market comes from traditional industries and technology companies seeking office spaces for their own use. As rents in major downtown business districts climb, businesses are actively looking for prestigious, large-scale, or ESG-certified office buildings, and spurring demand for upgrading, renewing, or shifting from renting to buying. The commercial market remains stable, supported by solid demand, with office and industrial office products expected to continue being popular.

(III) Future company development strategies

The company will continue to be optimistic about the housing market in the future. In order to ensure that the source of development projects is safe and to maintain flexibility in the use of funds, in addition to focusing on the needs of first-time buyers and home replacement groups as the main focus of planning, the company launches products in line with market trends to increase the company's market share. We will target areas with potential across Taiwan for development, purchase high-quality land, and diversify our operations. Sale and purchase, joint construction, government auction, urban renewal, and end-of-life development are all methods of development that can be assessed; in order to shorten the development time, You can also give priority to products with building licenses; will actively evaluate government-led urban renewal projects and metro-connected developments introduced by the National Housing and Urban Development Center, Taipei City Housing and Urban Development Center, and New Taipei City Housing and Urban Development Center. Publicly managed urban renewal has three major advantages: first, the complexity of land consolidation is lower than in private sector projects, reducing the difficulty for developers to participate; second, the involvement of the government increases landowners' trust in the projects; third, with government participation, the urban renewal approval process and proceedings are faster than those in the private sector, which can become a good source of profit for the Company.

Chairperson: Managerial Officer: Head of Accounting:

II. Company Profile

1. Date of Establishment: January 10, 1977
2. Company History

The Company was established in January 1977 pursuant to laws, and the shares were approved to be listed by the Taiwan Stock Exchange on August 3, 1994. The Company originally engaged in manufacturing, processing and trading of various ceramics, tiles, mosaics and artistic porcelain as its main business. Later, it successively developed the manufacturing and sales of industrial plastic products and communication engineering services. Since 2002, the Company has been actively transitioning into the environmental protection technology business, mainly engaging in the improvement and development of the treatment of incinerator bottom slag and its reuse. In 2004, the Company also ventured into real estate development and added the business of building residences by contracting to construction companies, and the lease and sale of commercial buildings. Major events in recent years are as follows:

Year	Important Event Description
2004	January: Since transitioning into the environmental protection technology business and the technologies and performance have become stabilized, to cope with the domestic real estate boom, the Company entered into the construction business and purchased lands in the Ankeng Section of Xindian City, Taipei County, for investing in the construction of real estate for sale, as the new area for the overall operating goal.
	April: The general shareholder meeting resolved to change Company name from Guobin Ceramics Industry Co., Ltd. to Guobin Dadi Environmental Protection Enterprise Co., Ltd., and the approval letter for the Company's name change registration was obtained on April 20.
	April: The general shareholder meeting resolved to decrease the capital by NT$300 million to offset the accumulated losses; meanwhile, a capital increase of NT$300 million was conducted by private placement. It was approved by the Securities and Futures Commission on June 16. The paid-in capital became NT$600 million after the capital decrease and increase through private placement.
	August: The Company moved from the 7F, No. 170, Nanjing E. Road, Sec 4, Taipei City, to 10F, No. 67, Guangfu S. Road, Taipei City. On August 18, it obtained the approval letter for the location change registration.
2005	November: The Environmental Technology Business and the Environmental Protection Department of the Taipei County Government signed the "Commissioned Treatment Program for Recycling of Bottom Slag".

Year	Important Event Description
2006	June: the AGM resolved to transfer surplus to increase capital by NT$49.8 million; after the capital increase, the paid-in capital became NT$649.8 million.
2007	June: The general shareholder meeting resolved to transfer surplus to increase capital by NT$162.45 million; after the capital increase, the paid-in capital became NT$812.25 million.
2008	June: The Company moved from 10F, No. 67 Guangfu S. Road, Taipei City, to 6F, No. 207-1, Sec 3, Beixin Road, Xindian District, New Taipei City. On June 27, the Company obtained the approval letter for the location change registration.
	June: The general shareholder meeting resolved to transfer surplus and employees' bonuses to increase capital by NT$163.75 million; after the capital increase, the paid-in capital became NT$976 million.
2009	June: The general shareholder meeting resolved to transfer surplus to increase capital by NT$156.16 million; after the capital increase, the paid-in capital became NT$1,132.16 million.
2010	June: The general shareholder meeting resolved to transfer surplus to increase capital by NT$226.432 million; after the capital increase, the paid-in capital became NT$1,358.592 million.
	June: 100% of the shares of the parent company Kauang Yang Investment Co., Ltd. were acquired by ChyiYuh Construction Co., Ltd.
	July: The Company moved from 6F, No. 207-1, Sec 3, Beixin Road, Xindian District, New Taipei City, to No. 220, Dechang St., Yingge District, New Taipei City. On July 15, the Company obtained the approval letter for the location change registration.
2011	January: The first batch of domestic secured convertible corporate bonds was issued for NT$600 million.
	June: The general shareholder meeting resolved to rename the Company from Guobin Dadi Environmental Protection Enterprise Co., Ltd. to Run Long Construction Co., Ltd. On June 20, the Company obtained the approval letter for the Company's name change registration.
	October: The second batch of domestic secured convertible corporate bonds was issued for NT$1 billion.
2012	January: Through the conversion of corporate bonds to common shares, the paid-in capital registration approved by the MOEA was increased to NT$1,364,844,040.

Year	Important Event Description
2012	April: Through the conversion of corporate bonds to common shares, the paid-in capital registration approved by the MOEA was increased to NT$1,422,325,180.
	July: Through the conversion of corporate bonds to common shares, the paid-in capital registration approved by the MOEA was increased to NT$1,437,237,120.
	October: Through the conversion of corporate bonds to common shares, the paid-in capital registration approved by the MOEA was increased to NT$1,446,006,430.
2013	January: Through the conversion of corporate bonds to common shares, the paid-in capital registration approved by the MOEA was increased to NT$1,446,342,980.
	April: Through the conversion of corporate bonds to common shares, the paid-in capital registration approved by the MOEA was increased to NT$1,446,991,390.
	September: The third batch of domestic secured convertible corporate bonds was issued for NT$1.5 billion.
	October: Through the conversion of corporate bonds to common shares, the paid-in capital registration approved by the MOEA was increased to NT$1,765,970,150.
2014	April: Through the conversion of corporate bonds to common shares, the paid-in capital registration approved by the MOEA was increased to NT$1,770,088,750.
	July: Through the conversion of corporate bonds to common shares, the paid-in capital registration approved by the MOEA was increased to NT$1,773,809,370.
	October: Through the conversion of corporate bonds to common shares, the paid-in capital registration approved by the MOEA was increased to NT$1,850,088,640.
	December: The Board of Directors resolved to increase capital in cash through issuing 30,000,000 common shares with a face value NT$10 per share for a total of NT$300,000,000.
2015	March: Through the issuance of common shares for capital increase in cash, the paid-up capital registration approved by the MOEA was increased to NT$2,150,088,640.

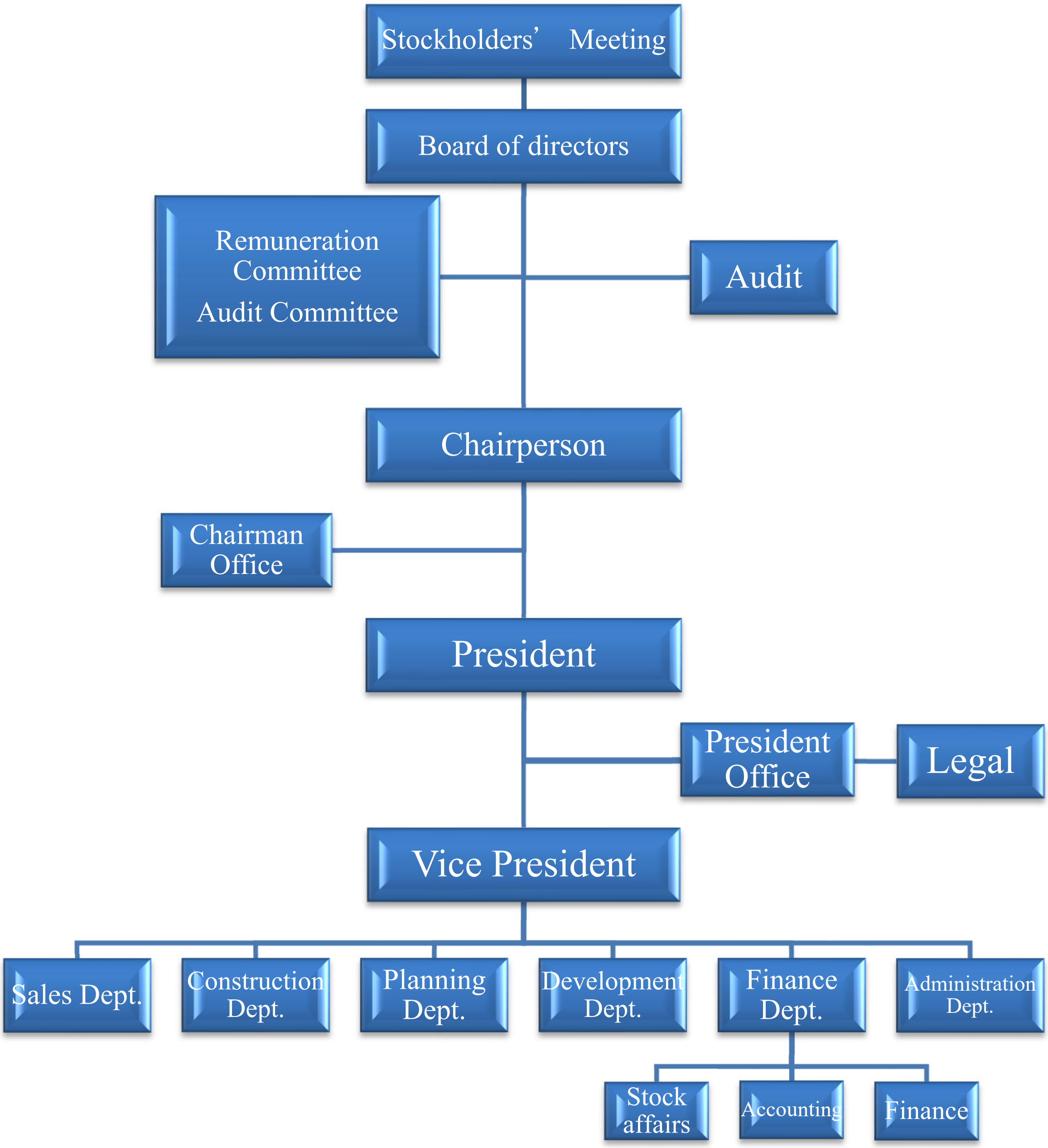
Year	Important Event Description
2015	August: Through the conversion of corporate bonds to common shares, the paid-in capital registration approved by the MOEA was increased to NT$2,150,261,950.
	October: Through the conversion of corporate bonds to common shares, the paid-in capital registration approved by the MOEA was increased to NT$2,158,501,990.
2016	January: Through the conversion of corporate bonds to common shares, the paid-in capital registration approved by the MOEA was increased to NT$2,331,848,740.
	May: Through the conversion of corporate bonds to common shares, the paid-in capital registration approved by the MOEA was increased to NT$2,334,945,740.
	July: Through the conversion of corporate bonds to common shares, the paid-in capital registration approved by the MOEA was increased to NT$2,345,579,950.
	October: Through the conversion of corporate bonds to common shares, the paid-in capital registration approved by the MOEA was increased to NT$2,368,473,450.
2017	January: Through the conversion of corporate bonds to common shares, the paid-in capital registration approved by the MOEA was increased to NT$2,376,663,000.
	April: Through the conversion of corporate bonds to common shares, the paid-in capital registration approved by the MOEA was increased to NT$2,433,559,040.
	October: Through the conversion of corporate bonds to common shares, the paid-in capital registration approved by the MOEA was increased to NT$2,434,044,460.
2018	April: Through the conversion of corporate bonds to common shares, the paid-in capital registration approved by the MOEA was increased to NT$2,444,724,050.
	July: Through the conversion of corporate bonds to common shares, the paid-in capital registration approved by the MOEA was increased to NT$2,445,015,310.
	September: Acquired 100% stake of Jin Jyun Construction Co., Ltd., a subsidiary of Highwealth Construction Corporation.

Year	Important Event Description
2018	October: Through the conversion of corporate bonds to common shares, the paid-in capital registration approved by the MOEA was increased to NT$3,083,305,310.
2019	February: Dissolved the Environmental Technology Business Division.
	September: Disposed the lands and buildings of the Environmental Technology plants at Dechang Section, Yingge District.
2020	October: The shareholder meeting resolved to transfer the surplus and capital reserve for capital increase of NT$616,661,060; the capital became NT$3,699,966,370 after the capital increase.
2021	October: The shareholder meeting resolved to transfer the surplus and capital reserve for capital increase of NT$222,000,000; the capital became NT$3,921,966,370 after the capital increase.
2022	October: The shareholder meeting resolved to transfer the surplus for capital increase of NT$588,294,960; the capital became NT$4,510,261,330 after the capital increase.

III. Corporate Governance Report

1. Organization System

(I) Organizational Structure



(II) Major tasks of the functional committees under the Board of Directors

Functional committee	Major Tasks
Remuneration Committee	Prescribe and periodically review the performance review and remuneration policy, system, standards, and structure for directors and managerial officers. Evaluate and establish the remuneration of directors and managerial officers regularly.
Audit Committee	Establish or amend the internal control system pursuant to Article 14-1 of the Securities Exchange Act. Assessment of the effectiveness of the Company's internal control system. Establish or amend handling procedures for financial or operational actions of material significance pursuant to Article 36-1 of the Securities and Exchange Act, such as acquisition or disposal of assets, derivatives trading, extension of monetary loans to others, and endorsements or guarantees for others. Review matters bearing on the personal interest of directors. Review transactions involving material assets or derivatives. Review material loaning of funds, endorsements, or provisions of guarantees. Review the offering, issuance, or private placement of any equity-type securities. Evaluate and approve the hiring, dismissal or remuneration of an attesting certified public accountant. Appoint or dismiss financial, accounting, or internal auditing officers. Review the financial statements of the year. Any other material matter so determined by the competent authority.

(III) Work Description of Major Departments

Departments	Functions
Chairperson Office	The formulation of the Company's long-term business development strategies. Supervising and verifying the effectiveness of the operation and execution of each business division. Planning and executing the operating strategies of each business division. Implementing resolutions of the Board of Directors
Company Governance Executives	As the top executive of corporate governance affairs, he is responsible for strengthening the corporate governance structure and promoting the planning and execution of corporate governance related businesses.
Audit	Assisting management to formulate the design and planning of the internal control system. Implementing the execution and evaluation of the internal control system. Auditing execution and report preparation, and auditing deficiencies and tracking the follow-up improvements. Assisting in the implementation of internal control self-evaluation in various departments. Submitting audit reports and explanations to the Board of Directors, the Audit Committee, and independent directors periodically.
President Office	Drafting of the Company's mid- and short-term business objectives, guidelines, and implementation policies. Integrating Company-wide regulations and comprehensive planning. The vertical and horizontal integration of the Company's various departments. Developing and planning of the Company's organization. Responsible for supervising the operating performance of each business division. Planning and implementing of public relations activities and media liaison related affairs.
President Office Legal	Compiling the contents of the agreements, litigation documents and correspondence. Contract document reviewing, collection of laws and regulations, research on legal issues, collection of data, and filing.
Sales Dept.	Responsible for market evaluation, selection of sales agencies, marketing planning, pre-sale execution, signing contracts with customer and collecting payments, handover and title transfer operations, convening management committee meeting, and customer consultation and services.
Construction Dept.	Responsible for various project evaluations, construction monitoring, material acceptance, project outsourcing cost control, construction period control, quality control and after-sales warranty services.

Departments		Functions
Planning Dept.		Coordinating architectural designs of projects, product planning and permit applications, etc.
Development Dept.		Land development strategy recommendations and investment analysis and research, and environmental information collection. Comprehensive management of land purchases, joint venture land case signing, payment, transfer, tax payment and other matters.
Finance Department	Finance	Funds deployment, financial analysis, receipts and payments, cashier and bank transaction processing.
	Accounting	General accounting matters; recording and review of related accounting documents; preparation, analysis and presentation of accounting statements and settlement accounts; taxation handling; annual budget preparation.
	Stock affairs	Various stock affair operations. Responsible for the preparation of meetings of the Board of Directors and functional committees, agenda administration, and related resources or assistance required for performing duties. Responsible for the planning and preparation of the shareholder meetings and related agenda operations. Assisting in the planning and execution of information disclosure operations. Assisting in planning matters related to corporate governance.
Administration Dept.		Planning the individual business of each department according to the work objectives and guidelines of the Company to reach the Company's mission requirements. Coordination of various computerization schedules and effects, recommendation and signing of various operation plans. Planning, design, management and security maintenance of soft- and hardware equipment. Planning, monitoring and executing information security management operations of various information security systems. Responsible for manpower needs, personnel recruitment, salary, assessment, welfare and education and training. Responsible for the management of general affairs and service supplies. ESG sustainability plan promotion, climate change related issue management and project promotion, planning and sustainable development related education and training.

2. Information of directors, president, vice presidents, associates, department and branch directors

(I) Information of Directors and Supervisors

April 15, 2024

Job Title	Nationality/Place of Incorporation	Name	Gender Age	Date Effective	Term (Year)	Date First Elected	Shareholding when Elected		Current Shareholding		Spouse & Minor Shareholding		Shareholding by Nominee Arrangement		Experience (Education)	Other Position	Executives, Directors or Supervisors Who are Spouses or within the Second Degree of Kinship			Remarks (Note 1)
							Shares	Holding shares ratio	Shares	Holding shares ratio	Shares	Holding shares ratio	Stock Number	Holding shares ratio			Job Title	Name	Relationship	
Institutional Director	Republic of China	Da-Li Investment Co., Ltd		2021.08.16	Three years	2012.06.10	14,485,821	3.91	17,663,965	3.92	0	0	0	0	–	–	–	–	–	
Representative of Institutional Director	Republic of China	Tsai, Chung-Ping (Note 2)	M 50-60	2021.08.16	Not applicable.	Not applicable.	Not applicable.	Not applicable.	–	–	–	–	–	–	–	–	–	–	–	
Representative of Institutional Director	Republic of China	Lin, Wei-Chum (Note 2)	M 50-60	2021.08.16	Not applicable.	Not applicable.	Not applicable.	Not applicable.	0	0	0	0	0	0	Department of Applied English, Ming Chuan University Department of Construction Engineering, Chung Hua University Manager of Development Department of Run Long Construction Co., Ltd.	President of Run Long Construction Co., Ltd.	None	None	None	
Institutional Director	Republic of China	Kaung Yang Investment Co., Ltd.		2021.08.16	Three years	1999.07.19	20,792,415	5.62	28,759,103	6.37	0	0	0	0	–	–	–	–	–	
Representative of Institutional Director	Republic of China	Chiu, Ping-Tse (Note 2)	M 50-60	2021.08.16	Not applicable.	Not applicable.	Not applicable.	Not applicable.	0	0	0	0	0	0	Civil Engineering Institute, National Taiwan University President of Run Long Construction Co., Ltd. Chairperson of Jin Jyun Construction Co.,Ltd.	Chairperson of Run Long Construction Co., Ltd. Representative of Institutional Director of Jin Jyun Construction Co., Ltd.	None	None	None	
Representative of Institutional Director	Republic of China	Cheng, Chiao-Wen	F 30-40	2021.08.16	Not applicable.	Not applicable.	Not applicable.	Not applicable.	0	0	0	0	0	0	Pratt Institute Real Estate Development	Director of Feng-Rao Investment Co., Ltd.	None	None	None	

Job Title	Nationality/Place of Incorporation	Name	Gender Age	Date Effective	Term (Year)	Date First Elected	Shareholding when Elected		Current Shareholding		Spouse & Minor Shareholding		Shareholding by Nominee Arrangement		Experience (Education)	Other Position	Executives, Directors or Supervisors Who are Spouses or within the Second Degree of Kinship			Remarks (Note 1)
							Shares	Holding shares ratio	Shares	Holding shares ratio	Shares	Holding shares ratio	Shares	Holding shares ratio			Job Title	Name	Relationship	
Representative of Institutional Director	Republic of China	Chen, Kuo-Yen	M 60-70	2021.08.16	Not applicable.	Not applicable.	Not applicable.	Not applicable.	0	0	0	0	0	0	National Taipei University of Technology Industrial Design Department Vice Chairperson of ChyiYuh Construction Co., Ltd. Consultant of Highwealth Construction Co., Ltd.	Consultant of ChyiYuh Construction Co., Ltd.	None	None	None	
Independent Director	Republic of China	Yen, Yun-Chi	M 60-70	2021.08.16	Three years	2015.06.11	0	0	0	0	0	0	0	0	China University of Technology Department of Public Health	Chairperson of Tungyue Advertising Co., Ltd.	None	None	None	
Independent Director	Republic of China	Li, Wen-cheng	M 70-80	2021.08.16	Three years	2016.06.13	0	0	0	0	0	0	0	0	Central Police University Judge and Presiding Judge of Taiwan High Court	Independent Director of Highwealth Construction Co., Ltd.	None	None	None	
Independent Director	Republic of China	Chen, Yung-chang	M 60-70	2021.08.16	Three years	2021.08.16	0	0	0	0	0	0	0	0	National Taiwan University Department of Law Judge of Taiwan High Court	Attorney of All-Pro Law Firm Representative of corporate director of Flexium Interconnect Inc. Independent Director of LandMark Optoelectronics Corporation	None	None	None	

Note 1: Where the chairperson and the president or person of an equivalent post (the highest level manager) of a company are the same person, spouses, or relatives within the first degree of kinship, an explanation shall be given of the reason for, reasonableness and necessity thereof, and the measures adopted in response thereto (such as increasing the seats of independent directors, with the majority of directors not concurrently serving as employees or managerial officers): No such situation.

Note 2: As a corporate shareholder, Da-Li Investment Co., Ltd appointed Lin, Wei-Chum to act as representative and director in place of Tsai, Chung-Ping on April 10, 2023. As a result, Tsai, Chung-Ping was removed from the post as Chairperson. At the meeting of the Board of Directors on April 10, 2023, Chiu, Ping-Tse was elected to be the Chairperson. To distinguish powers of the Chairperson and the President, manager Lin, Wei-Chum was promoted as the President from April 10, 2023.

Table 1: Major shareholders of legal person shareholders

April 15, 2024

Name of Legal Person Shareholder	Major shareholders of institutional shareholder	
	Name of shareholder	Shareholding ratio
Da-Li Investment Co., Ltd	Tsai, Chung-Ping	47.93%
	Huang, Ching-Shui	29.76%
	Cheng, Jun-Fang	14.18%
Kaung Yang Investment Co., Ltd.	ChyiYuh Construction Co., Ltd.	100.00%

Table 2: The major shareholders of Table 1 the major shareholders of legal persons

April 15, 2024

Legal Person Name	Legal Person's Major shareholders	
ChyiYuh Construction Co., Ltd.	Name of shareholder	Shareholding ratio
	Highwealth Construction Co., Ltd	100.00%

Information of Directors (II)

1. The Disclosure of Directors Professional Qualification and Independent Directors Independence

April 15, 2024

Qualification / Name	Professional Qualifications and Experience	Independence Situation	Number of Other Public Companies in Which the Individual is Concurrently Serving as an Independent Director
Tsai, Chung-Ping (Note 1)	—	—	—
Chiu, Ping-Tse (Note 1)	■Representative of Institutional Director/ Chairperson ■Have more than 5 years of rich leadership experience in the construction industry and construction industry, and have a full range of administrative practice experience in various businesses of the company ■Primary current position Chairperson of Run Long Construction Corporation. ■None of the provisions of Article 30 of the Company Act.	Not applicable.	0
Lin, Wei-Chum (Note 1)	■Representative of Institutional Director/ President ■Have more than 5 years of rich leadership experience in the construction industry and construction industry, and have a full range of administrative practice experience in various businesses of the company ■Primary current position President of Run Long Construction Corporation. ■None of the provisions of Article 30 of the Company Act.	Not applicable.	0
Cheng Chiao-Wen	■Representative of Institutional Director ■With more than 5 years of construction planning, sales industry-related business background, both professional and practical ■Primary current position Director of Feng-Rao Investment Co., Ltd. ■None of the provisions of Article 30 of the Company Act.	Not applicable.	0
Chen, Kuo-Yen	■Representative of Institutional Director ■Have more than 5 years of rich experience in engineering construction industry leadership, and have business experience ■Primary current position Consultant of ChyiYuh Construction Co., Ltd. ■None of the provisions of Article 30 of the Company Act.	Not applicable.	0

Qualification / Name	Professional Qualifications and Experience	Independence Situation	Number of Other Public Companies in Which the Individual is Concurrently Serving as an Independent Director
Yen, Yun-Chi	■ Independent director / member of Remuneration Committee / member of Audit Committee ■ With more than 5 years of profound construction and sales industry-related business background, and rich practical experience in business and accounting ■ Primary current position Chairperson of Tungyue Advertising Co., Ltd. ■ None of the provisions of Article 30 of the Company Act.	1. The daughter of independent director Yan, Yun-qi has been employed by the company since January 1, 2022, but is not the manager of the company, so it is comply with the “Regulations Governing Appointment of Independent Directors Compliance Matters for Public Companies”. 2. The person, the spouse, the relatives within the second degree of relatives do not hold the number of shares in the company. 3. Independent directors maintain their independence within the scope of their business execution, and must not have direct or indirect interests with the company, in the two years before the election and during the term of office, there is no circumstance specified in Article 3 of the "Regulations Governing Appointment of Independent Directors Compliance Matters for Public Companies". 4. The person has not provided business, legal, financial, accounting and other services to the Company or its affiliated companies for the last 2 years and received compensation.	0

Qualification / Name	Professional Qualifications and Experience	Independence Situation	Number of Other Public Companies in Which the Individual is Concurrently Serving as an Independent Director
Li, Wen-Cheng	■ Independent director / Remuneration Committee Convener / Audit Committee Convener ■ Retired judge (retired from Taiwan High Court in 2006), qualified as judge and lawyer for more than 5 years, and has rich experience in legal affairs ■ Past Experience President of Taiwan High Court President of Hualien Local Court President of Taitung Local Court President of Penghu Local Court His legal expertise covers administrative law, fair trade law, mass communication law, commercial litigation, criminal litigation, intellectual property litigation, etc. The company expects to rely on his expertise in legal talents and commercial litigation to assist the company in mastering the overall legal aspects during the operation layout, so as to reduce legal risks and improve operating efficiency. ■ None of the provisions of Article 30 of the Company Act.	1. Him, his spouse, and relatives within the second degree of kinship do not serve as directors, supervisors or employees of the company or its affiliated companies. Independent director Li, Wen-cheng concurrently serves as an independent director of the parent company, does not apply to this restriction. 2. The person, the spouse, the relatives within the second degree of relatives do not hold the number of shares in the company. 3. Independent directors maintain their independence within the scope of their business execution, and must not have direct or indirect interests with the company, in the two years before the election and during the term of office, there is no circumstance specified in Article 3 of the "Regulations Governing Appointment of Independent Directors Compliance Matters for Public Companies". 4. The person has not provided business, legal, financial, accounting and other services to the Company or its affiliated companies for the last 2 years and received compensation.	1

Qualification / Name	Professional Qualifications and Experience	Independence Situation	Number of Other Public Companies in Which the Individual is Concurrently Serving as an Independent Director
Chen, Yung-chang	■ Independent director / member of Audit Committee ■ Retired judge (retired from Taiwan High Court in 2007), qualified as judge and lawyer for more than 5 years, and has rich experience in legal affairs ■ Past Experience Judge of Taoyuan, Shilin and Taipei District Courts Chief Judge of Keelung District Court Judge and Presiding Judge of Taiwan High Court His legal expertise covers administrative law, fair trade law, mass communication law, commercial litigation, criminal litigation, intellectual property litigation, etc. The company expects to rely on his expertise in legal talents and commercial litigation to assist the company in mastering the overall legal aspects during the operation layout, so as to reduce legal risks and improve operating efficiency. ■ Primary current position Attorney of All-Pro Law Firm ■ None of the provisions of Article 30 of the Company Act.	1. The person, his spouse, and relatives within the second degree of kinship do not serve as directors, supervisors or employees of the company or its affiliated companies. 2. The person, the spouse, the relatives within the second degree of relatives do not hold the number of shares in the company. 3. Independent directors maintain their independence within the scope of their business execution, and must not have direct or indirect interests with the company, in the two years before the election and during the term of office, there is no circumstance specified in Article 3 of the "Regulations Governing Appointment of Independent Directors Compliance Matters for Public Companies". 4. The person has not provided business, legal, financial, accounting and other services to the Company or its affiliated companies for the last 2 years and received compensation.	1

Note 1: As a corporate shareholder, Da-Li Investment Co., Ltd appointed Lin, Wei-Chum to act as representative and director in place of Tsai, Chung-Ping on April 10, 2023. As a result, Tsai, Chung-Ping was removed from the post as Chairperson. At the meeting of the Board of Directors on April 10, 2023, Chiu, Ping-Tse was elected to be the Chairperson. To distinguish powers of the Chairperson and the President, manager Lin, Wei-Chum was promoted as the President from April 10, 2023.

2. Diversity and Independence of the Board of Directors

(1) Diversity of the Board of Directors

1. The board of directors of the company guides the company's strategy, supervises the management and is responsible to the company and shareholders' meeting. In various operations and arrangements of the corporate governance system, the board of directors exercises its functions and powers in accordance with laws, the company's Articles of Incorporation or the resolutions of the shareholders' meeting.
2. The structure of the board of directors of the company shall be based on the scale of the company's operation and development and the shareholding situation of its major shareholders, taking into account the needs of practical operations, and determining the appropriate number of directors with more than five members.
3. The composition of the Board of Director should consider the diversification, and that appropriate diversification policies should be formulated based on its own operation, operation type and development needs, including but not limited to the following 2 facets of standards:

①Basic conditions and values: Gender, age, nationality, culture, etc.

②Professional knowledge and skills: Professional background. (such as law, accounting, industry, finance, marketing, law or environmental protection), professional skills, and other experiences of industry.

4. The members of the board of directors shall generally possess the necessary knowledge, skills and qualities to perform their duties. In order to achieve the ideal goals of corporate governance, the overall ability of the board of directors should be as follows:

①Ability to make operational judgments.

②Ability to perform accounting and financial analysis.

③Ability to conduct management administration.

④Ability to conduct crisis management.

⑤Knowledge of the industry.

⑥Perspective of Global Market.

⑦Leadership.

⑧Capability of Decision Making.

(2) Specific management objectives of the Company's diverse policies and attainment:

Management objectives	Attainment
Independent directors account for 1/3 of all directors	Attained
Directors who also act as managers account for no more than 1/3 of all directors	Attained
Master diverse professional knowledge and skills	Attained
Increase one female director	Unattained It is anticipated that a female director will be added in the future to increase gender diversity among board members.

(3) The company's current board member diversity policy and its implementation are as follows:

1. The current Board of Directors consists of seven directors, including 3 independent directors, and each director has rich experience and expertise in different fields.
2. The Company’s directors concurrently serving as employees account for 29% and independent directors account for 43%. One independent director has a tenure of less than 3 years, two independent directors have a tenure of 8 to 9 years. One directors is 70 years old or older, three directors are over 60 years old, two directors are between 50 to 60 years old, and one director is under 40 years old. The Company values the gender equality in the composition of the Board of Directors, there are 7 directors, including 1 female director, achieve 14%, and it is expected to add one more female director in the Board of Directors in the future.
3. The implementation of the diversification for the members of board of directors of this term (2021/08/16-2024/08/15) is as the following table:

Job Title	Name	Formation					Experience in industry / specialty									
		Nationality	Gender	concurrently serve as the employee of the company	Age	Seniority of tenure as independent director	Financial Accounting	Law	Marketing	Operational Judgment	Business Management	Crisis Management	Knowledge of the Industry	Perspective of Global Market	Leadership	Capability of Decision
Chairperson and Representative of Legal Person Director	Tsai, Chung-Ping (Note 1)	–	–	–	–		–	–	–	–	–	–	–	–	–	–
Chairperson and Representative of Legal Person Director	Chiu, Ping-Tse (Note 1)	Republic of China	Male	✓	50–60		✓		✓	✓	✓	✓	✓	✓	✓	✓
Representative of Legal Person Director	Lin, Wei-Chum (Note 1)	Republic of China	Male	✓	50–60		✓		✓	✓	✓	✓	✓	✓	✓	✓
Representative of Legal Person Director	Cheng Chiao-Wen	Republic of China	Female		30–40		✓		✓	✓	✓	✓	✓	✓	✓	✓
Representative of Legal Person Director	Chen, Kuo-Yen	Republic of China	Male		60–70				✓	✓	✓	✓	✓	✓	✓	✓
Independent Director	Yen, Yun-Chi	Republic of China	Male		60–70	>3	✓		✓	✓	✓	✓	✓	✓	✓	✓
Independent Director	Li, Wen-Cheng	Republic of China	Male		70–80	>3		✓		✓	✓	✓	✓	✓	✓	✓
Independent Director	Chen, Yung-chang	Republic of China	Male		60–70	<3		✓		✓	✓	✓	✓	✓	✓	✓

Note 1: As a corporate shareholder, Da-Li Investment Co., Ltd appointed Lin, Wei-Chum to act as representative and director in place of Tsai, Chung-Ping on April 10, 2023. As a result, Tsai, Chung-Ping was removed from the post as Chairperson. At the meeting of the Board of Directors on April 10, 2023, Chiu, Ping-Tse was elected to be the Chairperson. To distinguish powers of the Chairperson and the President, manager Lin, Wei-Chum was promoted as the President from April 10, 2023.

(4) The Independence of the Board of Directors

1. The Company’s board of directors consists of 7 members, of which 3 are independent directors (43%). All independent directors maintain their independence in performing their duties, have no conflicts of interest with the Company, and serve on the Audit Committee. They are responsible for ensuring the proper expression of the Company’s financial statements, the appointment and dismissal of auditors as well as their independence and performance, the effective implementation of internal controls, the Company’s risk management mechanisms, and oversight compliance with relevant laws.
2. According to the company's "Director Election Regulations", the cumulative voting system and candidate nomination system are adopted for the selection and appointment of directors and independent directors, and shareholders are encouraged to participate. Personnel qualification review and confirmation of violations of the items listed in Article 30 of the Company Law are conducted and announced in accordance with the law to protect the rights and interests of shareholders, avoid monopoly or excessive nomination rights, and maintain independence.
3. The positions of the Company’s chairman and general manager are held by different individuals who are not spouses or relatives, ensuring that the board can effectively oversee and manage executive responsibilities and guide Company strategy, being accountable to the Company and its shareholders.
4. All directors of the Company do not have spousal or first or second-degree relative relationships with one another, in compliance with Article 26-3, Paragraph 3 of the Securities and Exchange Act. To ensure the independence of the board’s operations, Article 15, Paragraph 1 of the Company’s board meeting regulations explicitly states that directors with a personal or represented legal entity’s conflict of interest in a matter under discussion must disclose the significant aspects of their interest at the meeting. If there is a potential harm to the Company’s interests, they must abstain from discussing and voting on the matter and cannot represent another director in voting. All directors comply with the aforementioned regulations, ensuring that discussions and decisions on various issues are made through objective and independent judgment by the directors.
5. To implement corporate governance and enhance the function of the board and its committees, the company has established a performance evaluation system for the board of directors, and implements an internal self-evaluation of the board of directors and self-evaluation of board members once a year. The measurements of the Board of Directors performance evaluation include five major aspects, namely (1) the degree of participation in the Company’s operations, (2) improvement in the quality of decision-making by the Board of Directors, (3) the composition and structure of the Board of Directors, (4) the election of the directors and their continuing professional education, and (5) internal control. The self-evaluation of board members include six major aspects, namely (1) grasp of the Company’s goals and missions, (2) recognition of director’s duties, (3) degree of participation in the Company’s operations, (4) management of internal relationships and communication, professionalism and (5) continuing professional education, and (6) internal control.

   The results and recommendations from evaluations are used as references for selecting or nominating directors for the next term and are disclosed in the Company’s annual report or on its official website.

(II) Information of president, vice president, associates, department and branch directors

April 15, 2024

Title	Nationality	Name	Gender	Date Effective	Shareholding		Spouse & Minor Shareholding		Shareholding by Nominee Arrangement		Experience(Education) (Note 1)	Position currently held at other companies	Managers who are Spouses or Within Two Degrees of Kinship			Remarks (Note 2)
					Shares	Holding shares ratio	Shares	Holding shares ratio	Shares	Holding shares ratio			Job Title	Name	Relationship	
President	Republic of China	Chiu, Ping-Tse (Note 3)	M	2021.10.05	0	0	0	0	0	0	Civil Engineering Institute, National Taiwan University President of Run Long Construction Co., Ltd. Chairperson of Jin Jyun Construction Co.,Ltd. Chairperson of Run Long Construction Co.,Ltd.	Representative of Institutional Director of Jin Jyun Construction Co., Ltd.	None	None	None	
President	Republic of China	Lin, Wei-Chum (Note 3)	M	2023.04.10	0	0	0	0	0	0	Department of Applied English, Ming Chuan University Department of Construction Engineering, Chung Hua UniversityManager of Development Department of Run Long Construction Co., Ltd.	None	None	None	None	
Assistant Vice President	Republic of China	Wu, Chin-Ching	M	2019.12.02	29,311	0.01	0	0	0	0	College of Management, Yuan Ze University Assistant Vice President of Administration Department of Run Long Construction Co., Ltd.	None	None	None	None	
Assistant Vice President	Republic of China	Fang, Tze-Chiang (Note 4)	M	2021.08.10	0	0	0	0	0	0	Institute of Architecture and Urban Design, Department of Architecture, School of Design, National Taipei University of Technology Vice President of Design Department of Wu, Chang-Rung Architects.	None	None	None	None	

Title	Nationality	Name	Gender	Date Effective	Shareholding		Spouse & Minor Shareholding		Shareholding by Nominee Arrangement		Experience(Education) (Note 1)	Position currently held at other companies	Managers who are Spouses or Within Two Degrees of Kinship			Remarks (Note 2)
					Shares	Holding shares ratio	Shares	Holding shares ratio	Shares	Holding shares ratio			Job Title	Name	Relationship	
Assistant Vice President	Republic of China	Lin, Yueh-Feng (Note 4)	M	2024.03.01	0	0	0	0	0	0	Department of Architecture, National Taiwan University of Science and Technology Highwealth Construction Corp. Planning Dept. Manager	None	None	None	None	
Assistant Vice President	Republic of China	Liu, Kuan-Ying (Note 5)	F	2022.04.01	—	—	—	—	—	—	—	—	—	—	—	
Manager also acted as the Company Governance Executives	Republic of China	Lu, Chia-Yin	F	2011.10.27	46,775	0.01	0	0	0	0	Graduate Institute of Finance, National Taiwan University of Science and Technology Finance Manager of Run Long Construction Co., Ltd.	None	None	None	None	
Manager	Republic of China	Lin, Ya-mei	F	2011.10.27	0	0	0	0	0	0	Accounting Department, Fu-Jen University Accounting manager of Run Long Construction Co., Ltd.	None	None	None	None	

Note 1: For the experience related to the current position, if such experience is any position at the accounting firm of the Company's CPAs or at an affiliated enterprise of such accounting firm during the aforesaid period, such position and functions shall be specified: No such situation.

Note 2: Where the president or person of an equivalent post (the highest level manager) and the chairperson are the same person, spouses, or relatives within the first degree of kinship, an explanation shall be given of the reason for, reasonableness and necessity thereof, and the measures adopted in response thereto (such as increasing the seats of independent directors, with the majority of directors not concurrently serving as employees or managerial officers): No such situation.

Note 3: As a corporate shareholder, Da-Li Investment Co., Ltd appointed Lin, Wei-Chum to act as representative and director in place of Tsai, Chung-Ping on April 10, 2023. As a result, Tsai, Chung-Ping was removed from the post as Chairperson. At the meeting of the Board of Directors on April 10, 2023, Chiu, Ping-Tse was elected to be the Chairperson. To distinguish powers of the Chairperson and the President, manager Lin, Wei-Chum was promoted as the President from April 10, 2023.

Note 4: Due to group position adjustments, starting from March 1, 2024, the former Deputy Manager of the Planning Department, Fang Tze-Chiang, has been transferred to the Group Planning Department. The new head of the Planning Department will be Lin Yueh-Feng, who has been promoted from Manager to Assistant Manager within the Group Planning Department.

Note 5: Associate Vice President Liu, Kuan-Ying was discharged on August 11, 2023.

3. Remuneration of directors, president, and vice presidents in latest year

(I) Remuneration of directors and independent directors (name and remuneration method are disclosed individually)

Dec. 31, 2023

Unit: NT$ thousand; Shares; %

<table>
<tr><th colspan="2" rowspan="4">Job Title</th><th rowspan="4">Name</th><th colspan="8">Remuneration</th><th colspan="2" rowspan="2">Ratio of total compensation A+B+C+D and to net income (%)</th><th colspan="8">Relevant Remuneration Received by Directors Who are Also Employees</th><th colspan="2" rowspan="2">Ratio of Total Compensation (A+B+C+D+E+F+G) and to net Income (%)</th><th rowspan="4">Compensation paid by an invested company other than the Company's subsidiary or parent company</th></tr>
<tr><th colspan="2">Base Compensation (A)</th><th colspan="2">Severance Pay (B)</th><th colspan="2">Directors Remuneration (C)</th><th colspan="2">Allowances (D)</th><th colspan="2">Salary, Bonuses, and Allowances (E)</th><th colspan="2">Severance Pay (F)</th><th colspan="4">Employee Remuneration (G)</th></tr>
<tr><th rowspan="2">The Company</th><th rowspan="2">Companies in the consolidated financial statements (Note 7)</th><th rowspan="2">The Company</th><th rowspan="2">Companies in the consolidated financial statements (Note 7)</th><th rowspan="2">The Company</th><th rowspan="2">Companies in the consolidated financial statements (Note 7)</th><th rowspan="2">The Company</th><th rowspan="2">Companies in the consolidated financial statements (Note 7)</th><th rowspan="2">The Company</th><th rowspan="2">Companies in the consolidated financial statements (Note 7)</th><th rowspan="2">The Company</th><th rowspan="2">Companies in the consolidated financial statements (Note 7)</th><th rowspan="2">The Company</th><th rowspan="2">Companies in the consolidated financial statements (Note 7)</th><th colspan="2">The Company</th><th colspan="2">Companies in the consolidated financial statements (Note 7)</th><th rowspan="2">The Company</th><th rowspan="2">Companies in the consolidated financial statements (Note 7)</th></tr>
<tr><th>Cash Bonus</th><th>Stock Amount</th><th>Cash Bonus</th><th>Stock Amount</th></tr>
<tr><td rowspan="7">General Director</td><td>Institutional Director</td><td>Da-Li Investment Co., Ltd</td><td rowspan="7">0</td><td rowspan="7">0</td><td rowspan="7">0</td><td rowspan="7">0</td><td rowspan="7">10,000</td><td rowspan="7">10,000</td><td rowspan="7">0</td><td rowspan="7">0</td><td rowspan="7">10,000
0.13%</td><td rowspan="7">10,000
0.13%</td><td rowspan="7">9,276</td><td rowspan="7">9,441</td><td rowspan="7">0</td><td rowspan="7">0</td><td rowspan="7">3,250</td><td rowspan="7">0</td><td rowspan="7">3,250</td><td rowspan="7">0</td><td rowspan="7">22,526
0.29%</td><td rowspan="7">22,691
0.29%</td><td rowspan="7">None</td></tr>
<tr><td>Representative of the Chairperson</td><td>Tsai, Chung-Ping (Note 2)</td></tr>
<tr><td>Director Representative</td><td>Lin, Wei-Chum (Note 2)</td></tr>
<tr><td>Institutional Director</td><td>Kaung Yang Investment Co., Ltd.</td></tr>
<tr><td>Director Representative</td><td>Chiu, Ping-Tse (Note 2)</td></tr>
<tr><td>Director Representative</td><td>Cheng, Chiao-Wen</td></tr>
<tr><td>Director Representative</td><td>Chen, Kuo-Yen</td></tr>
<tr><td rowspan="3">Independent Director</td><td>Independent Director</td><td>Yen, Yun-qi</td><td rowspan="3">3,000</td><td rowspan="3">3,000</td><td rowspan="3">0</td><td rowspan="3">0</td><td rowspan="3">0</td><td rowspan="3">0</td><td rowspan="3">0</td><td rowspan="3">0</td><td rowspan="3">3,000
0.04%</td><td rowspan="3">3,000
0.04%</td><td rowspan="3">0</td><td rowspan="3">0</td><td rowspan="3">0</td><td rowspan="3">0</td><td rowspan="3">0</td><td rowspan="3">0</td><td rowspan="3">0</td><td rowspan="3">0</td><td rowspan="3">3,000
0.04%</td><td rowspan="3">3,000
0.04%</td><td rowspan="3">1,260</td></tr>
<tr><td>Independent Director</td><td>Li Wen-cheng</td></tr>
<tr><td>Independent Director</td><td>Chen, Yung-chang</td></tr>
</table>

1. Please describe the policy, system, standard and contruction of director’s payment, and describe the relevance of the amount of payment according to factors, such as responsibility, risk, and times:
   In order to make independent directors have an impact on the Board of Directors and the operation of the Company and maintain independence, pursuant to Article 5 of the “Rules Governing the Scope of Powers of Independent Directors”, the Company has to pay the independent directors of the Company every month (or every quarter or every half year) regardless of the earnings of the Company. Moreover, the payment should be adjusted according to the level of participation and the value of the contribution (must be resolved by the Remuneration Committee and the Board of Directors).
   The independent directors do not involve with the assignment of consideration and other incentives.
2. In addition to what is disclosed above, the payment of the directors provides all companies reported in the financial report with service (ex: serving as a non-employee consultant ... etc.) in a recent year: NT$2,389,000

Note 1: The 2023 Directors Remuneratio and employees’ remuneration is filled in with the estimated amount.

Note 2: As a corporate shareholder, Da-Li Investment Co., Ltd appointed Lin, Wei-Chum to act as representative and director in place of Tsai, Chung-Ping on April 10, 2023. As a result, Tsai, Chung-Ping was removed from the post as Chairperson. At the meeting of the Board of Directors on April 10, 2023, Chiu, Ping-Tse was elected to be the Chairperson. To distinguish powers of the Chairperson and the President, manager Lin, Wei-Chum was promoted as the President from April 10, 2023.

Remuneration Scale Table
2023

<table>
<tr><td rowspan="3">This table indicates the scale for the Directors' Remuneration of the Company.</td><td colspan="4">Director Name</td></tr>
<tr><td colspan="2">Total remuneration for the first four items (A+B+C+D)</td><td colspan="2">Total remuneration for the first seven items (A+B+C+D+E+F+G)</td></tr>
<tr><td>The Company</td><td>Companies in the consolidated financial statements</td><td>The Company</td><td>Companies in the consolidated financial statements</td></tr>
<tr><td>Below NT$1,000,000</td><td>Independent Director Chen, Yung-Chang</td><td>Independent Director Chen, Yung-Chang</td><td>Independent Director Chen, Yung-Chang</td><td>Independent Director Chen, Yung-Chang</td></tr>
<tr><td>NT$1,000,000 (incl.) – NT$2,000,000 (excl.)</td><td>Da-Li Investment Co., LTD.
Representative: Tsai, Chung-Ping
Kaung Yang Investment CO., LTD.
Representative: Cheng, Chiao-Wen
Kaung Yang Investment CO., LTD.
Representative: Chen, Kuo-Yen
Independent Director Yen, Yun-Chi
Independent Director Li, Wen-Cheng</td><td>Da-Li Investment Co., LTD.
Representative: Tsai, Chung-Ping
Kaung Yang Investment CO., LTD.
Representative: Cheng, Chiao-Wen
Kaung Yang Investment CO., LTD.
Representative: Chen, Kuo-Yen
Independent Director Yen, Yun-Chi
Independent Director Li, Wen-Cheng</td><td>Kaung Yang Investment CO., LTD.
Representative: Cheng, Chiao-Wen
Kaung Yang Investment CO., LTD.
Representative: Chen, Kuo-Yen
Independent Director Yen, Yun-Chi
Independent Director Li, Wen-Cheng</td><td>Kaung Yang Investment CO., LTD.
Representative: Cheng, Chiao-Wen
Kaung Yang Investment CO., LTD.
Representative: Chen, Kuo-Yen
Independent Director Yen, Yun-Chi
Independent Director Li, Wen-Cheng</td></tr>
<tr><td>NT$2,000,000 (incl.) – NT$3,500,000 (excl.)</td><td>Da-Li Investment Co., LTD.
Representative: Lin, Wei-Chum</td><td>Da-Li Investment Co., LTD.
Representative: Lin, Wei-Chum</td><td>Da-Li Investment Co., LTD.
Representative: Tsai, Chung-Ping</td><td>Da-Li Investment Co., LTD.
Representative: Tsai, Chung-Ping</td></tr>
<tr><td>NT$3,500,000 (incl.) – NT$5,000,000 (excl.)</td><td>Kaung Yang Investment CO., LTD.
Representative: Chiu, Ping-Tse</td><td>Kaung Yang Investment CO., LTD.
Representative: Chiu, Ping-Tse</td><td>–</td><td>–</td></tr>
<tr><td>NT$5,000,000 (incl.) – NT$10,000,000 (excl.)</td><td>–</td><td>–</td><td>Da-Li Investment Co., LTD.
Representative: Lin, Wei-Chum</td><td>Da-Li Investment Co., LTD.
Representative: Lin, Wei-Chum</td></tr>
<tr><td>NT$10,000,000 (incl.) – NT$15,000,000 (excl.)</td><td>–</td><td>–</td><td>Kaung Yang Investment CO., LTD.
Representative: Chiu, Ping-Tse</td><td>Kaung Yang Investment CO., LTD.
Representative: Chiu, Ping-Tse</td></tr>
<tr><td>NT$15,000,000 (incl.) – NT$30,000,000 (excl.)</td><td>–</td><td>–</td><td>–</td><td>–</td></tr>
<tr><td>NT$30,000,000 (incl.) – NT$50,000,000 (excl.)</td><td>–</td><td>–</td><td>–</td><td>–</td></tr>
<tr><td>NT$50,000,000 (incl.) – NT$100,000,000 (excl.)</td><td>–</td><td>–</td><td>–</td><td>–</td></tr>
<tr><td>More than 100,000,000 dollars</td><td>–</td><td>–</td><td>–</td><td>–</td></tr>
<tr><td>Total Amount</td><td>8 (ppl.)</td><td>8 (ppl.)</td><td>8 (ppl.)</td><td>8 (ppl.)</td></tr>
</table>

(II) Remuneration of president and vice president

Dec. 31, 2023
Unit: NT$ thousand; Shares; %

Job Title	Name	Salary (A)		Severance Pay (B)		Bonuses and Allowances ... etc.(C)		Employee Remuneration (D) (Note 2)				Ratio of total compensation A+B+C+D and to net income (%)		Compensation paid by an invested company other than the Company's subsidiary or parent company
		The Company	Companies in the consolidated financial statements	The Company	Companies in the consolidated financial statements	The Company	Companies in the consolidated financial statements	The Company		Companies in the consolidated financial statements		The Company	Companies in the consolidated financial statements	
								Cash Bonus	Stock Amount	Cash Bonus	Stock Amount			
President	Chiu, Ping-Tse (Note 2) Lin, Wei-Chum (Note 2)	1,626	1,791	0	0	2,204	2,204	886	0	886	0	4,716 0.06%	4,881 0.06%	None

Note 1: Regardless the title, any position equivalent to the president and vice president (e.g. director-general, chief executive, etc.) shall be disclosed.

Note 2: At the meeting of the Board of Directors on April 10, 2023, Chiu, Ping-Tse was elected to be the Chairperson. To distinguish powers of the Chairperson and the President, manager Lin, Wei-Chum was promoted as the President from April 10, 2023.

Note 3: The 2023 employees' remuneration is filled in with the estimated amount.

Remuneration Scale Table
2023

Remuneration scales for the Company's General Managers and Deputy General Managers	Name of the President and Vice President	
	The Company	Companies in the consolidated financial statements
Below NT$1,000,000	Chiu, Ping-Tse	Chiu, Ping-Tse
NT$1,000,000 (incl.) – NT$2,000,000 (excl.)	—	—
NT$2,000,000 (incl.) – NT$3,500,000 (excl.)	—	—
NT$3,500,000 (incl.) – NT$5,000,000 (excl.)	Lin, Wei-Chum	Lin, Wei-Chum
NT$5,000,000 (incl.) – NT$10,000,000 (excl.)	—	—
NT$10,000,000 (incl.) – NT$15,000,000 (excl.)	—	—
NT$15,000,000 (incl.) – NT$30,000,000 (excl.)	—	—
NT$30,000,000 (incl.) – NT$50,000,000 (excl.)	—	—
NT$50,000,000 (incl.) – NT$100,000,000 (excl.)	—	—
More than 100,000,000 dollars	—	—
Total Amount	2 (ppl.)	2 (ppl.)

(III) Names and distribution status of managerial officers with employee remuneration distribution

Dec. 31, 2023
Unit: NT$ thousand; Shares; %

<table>
<tr><th></th><th>Job Title</th><th>Name</th><th>Stock Amount</th><th>Cash Bonus</th><th>Total Amount</th><th>Ratio of total amount to net income (%)</th></tr>
<tr><td rowspan="7">MANAGERS</td><td>Chairperson</td><td>Tsai, Chung-Ping (Note 1)</td><td rowspan="7">0</td><td rowspan="7">6,529</td><td rowspan="7">6,529</td><td rowspan="7">0.08</td></tr>
<tr><td>President</td><td>Chiu, Ping-Tse (Note 1)</td></tr>
<tr><td>President</td><td>Lin, Wei-Chum (Note 1)</td></tr>
<tr><td>Assistant Vice President</td><td>Wu, Chin-Ching</td></tr>
<tr><td>Assistant Vice President</td><td>Fang, Tze-Chiang (Note 2)</td></tr>
<tr><td>Manager also acted as the Company Governance Executives</td><td>Lu, Chia-Yin</td></tr>
<tr><td>Manager</td><td>Lin,Ya-mei</td></tr>
</table>

Note 1: As a corporate shareholder, Da-Li Investment Co., Ltd appointed Lin, Wei-Chum to act as representative and director in place of Tsai, Chung-Ping on April 10, 2023. As a result, Tsai, Chung-Ping was removed from the post as Chairperson. At the meeting of the Board of Directors on April 10, 2023, Chiu, Ping-Tse was elected to be the Chairperson. To distinguish powers of the Chairperson and the President, manager Lin, Wei-Chum was promoted as the President from April 10, 2023.

Note 2: Due to group position adjustments, starting from March 1, 2024, the former Deputy Manager of the Planning Department, Fang Tze-Chiang, has been transferred to the Group Planning Department. The new head of the Planning Department will be Lin Yueh-Feng, who has been promoted from Manager to Assistant Manager within the Group Planning Department.

Note 3: The aforesaid amounts of 2023 employees' remuneration are the estimated distributed amount.

(IV) Analysis of the ratio of total remuneration (paid to the directors, supervisors, president, and vice presidents of the Company by the Company and all the companies in the consolidated statements in the last two years) to net profit after tax, and explain the policy, standard, and combination of remuneration, the procedure for determining remuneration, and the relationship with operating performance and future risks:

1. Total remuneration, as a percentage of net income after tax stated in the financial reports, as paid by the Company during the two most recent fiscal years to directors, supervisors, president and vice presidents:

Unit: NT$ thousand

Item / Job Title	The Company				All the companies in Consolidated statements			
	2023		2022		2023		2022	
	Total remunerations	As a percentage of net income after tax	Total remunerations	As a percentage of net income after tax	Total remunerations	As a percentage of net income after tax	Total remunerations	As a percentage of net income after tax
Director	13,000	0.17%	4,500	2.87%	13,000	0.17%	4,500	2.87%
President and Vice President (Note 1)	4,716	0.06%	2,967	1.89%	4,881	0.06%	3,671	2.34%
Net income after tax	7,701,546	—	156,636	—	7,701,546	—	156,636	—

Note 1: At the meeting of the Board of Directors on April 10, 2023, Chiu, Ping-Tse was elected to be the Chairperson. To distinguish powers of the Chairperson and the President, manager Lin, Wei-Chum was promoted as the President from April 10, 2023.

Note 2: The total remuneration of directors and general manager in 2023 increased compared with that in 2022, which was due to the increase in net profit after tax and the growth of operating performance in 2023.

2. Policy, standards, and composition of remuneration payment:

(1)The Company has established the Remuneration Committee, whose function is to evaluate, from an expert and objective standpoint, the Company’s policies and systems for the remuneration of directors and managers, and to make recommendations to the Board of Directors for the Board’s reference in decision making.

(2)The Directors’ Remuneration of the Company pursuant to Article 22 of the Articles of Incorporation of the Company, the remuneration of directors for performing their duties shall be agreed upon by the Board of Directors based on the degree of individual directors’ participation in the operation and the value of their contributions and refer to other companies in the peer industry (such as the Highwealth Construction Corp.). In addition, if the Company has made a profit in the current year, pursuant to the Article 29 of the Company’s Articles of Incorporation, no more than 1% of profit may be appropriated as director remuneration. Independent directors receive a monthly fixed remuneration (paid semi-annually) determined by the Board of Directors, and do not participate in the distribution of remuneration when the Company makes a profit.

(3)The Company's employee remuneration policy is determined based on personal work experience, job responsibilities, working ability and performance, the Company's financial position and operating conditions, and is positively related to operating performance. In addition, if the Company has made a profit in the current year, pursuant to the Article 29 of the Company's Articles of Incorporation, no less than 0.1% of the profit is appropriated for employee remuneration.

(4)The assessment and comparison of Directors' Remuneration at the Company are as follows, with all performance evaluations and salary rationality being reviewed by the Salary and Remuneration Committee and the Board of Directors:

①According to the "Board Performance Evaluation Procedures," performance assessment covers six main aspects: grasp of Company goals and tasks, awareness of director responsibilities, involvement in Company operations, management of internal relationships and communication, director expertise and ongoing education, and internal control. For 2023, individual directors self-assessed their performance based on these criteria, scoring between 90 and 96 out of 100, indicating that overall operations are in good condition.

② Directors' Remuneration (annual):

❶ Base remuneration: Allocated based on individual director performance evaluations, term of office, and other comprehensive considerations, accounting for about 30% of the overall assessment.

❷ Additional remuneration: For directors with special roles, additional remuneration is given based on the responsibilities, legal liabilities, and time commitment of the role, accounting for about 60% of the overall assessment.

❸ Industry benchmark: Compared against the average Directors' Remuneration of similar publicly listed companies or peers (such as Highwealth Construction Corp.), accounting for about 10% of the overall assessment.

(5)The remuneration for the Company's managers is divided into fixed salaries and variable bonuses. The fixed salary is paid monthly, based on the role, skills, and market salary levels at the time the manager joins the Company, referencing the Company's "Job Grade Table" and "Job Salary Standard Table." The variable bonus is determined based on the Company's annual performance and the manager's contribution for the year, taking into account the Company's operational risks; additionally, if the Company is profitable, a portion not less than one-thousandth is allocated for employee remuneration according to Article 29 of the Company's charter. The Company follows the “Performance Management Procedures” for conducting performance evaluations, which serve as the basis for issuing managers’ bonuses. The performance evaluation criteria for managers are divided into financial and non-financial indicators. 1. Financial indicators are based on the Company’s management profit and loss statement, considering the contribution of each department to Company profits and the managers’ goal achievement rate. 2. Non-financial indicators refer to implementation of the Company’s core values, operational management capabilities, and involvement in sustainable management are considered, calculating their performance-based remuneration. The remuneration system is subject to review based on actual business conditions and applicable laws.

(6)The combination of remuneration paid by the Company is based on the Remuneration Committee Charter includes cash compensation, stock options, profit sharing and stock ownership, retirement benefits or severance pay, allowances or stipends of any kind, and other substantive incentive measures. Its scope shall be consistent with that of the remuneration for directors and managers as set out in the “Regulations Governing Information to be Published in Annual Reports of Public Companies”.

(7)The remuneration for the Company’s managers is processed according to the internal hierarchical responsibility chart for approval, then submitted to the Compensation Committee for deliberation and passed on to the Board of Directors for resolution.

3. Procedures for setting remuneration:

(1)To regularly assess the remuneration of directors and managers, the Company follows the “Board Performance Evaluation Procedures” for directors and the “Performance Management Procedures” applicable to managers and employees. Besides the monthly fixed salary, managers’ compensation is also linked to the Company’s overall operational performance, future industry risks, and development trends. It also considers individual performance achievement rates and contributions to the Company, and is submitted to the Board of Directors for approval. To fully reflect individual performance achievements, the evaluation of manager performance is divided into four categories: “Goal Achievement and Performance Growth 25%”, “Leadership and Judgment 25%”, “Interpersonal Relations and Subordinate Respect 25%”, and “Management and Professional Knowledge 25%”.

(2)According to the performance self-assessment results of 2023 Board of Directors, Board members, and members of functional committees, they were all found to be “significantly exceeding the standard” or “exceeding the standard”. Moreover, the Company’s annual revenue showed significant growth as a result of intensive completion of construction projects and handover of houses in 2023, and the Company’s 2023 annual managerial officers’ performance evaluation results, all managerial officers have achieved or exceeded the original target requirements, and the evaluation results based on the Company’s annual operating indicators have reached the highest standards.

(3)The performance evaluations and remuneration rationality for the Company’s directors and managers are regularly assessed and reviewed by the Compensation Committee and the Board of Directors. These assessments consider individual performance achievement rates and contributions to the Company, as well as the Company’s overall operational performance, future industry risks, and development trends. The remuneration system is reviewed as necessary, based on actual business conditions and relevant laws (discussed during the 10th meeting of the 5th Compensation Committee on December 20, 2023, and approved in the 24th board meeting of the current session on the same date). The approach also considers current trends in corporate governance, offering reasonable compensation to ensure sustainable management and risk control. The actual remuneration amounts for directors and managers in 2023 will be deliberated by the Compensation Committee and then decided by the Board of Directors.

4. Linkages to the operating performance and future risks:

(1)The Company’s overall operating conditions are the main consideration for the review of the relevant payment standards and systems, and the payment standards are approved based on the performance achievement rate and contribution level, to improve the overall organizational team effectiveness of the Board of Directors and the management department. In addition, by referring to the industry’s remuneration standards, the remunerations of the Company’s management is ensured to be competitive in the industry, to retain outstanding management talent.

(2)The Company’s operational performance and risk management are closely linked to ensure that potential operational risks are managed and mitigated. Significant decisions made by the Company’s management are balanced against various risk factors, with decision-making performance reflected in the Company’s profitability, thereby linking management remuneration with risk control.

4 . Implementation of Corporate Governance

(I) Operation of the Board meeting:

In the most recent year (2023) the Board held 9 (A) meetings, and the attendance of directors (including Independent Directors) was as follows:

Job Title	Name	Actual no. of meetings attended (in non-voting capacity) (B)	No. of meetings with entrusted attendance	Ratio of actual no. of meetings attended (in non-voting capacity) (B/A)	Remarks
Chairperson	Da-Li Investment Co., Ltd Representative: Tsai, Chung-Ping	2	0	100.00%	Discharged on April 10, 2023 (Two required attendances)
Chairperson	Kaung Yang Investment Co., Ltd. Representative: Chiu, Ping-Tse	9	0	100.00%	
Director	Da-Li Investment Co., Ltd Representative: Lin, Wei-Chum	7	0	100.00%	Inauguration on April 10, 2023 (Seven required attendances)
Director	Kaung Yang Investment Co., Ltd. Representative: Cheng, Chiao-Wen	0	7	0.00%	
Director	Kaung Yang Investment Co., Ltd. Representative: Cheng, Chiao-Wen	9	0	100.00%	
Independent Director	Li, Wen-Cheng	9	0	100.00%	
Independent Director	Yen, Yun-Chi	9	0	100.00%	
Independent Director	Chen, Yung-Chang	8	1	88.89%	
Directors Average Actual Attendance Rate (%) for 2023 (Total actual attendances / total required attendances)				84.13%	

Other items to be recorded:

I.If any of the following circumstances occur in the operation of the Board meeting, please indicate the date of the Board meeting, the session number, the contents of the motion, the opinions of all independent directors and the Company's handling of the opinions of the independent directors:

(I) The matters listed in Article 14-3 of the Securities Exchange Act.

Date	Motion Contents	Objection or reserved opinions of the independent directors	Opinions of the independent directors	The Company's handling of the opinions of the independent directors	Resolution
2023.03.10 17th meeting of the term	Proposal for the Company's "Evaluation of Internal Control System Effectiveness" and "Internal Control System Statement" for 2022.	None	Approved	Not applicable.	All attending directors approved
2023.05.09 19th meeting of the term	Proposal to renew the Company's "Directors' Liabilities Insurance"	None	Approved	Not applicable.	All attending directors approved

Date	Motion Contents	Objection or reserved opinions of the independent directors	Opinions of the independent directors	The Company's handling of the opinions of the independent directors	Resolution
2023.06.30 20th meeting of the term	The Company plans to purchase land at plot 11 in the Wenshang section of Xitun District, Taichung City	None	Approved	Not applicable.	All attending directors approved
	The Company intends to purchase construction permits and related rights from related parties.				
	The Company also plans to engage in a joint construction project and purchase construction permits for plots 39 and 40 in the Wenshang section of Xitun District, Taichung City				
	Proposal to amend the Company's "Internal Control System Statement" and "Internal Audit System"				
	Proposal to add the Company's "Internal Control System Statement" and "Internal Audit System"				
2023.08.10 21st meeting of the term	The Company's proposal for issuance of common stocks for cash by subscribing to the subsidiary Jin Jyun Construction Co., Ltd.	None	Approved	Not applicable.	Except for independent directors who did not participate in the discussion and avoid voting in accordance with the law, the remaining directors agreed to pass the case
2023.11.10 23rd meeting of the term	The Company's proposal to entrust the subsidiary Jin Jyun Construction Co., Ltd. to offer the limit on guaranty amount for financing needs from financial institutions for business operations.	None	Approved	Not applicable.	Except for independent directors who did not participate in the discussion and avoid voting in accordance with the law, the remaining directors agreed to pass the case
	The Company's proposal to entrust the subsidiary Jin Jyun Construction Co., Ltd. to offer the limit on guaranty within NT$1,000,000,000 for financing needs from financial institutions for business operations.				
2023.12.20 24th meeting of the term	Review the performance review and remuneration policy, system, standards, and structure case for the Company's directors (not including independent directors) and managerial officers.	None	Approved	Not applicable.	Except for independent directors who did not participate in the discussion and avoid voting in accordance with the law, the remaining directors agreed to pass the case
	Review the performance review and remuneration policy, system, standards, and structure for the Company's directors (not including independent directors) and managerial officers.				
	Proposal to distribute 2022 directors' remuneration.				
2024.02.05 25th meeting of the term	Proposal to assess the independence of CPAs for 2023.	None	Approved	Not applicable.	All attending directors approved

2024.02.26 26th meeting of the term	The company plans to purchase land in the Jincheng section of Anping District, Tainan City	None	Approved	Not applicable.	All attending directors approved
	Proposal to sell the housing and parking space of the Company's construction projects to related parties.	None	Approved	Not applicable.	Except for independent directors who did not participate in the discussion and avoid voting in accordance with the law, the remaining directors agreed to pass the case
	Proposal of the Company plans to issue the 2024 1st Secured Ordinary Corporate Bonds.	None	Approved	Not applicable.	All attending directors approved
	Proposal to appoint and audit the CPAs				
2024.03.13 27th meeting of the term	Proposal to distribute remuneration to the Company's employees and directors for 2023.	None	Approved	Not applicable.	All attending directors approved
	Proposal to amend the Company's "Operational Procedures for Endorsements and Guarantees"	None	Approved	Not applicable.	All attending directors approved
	Proposal for the Company's "Evaluation of Internal Control System Effectiveness" and "Internal Control System Statement" for 2023.				
	Proposal to sell the housing and parking space of the Company's construction projects to related parties.	None	Approved	Not applicable.	Except for independent directors who did not participate in the discussion and avoid voting in accordance with the law, the remaining directors agreed to pass the case
	Proposal of the Company plans to issue the 2024 2nd Secured Ordinary Corporate Bonds.	None	Approved	Not applicable.	All attending directors approved
2024.03.26 28th meeting of the term	Proposal for the Company's 2023 earnings and capital increase by way of issuance of new shares.	None	Approved	Not applicable.	All attending directors approved

(II) Any other documented objections or qualified opinions raised by independent directors against Board resolutions in relation to matters other than those described above: No such situation.

II. For situations where a director avoids a motion related to their own interests, the director's name, the contents of the motion, the reasons for the avoidance of interests and the voting results shall be disclosed:

Date	Motion Contents	Name of recused director	Reasons for the required recusal, and participation in the voting process	Resolution
2023.08.10 21st meeting of the term	The Company's proposal for issuance of common stocks for cash by subscribing to the subsidiary Jin Jyun Construction Co., Ltd.	Chairman Chiu, Ping-Tse	In this case, Chairman Chiu, Ping-Tse, as the legal representative director of Jin Jyun Construction Co., Ltd., is a stakeholder. Therefore, Chairman Chiu, Ping-Tse is legally required to recuse himself from participating in discussions and voting on this matter. The discussion and voting will be chaired by Independent Director Li, Wen-Cheng, as designated by Chairman Chiu, Ping-Tse.	Except for independent directors who did not participate in the discussion and avoid voting in accordance with the law, the remaining directors agreed to pass the case

Date	Motion Contents	Name of recused director	Reasons for the required recusal, and participation in the voting process	Resolution
2023.11.10 23rd meeting of the term	The Company's proposal to entrust the subsidiary Jin Jyun Construction Co., Ltd. to offer the limit on guaranty amount for financing needs from financial institutions for business operations.	Chairman Chiu, Ping-Tse	In this case, Chairman Chiu, Ping-Tse, as the legal representative director of Jin Jyun Construction Co., Ltd., is a stakeholder. Therefore, Chairman Chiu, Ping-Tse is legally required to recuse himself from participating in discussions and voting on this matter. The discussion and voting will be chaired by Independent Director Li, Wen-Cheng, as designated by Chairman Chiu, Ping-Tse.	Except for independent directors who did not participate in the discussion and avoid voting in accordance with the law, the remaining directors agreed to pass the case
	The Company's proposal to entrust the subsidiary Jin Jyun Construction Co., Ltd. to offer the limit on guaranty within NT$1,000,000,000 for financing needs from financial institutions for business operations.			
2023.12.20 24th meeting of the term	Review the performance review and remuneration policy, system, standards, and structure case for the Company's directors (not including independent directors) and managerial officers.	Chairman Chiu, Ping-Tse Director Lin, Wei-Chum Director Chen, Kuo-Yen Director Cheng, Chiao-Wen Manager Lu, Chia-Yin Manager Lin, Ya-Mei	Due to the content of this case involving personal interests of directors (excluding independent directors) and attending managers, four directors and two managers are stakeholders. They are legally required to recuse themselves from participating in discussions and voting on this matter. The discussion and voting will be chaired by independent director Li, Wen-Cheng as designated by Chairman Chiu, Ping-Tse.	Except for independent directors who did not participate in the discussion and avoid voting in accordance with the law, the remaining directors agreed to pass the case
	Review the performance review and remuneration policy, system, standards, and structure for the Company's directors (not including independent directors) and managerial officers.	Independent Director Li, Wen-Cheng Independent Director Yen, Yun-Chi Independent Director Chen, Yung-Chang	As this case involves personal interests of independent directors, all three independent directors are stakeholders and are legally required to recuse themselves from participating in discussions and voting on this matter.	Except for independent directors who did not participate in the discussion and avoid voting in accordance with the law, the remaining directors agreed to pass the case
	Proposal to distribute 2022 directors' remuneration.	Chairman Chiu, Ping-Tse Director Lin, Wei-Chum Director Chen, Kuo-Yen Director Cheng, Chiao-Wen	The Directors' Remuneration involves personal interests, and thus when reading and deliberating the remuneration of individual Directors' Remuneration, and the Independent Director Li, Wen-Cheng appointed by the Chairperson Chiu, Ping-Tse, chaired the meeting as the acting chair to preside over the discussion and voting on the proposal.	Except for independent directors who did not participate in the discussion and avoid voting in accordance with the law, the remaining directors agreed to pass the case
2024.02.26 26th meeting of the term	Proposal to sell the housing and parking space of the Company's construction projects to related parties.	Director Lin, Wei-Chum Manager Lu, Chia-Yin	The counterparties for this case are relatives within the second degree of kinship to Director Lin, Wei-Chum and Manager Lu, Chia-Yin, therefore, both Director Lin Wei-Chun and Manager Lu Jia-Yin are stakeholders in this case. They are legally required to recuse themselves from discussing and voting on this matter.	Except for independent directors who did not participate in the discussion and avoid voting in accordance with the law, the remaining directors agreed to pass the case

Date	Motion Contents	Name of recused director	Reasons for the required recusal, and participation in the voting process	Resolution
2024.03.13 27th meeting of the term	Proposal to sell the housing and parking space of the Company's construction projects to related parties.	Chairman Chiu, Ping-Tse	The counterparties for this case are relatives within the second degree of kinship to Chairman Chiu, Ping-Tse, therefore, Chairman Chiu, Ping-Tse is a stakeholder in this case. He is legally required to recuse himself from discussing and voting on this matter and has designated Independent Director Li, Wen-Cheng to preside over discussions and voting.	Except for independent directors who did not participate in the discussion and avoid voting in accordance with the law, the remaining directors agreed to pass the case

III. Implementation status of assessment of the Board of Directors:

(I) The cycle, period, scope, method and content of evaluation for the self assessment of the Board of Directors

Period of Evaluation	Duration of Evaluation	Scope of Evaluation	Methods of Evaluation	Content of Evaluation
Once per year	January 1, 2023, to December 31, 2023	Performance evaluation of the overall Board of Directors	Internal assessment of the Board of Director	The measurements of the Board of Directors performance evaluation include five major aspects, namely the degree of participation in the Company's operations, improvement in the quality of decision-making by the Board of Directors, the composition and structure of the Board of Directors, the election of the directors and their continuing professional education, and internal control.
		Individual board members	Assessment of the board members	The measurements of individual board members performance evaluation include six major aspects, namely grasp of the Company's goals and missions, recognition of director's duties, degree of participation in the Company's operations, management of internal relationships and communication, professionalism and continuing professional education, and internal control.
		Functional committees (Audit Committee and Remuneration Committee)	Assessment of the functional committees	The measurements of functional committees performance evaluation include five major aspects, namely degree of participation in the Company's operations, recognition of the duties of the functional committee, improvement in the quality of decision-making by the functional committee, composition of the functional committee and election and appointment of committee members, and internal control.

(II) On March 13, 2024, the performance results for the year 2023 were presented to the Company's Compensation Committee and the Board of Directors.

(III) Evaluation results: The performance evaluation results of the Company's overall Board of Directors, individual board members, Audit Committee and Remuneration Committee were "significantly exceeding the standard" (90 points or more); it shows that the overall operation of the Company's Board of Directors, Audit Committee and Remuneration Committee operate well as a whole, and in line with corporate governance.

IV. Evaluation of the objectives and implementation of the strengthening of the functions of the Board of Directors in the current year and the most recent year:

(I) Objectives of enhancing functions of the Board of Directors:

The Company has appointed independent directors in its Board of Directors, to enhance independence of the directors. It set up the Audit Committee on June 11, 2018 and the Remuneration Committee on December 29, 2011 (for related operations of such committees, please refer to Page 44 to 48, 66 to 70 of the annual report respectively), to enhance functions of the Board of Directors through establishment and operation of such functional committees.

(II) Implementation:

All major proposals of the Company (including those on investments, acquisition or disposal of assets, loaning or guarantee by endorsement) shall be submitted to the Board of Directors for full discussion and resolution before their execution. They shall be fully disclosed on MOPS in accordance with "the procedures released by Taiwan Stock Exchange Corporation for verification and publication of major information of listed companies of negotiable securities", for the purpose of information publication and transparency. The implementation in 2023 was as follows:

1. On June 30, 2023, following resolutions by the Audit Committee and the Board of Directors, the Company proceeded with the purchase of land at plot 11 in the Wenshang section of Xitun District, Taichung City, the purchase of construction permits and related rights from related parties, and the joint development and purchase of construction permits for plots 39 and 40 in the same section.
2. As resolved by the Audit Committee and the Board of Directors on August 10, 2023, the Company participated in subscribing to the subsidiary Jin Jyun Construction Co., Ltd. for the first issuance of common stocks for cash in 2023.
3. On November 10, 2023, the Audit Committee and the Board of Directors resolved to provide an endorsement guarantee limit for the subsidiary, Jin Jyun Construction Co., Ltd., and to request the subsidiary to provide the same for the Company.

(II) The operation of the Audit Committee

1. The Company's Audit Committee was established on June 11, 2018 to replace the original supervisor system. The members of the committee are composed of all independent directors of the board of directors. There are three members, at least one of whom should have accounting or financial expertise. After the re-election of the company's shareholders' meeting on Aug. 16, 2021, the second session of the "Audit Committee" was formed by all the newly appointed independent directors, and the independent director Li, Wen-Cheng was elected by all the members as the convener. The Committee’s operation is pursuant to the “Audit Committee Charter”.
2. The main responsibilities and the key tasks of the year were reviewing and supervising the Company’s financial reports, risk control, and finance-related proposals. The deliberations include: the Company’s financial reports, accounting and internal control systems, and major asset or derivative transactions, offering or issuing negotiable securities, appointment or dismissal and remuneration of CPAs, matters involving the interests of the directors, and the appointment and dismissal of financial, accounting or internal audit officers, among other things.

(1) Review and Check of Financial Statements

Annual business report, financial statements and earning distribution proposals of the company shall be approved by the Audit Committee, and reviewed and discussed by the Board of Directors. After the approval of the Board of Directors, proposed to the shareholders’ meeting for ratification. In addition, the quarterly financial reports are also submitted to the Board of Directors after being discussed to the Audit Committee.

(2) Evaluate the Effectiveness of Internal Control System

The self-evaluation results of the internal control system were conducted according to routine operations by each unit within the Company annually and checked by the Audit Committee. The Audit Committee checks the internal control system, including understanding operation results and the extent to which efficiency goals have been reached, reliability, timeliness, transparency of reports, and the effective enacting and implementation in accordance to laws and regulations, in order to reasonably ensure goals are achieved.

On March 13, 2024, the 19th Audit Committee of the Company’s second session approved the “Internal Control System Statement” for 2023. The Company and its subsidiaries’ overall internal control systems were assessed by the Audit Committee and deemed effectively designed and implemented.

(3) Appointment and Evaluation of CPAs

The Audit Committee annually assesses the independence and suitability of its affiliated certified public accountants. This includes obtaining AQIs from accounting firms, assessing these based on AQI data to ensure that the accountants and the firms exceed the industry average in audit experience and training hours. Furthermore, an independence evaluation form is created in accordance with Article 47 of the Certified Public Accountant Act and Bulletin No. 10 of the Professional Ethics for Accountants, which pertains to “Integrity, Fairness, Objectivity, and Independence,” to evaluate the independence, professionalism, and

suitability of the accountants regarding any relationships or financial interests they may have with the Company.
The evaluation of the services provided by the auditors in 2023, including AQIs obtained from the accounting firm, was reviewed and approved on February 5, 2024, by the Audit Committee and the Board of Directors during their respective meetings. Accountants Yi-lien Han and Kuo-Yang Tseng from KPMG met the Company’s standards for independence and suitability as outlined in the annual report on page 63 to 64.
For 2024, Accountants Yi-lien Han and Kuo-Yang Tseng from KPMG were appointed as the2024 financial and tax auditors for the Company. Their audit fees have been deliberated and approved by the 18th meeting of the 2nd Term Audit Committee on February 26, 2024, and the 26th meeting of the Board of Directors on February 26, 2024.

3. In the most recent year (2023) the Audit Committee held 6 (A) meetings, the attendance of the independent directors is as follows:

Job Title	Name	Actual no. of meetings attended (B)	No. of meetings with entrusted attendance	Ratio of actual no. of meetings attended (B/A)	Remarks
Independent Director	Li ,Wen-Cheng (Convener)	6	0	100.00%	
Independent Director	Yen, Yun-Chi	6	0	100.00%	
Independent Director	Chen, Yung-Chang	5	1	83.33%	
Audit Committee Member Average Actual Attendance Rate (%) for 2023 (Total actual attendances / total required attendances)				94.44%	

Other items to be recorded:

I. If the operation of the Audit Committee has one of the following circumstances, the date and time of the Audit committee meeting, the term, the content of the proposal, dissenting opinions, reservations or major proposals of independent directors, the results of the resolution of the Audit Committee and the Company's handling of the opinions of the Audit Committee shall be disclosed:

(I) The matters listed in Article 14-5 of the Securities Exchange Act**:**

Date of Board of Directors Meeting	Motion Contents	Date of the Audit Committee meeting	Resolution of the Audit Committee	The Company's handling of the opinions of the Audit Committee	Resolution of the Board of Directors
2023.01.17 16th meeting of the term	Proposal for the Company's 2023 business plans and annual budgets.	2023.01.17 11th meeting of the 2nd term	All attending members approved	Not applicable.	All attending directors approved
2023.03.10 17th meeting of the term	Proposal for the Company's 2022 business report and financial statements. Proposal for the Company's 2022 earnings distribution. Proposal for the Company's "Evaluation of Internal Control System Effectiveness" and "Internal Control System Statement" for 2022.	2023.03.10 12th meeting of the 2nd term	All attending members approved	Not applicable.	All attending directors approved
2023.05.09 19th meeting of the term	The company Q1 2023 consolidate financial report proposal. Proposal to renew the Company's "Directors' Liabilities Insurance"	2023.05.09 13th meeting of the 2nd term	All attending members approved	Not applicable.	All attending directors approved
2023.06.30 20th meeting of the term	The Company plans to purchase land at plot 11 in the Wenshang section of Xitun District, Taichung City The Company intends to purchase construction permits and related rights from related parties. The Company also plans to engage in a joint construction project and purchase construction permits for plots 39 and 40 in the Wenshang section of Xitun District, Taichung City Proposal to amend the Company's "Internal Control System Statement" and "Internal Audit System"	2023.06.30 14th meeting of the 2nd term	All attending members approved	Not applicable.	All attending directors approved

<table>
<tr><th>Date of Board of Directors Meeting</th><th>Motion Contents</th><th>Date of the Audit Committee meeting</th><th>Resolution of the Audit Committee</th><th>The Company’s handling of the opinions of the Audit Committee</th><th>Resolution of the Board of Directors</th></tr>
<tr><td>2023.06.30
20th meeting of the term</td><td>Proposal to add the Company’s “Internal Control System Statement” and “Internal Audit System”</td><td>2023.06.30
14th meeting of the 2nd term</td><td>All attending members approved</td><td>Not applicable.</td><td>All attending directors approved</td></tr>
<tr><td rowspan="3">2023.08.10
21st meeting of the term</td><td>The company Q2 2023 consolidate financial report proposal.</td><td rowspan="3">2023.08.10
15th meeting of the 2nd term</td><td rowspan="2">All attending members approved</td><td rowspan="2">Not applicable.</td><td rowspan="2">All attending directors approved</td></tr>
<tr><td>Set the ex-dividend date for the Company’s cash dividend distribution for the fiscal year 2022</td></tr>
<tr><td>The Company’s proposal for issuance of common stocks for cash by subscribing to the subsidiary Jin Jyun Construction Co., Ltd.</td><td>All attending members approved</td><td>Not applicable.</td><td>Except for independent directors who did not participate in the discussion and avoid voting in accordance with the law, the remaining directors agreed to pass the case</td></tr>
<tr><td rowspan="4">2023.11.10
23rd meeting of the term</td><td>The company Q3 2023 consolidate financial report proposal.</td><td rowspan="4">2023.11.10
16th meeting of the 2nd term</td><td rowspan="2">All attending members approved</td><td rowspan="2">Not applicable.</td><td rowspan="2">All attending directors approved</td></tr>
<tr><td>Proposal for the Company’s 2024 audit plan.</td></tr>
<tr><td>The Company’s proposal to entrust the subsidiary Jin Jyun Construction Co., Ltd. to offer the limit on guaranty amount for financing needs from financial institutions for business operations.</td><td rowspan="2">All attending members approved</td><td rowspan="2">Not applicable.</td><td rowspan="2">Except for independent directors who did not participate in the discussion and avoid voting in accordance with the law, the remaining directors agreed to pass the case</td></tr>
<tr><td>The Company’s proposal to entrust the subsidiary Jin Jyun Construction Co., Ltd. to offer the limit on guaranty within NT$1,000,000,000 for financing needs from financial institutions for business operations.</td></tr>
</table>

(II) In addition to the aforementioned matters, other matters that have not been approved by the Audit Committee and have been approved by more than two-thirds of all directors: No such situation.

II. For situations where an independent director avoids a motion related to their own interests the contents of the motion, the reasons for the avoidance of interests and the voting results shall be disclosed: No such situation.

III. Communication between the independent directors and the internal audit supervisors and accountants (shall include the major issues, methods and results of communication regarding the Company’s financial and business conditions):

(I) Communication between the independent directors and accountants:

1. The company's audit committee is composed of all independent directors. It holds regular meetings and communicates and discusses with certified accountants on the company's financial business-related proposals. The Audit Committee examines the various forms prepared by the Board of Directors and submitted to the shareholders' meeting (business report, financial statement, earnings distribution plan). And issue the audit committee review report in accordance with the regulations.

2. The Company’s CPAs regularly conduct audits or reviews of the annual and quarterly financial statements, with written results or meeting reported to the Audit Committee every quarter, as well as other communications required by relevant laws and regulations.
3. The Company’s independent directors have direct communication channels with internal audit officer and CPAs, and may communicate through email, phone call, interview, or meeting as necessary; and pursuant to the regulations of the competent authority, they regularly check the Company’s financial and business conditions, and communicate directly with the management unit.

(II) Communication between the independent directors and internal audit supervisors:

1. Assess the effectiveness of the company's internal control system (issue a statement of internal control system), and submit it to the board of directors for resolution after being approved by the audit committee.
2. A summary of the company's "internal control system" rules and regulations will be submitted to the board of directors for resolution after being approved by the audit committee.
3. The formulation and revision of the Company's "Internal Audit System and Implementation Rules" shall be submitted to the Board of Directors for resolution after being approved by the Audit Committee.
4. The company has set up an audit unit directly under the board of directors, which is responsible for determining the organization, establishment and responsibility of internal audit, comprehensively managing audit business, and regularly and irregularly reporting the implementation of audit business to the audit committee and the board of directors.
5. After the internal audit report and the follow-up report are sent to the chairperson for review, the audit unit shall also report such to independent directors for review (in person or by email).
   The audit officer attends the Audit Committee and the Board of Directors to report on the internal audit operation, and fully communicates on the execution of the audit operation, the deficiencies found in audits and their improvement tracking, and the effectiveness.
   The Company’s independent directors may communicate and discuss with the audit officer depending on the content of the above-mentioned matters or as needed any time.
6. The auditing unit of the company listed the inspection opinions or the lack of inspection on the self-assessment of accountants and internal units, and the matters that should be strengthened in the internal control system statement. Report to the Audit Committee and the Board of Directors in writing.
7. Before the end of each fiscal year, the audit unit of the company will submit the audit plan for the next year to the board of directors for resolution after being approved by the audit committee.
8. In principle, the audit unit of the company holds a "Symposium on Review of Defects in Internal Control System" once a year. All independent directors have a discussion with the internal audit supervisor on the review of the lack of internal control system and make a record. The meeting minutes will be submitted to the board of directors.

(III) The communication between the Company’s independent directors, internal audit supervisors, and accountants for the year 2023 can be detailed on the Company’s website.

(III) Corporate governance status, variance from the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies and reasons

<table>
<tr><td rowspan="2">Evaluation Item</td><td colspan="3">Implementation status</td><td rowspan="2">Deviations from “the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies” and Reasons</td></tr>
<tr><td>YES</td><td>NO</td><td>Abstract Illustration</td></tr>
<tr><td>I. Does the Company follow the Corporate Governance Best Practice Principles for TWSE/GTSM Listed Companies, and has the Company established and disclosed its own Corporate Governance Best Practice Principles?</td><td>✓</td><td></td><td>The Company has the “Corporate Governance Best Practice Principles” in place, and disclosed such in the “Corporate Governance Section” in the “Investors” section on the Company website and MOPS. Additionally, the 25th meeting of the Board of Directors approved to amend the “Corporate Governance Best Practice Principles” on February 5, 2024.</td><td>No variances.</td></tr>
<tr><td>Ⅱ. The company's shareholding structure and shareholders' equity
(1) Does the company stipulate internal operating procedures to deal with shareholders' suggestions, doubts, disputes and litigation matters, and implement them according to procedures?
(2) Does the company have a list of the ultimate controllers of the major shareholders and major shareholders of the actual control company?
(3) Does the company establish, implement and control the risk control and firewall mechanism between the enterprises?</td><td>

✓
✓</td><td>✓</td><td>(1) The Company has a stock affairs unit, a spokesperson, and an e-mail box to handle shareholder suggestions or disputes pursuant to the Company’s internal operating procedures. The complaint filing, reporting, and suggestion functions are also provided on the Company’s website. If legal issues are involved, the legal department will take over.
(2) The Company obtains a shareholder register from its stock affairs agent, and the list of shareholders holding more than 5% is provided quarterly by the securities custodian. The changes in director and insider stockholdings are regularly tracked and reported before the 10th of each month.
(3) The Company has clearly defined the management responsibilities for personnel, assets, and finances between itself and its related entities, and has effectively conducted risk assessments and established appropriate firewall mechanisms. Transactions with related entities are conducted based on principles of fairness and reasonableness and are handled in accordance with the established “Operational Standards for Financial Transactions among</td><td>(1) No significant variances
(2) No variances.
(3) No variances.</td></tr>
</table>

Evaluation Item	Implementation status			Deviations from “the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies” and Reasons
	YES	NO	Abstract Illustration	
(4) Does the company stipulate internal regulations and prohibit insiders from using the undisclosed information on the market to buy and sell securities?	✓		Related Parties” and other relevant internal control procedures. (4) The Company has established “Code of Ethical Conduct,” “Integrity Management Code,” “Whistleblowing Procedures,” and “Significant Internal Information Handling Procedures” to regulate the use of non-public market information by insiders and information recipients for trading securities. On February 5, 2024, during the 25th board meeting of the current session, the Company approved the revision of the “Significant Internal Information Handling Procedures,” renaming it to “Significant Internal Information Handling and Insider Trading Prevention Procedures.”	(4) No variances.
Ⅲ.the composition and duties of the board of directors (1) Does the board of directors formulate diversity policies, specific management objectives and implement them?	✓		(1) The board of directors of the company guides the company’s strategy, supervises the management and is responsible to the company and shareholders’ meeting. In various operations and arrangements of the corporate governance system, the board of directors exercises its functions and powers in accordance with laws, the company’s Articles of Incorporation or the resolutions of the shareholders’ meeting.For the specific management goals and implementation status of the Company’s board diversity policy, please refer to pages 24 to 26 of the Company’s annual report: Board Diversity and Independence.	(1) No variances.
(2) Does the Company voluntarily set up other functional committees in addition to the Remuneration Committee and the Audit Committee?		✓	(2) The company has legally established a Compensation Committee and an Audit Committee to carefully review and provide appropriate recommendations on major financial operations, internal control systems, transactions with related parties, and the reasonable remuneration of	(2) The Company currently has no other functional committees, and will implement such pursuant to laws and regulations in the future.

Evaluation Item	Implementation status			Deviations from "the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies" and Reasons
	YES	NO	Abstract Illustration	
			directors/managers. Going forward, additional functional committees will be established in accordance with relevant legal requirements.	
(3) Does the company stipulate the performance appraisal methods of the board of directors and their assessment methods, and conduct performance evaluations every year and regularly, as well as report the appraisal results to the board of director, and serving as the reference for directors' remuneration and nomination of re-election?	✓		(3) ■ According to the Board Performance Evaluation Procedures established by the company, an internal performance evaluation for 2023 was conducted, with the results reported to the Compensation Committee and Board of Directors on March 13, 2024. Key improvement recommendations and directions for continuous enhancement were proposed as the basis for review and improvement. The internal performance evaluation of the Board of Directors in 2023, including its scope, methods, and the period evaluated, is detailed on page 42 of the annual report. The summary of evaluation results is as follows: ■ The internal performance evaluation rated the "overall performance of the Board of Directors" as "significantly exceeds standards" (scores of 90 or above). Directors highly appreciated the overall performance of the Board of Directors. All directors acknowledged the Board's commitment to enhancing decision-making quality, with resolutions being thoroughly discussed and opinions exchanged, and guidance provided to the management team on directions for improvement and risks to be aware of. All directors also recognized that independent directors could freely express opinions and exercise their duties independently without undue interference or pressure, and agreed on the recommendations and supervision regarding internal controls. Overall, the company's Board of Directors system is well-structured, adheres to legal compliance with transparent information, and comprises diverse and	(3) No variances.

Evaluation Item	Implementation status			Deviations from "the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies" and Reasons
	YES	NO	Abstract Illustration	
			complementary members, which helps enhance the function of the Board. The overall performance of the Board met the directors' expectations. The operation of each functional committee within the company is satisfactory, with the Audit Committee and Compensation Committee performing up to the expectations of their members. All committee members strongly agree that the operation of the functional committees is independent and transparent. The composition and recognition of responsibilities contribute to the effectiveness of the functional committees, and the establishment and pre-screening functions of the committees are affirmed, aiding in the decision-making quality and efficiency of the Board. All board members affirm that the Board's operational system is well-structured, information is transparent, and all members strictly adhere to the norms required in exercising their duties. The composition of the company's Board includes professionals from various fields, who provide diverse perspectives and opinions appropriate to their expertise during Board discussions and decision-making. Directors also affirm that the management team adheres to the principles of openness and transparency, providing sufficient information for directors to grasp the operational status of the company. Board members highly value and acknowledge the responsibilities and norms they should adhere to as directors, placing significant importance on overseeing and implementing various aspects of the internal control system, and they are committed to continually building upon their professional knowledge	

Evaluation Item	Implementation status			Deviations from "the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies" and Reasons
	YES	NO	Abstract Illustration	
(4) Does the company regularly assess the independence of the visa accountant?	✓		and skills. (4) According to Article 29 of the "Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies", listed companies should choose certified public accountants with specialty, responsibility and independency. The Company should assess the independency and suitability of certified public accountants employed regularly (at least once a year). The performance evaluation of the auditors for 2023, including AQIs obtained from the accounting firm, was reviewed and approved on February 5, 2024, by the Audit Committee and the Board of Directors during their respective meetings. Yi-lien Han and Kuo-Yang Tseng from KPMG met the company's standards for independence and suitability (Note 1).	(4) No variances.
IV. Whether the listed company has set up competent and suitable number of corporate governance personnel, as well as corporate governance officer, responsible for corporate governance related matters (including but not limited to providing information required by directors to conduct business, assisting directors to comply with laws and regulations, and handling matters related to meetings of the Board of Directors meetings in accordance with the law, making board of directors meeting minutes, etc.)?	✓		■ Approved by the board of directors on November 10, 2022, Lu, Chia-Yin, the manager of the Finance Department, also acted as the Company Governance Executive. ■ The company's Corporate Governance Officer is the highest executive responsible for corporate governance affairs. In addition to legally handling the Board of Directors and shareholders' meetings, preparing meeting minutes, assisting directors with onboarding and continuous education, providing necessary information for directors' duties, assisting directors in complying with laws, and reporting to the Board the compliance of independent directors with legal qualifications during nomination, election, and tenure, the officer coordinates with the shareholder services unit and related departments. The goal is to enhance the corporate governance structure	No variances.

Evaluation Item	Implementation status			Deviations from "the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies" and Reasons
	YES	NO	Abstract Illustration	
			based on existing foundations, best practices, and standards in corporate governance, to plan and implement governance operations ensuring the company's sustainable development under a robust governance framework. ■ Company governance executives' advanced studies in 2023 (Note 2).	
Ⅴ. Does the company establish communication channels with interested parties (including but not limited to shareholders, employees, customers and suppliers), set up stakeholder areas on the company's website, and respond appropriately to important corporate societies of concern to stakeholders, and responsibility issues?	✓		The Company's website has an "Investors" section. Out of respect for the interests of investors, the Company regularly identifies the types of investors and establishes contact windows and communication channels for each investor. Through appropriate communication, the Company understands their reasonable expectations and needs for appropriately responding to important corporate social responsibility issues investors are concerned about.	No variances.
Ⅵ. Does the company appoint a professional stock agency to handle the affairs of the shareholders' meeting?	✓		The Company has appointed the professional stock agency, the agency department of Capital Securities Corporation to handle the affairs of the shareholder meeting.	No variances.
Ⅶ. Information disclosure (1) Has the company set up a website to disclose financial and corporate governance information?	✓		(1) The Company has set up a corporate website to disclose finance, business and corporate governance related information in a timely manner pursuant to relevant laws and regulations.	(I) No variances.
(2) Does the Company adopt other information disclosure methods (such as setting up an English website, appointing a dedicated person responsible for the collection and disclosure of company information, implementing a spokesperson system, posting the corporate briefing process on the Company website, etc.)?	✓		(2) The Company's corporate website is mainly in Chinese. The relevant units are in charge of the collection of the Company's information and the disclosure of material matters, and there are spokespersons and deputy spokespersons to implement the spokesperson system. If the Company holds a corporate briefing, it follows legal requirements to announce it and posts related financial and business information on its website.	(II) No variances.
(3) Does the Company publicly announce and file the annual financial reports within two		✓	(3) The company announces and files its annual financial reports by the end of March each year, in	(III) No significant variances

Evaluation Item	Implementation status			Deviations from "the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies" and Reasons
	YES	NO	Abstract Illustration	
months after the accounting year-end, and publicly announce and file the first, second and third quarter financial reports and monthly operating status reports before the stipulated deadlines?			accordance with Article 36 of the Securities Exchange Act, which requires the announcement and filing of financial reports within 45 days after the end of the first, second, and third quarters of each fiscal year. The possibility of announcing earlier than stipulated deadlines will be assessed based on operational circumstances.	
Ⅷ. Does the Company have any other important information that can help understand the operation of corporate governance (including but not limited to employees' rights, employee care, investor relations, supplier relationships, rights and interests of stakeholders, continuing education for directors, implementation of risk management policies and risk measurement standards, implementation of customer policies, the Company's purchase of liability insurance for directors, etc.)?	✓		The Company has other important information helpful to understand the operation of corporate governance:	No variances.

(I) Employee interests:

1. The Company has always emphasized employee benefits and established the Joint Employee Welfare Committee, to regularly hold birthday celebrations, medical and various other activities. All in-service employees may participate. The source of funds is allocated from the Company's operating revenue, and the Employee Welfare Committee is responsible for management and utilization. The members of the Welfare Committee are elected by employees and are re-elected regularly to promote benefits.
2. Employees facing situations such as childcare needs, major illness, or significant personal events that require extended leave may apply for unpaid leave and later request reinstatement, balancing personal and family care needs.

(II) Employee welfare: The Company appreciates the safety and health of employees, provides health care and assistance services. Employees are entitled to the group insurance and annual health checks; the welfare committee and various clubs were established to organize various events to promote employee interactions.

1. Work-life balance: Subsidies for club activities and travelling subsidies.
2. Parenting support: Parental leave without pay, contracting to registered babysitting institutions and breastfeeding rooms.
3. Livelihood support: Group insurance for employees and their families, wedding subsidies, maternity subsidies, children's education subsidies, new year gifts, birthday allowance, employee injury and illness condolences and care, and subsidies for hospitalization and medical care.
4. Work assistance: Health checks and meal subsidies.
5. Other: Year-end parties, recognition for senior staff and preferential offers for employees at contracted merchants.

Note: The aforesaid benefits include the Company and the Employee Welfare Committee.

(III) Investor relations:

1. The Company has a spokesperson and deputy spokesperson, responsible for the Company's external communications.
2. The Company announces finance, business, and material information on the Company website and MOPS immediately, so that investors may fully understand the Company's development direction and strategic orientation, maximizing the interests of shareholders.
3. The Company's general shareholder meetings provide shareholders with electronic ways to exercise their voting rights. When the shareholder meeting is held, extemporary motions are avoided as much as possible, in order to protect the interests of shareholders using electronic communication to vote.

(IV) Supplier relationships: The Company is committed to growing and fulfilling corporate social responsibilities with suppliers, and innovating and improving quality together. The Company keeps good relations with suppliers and ensures stable contract implementation.

1. The Company has set up the "Management Procedures for Suppliers". New suppliers are reviewed in advance, and only those who pass the review may be traded with; if there is no transaction within three years, the qualification of qualified suppliers will be cancelled, and only after review and confirmation may they become qualified suppliers again. The review includes the supplier's capacity, scale, industry reputation and financial credit, among other things.

2. Supplier appraisal/management:

For qualified suppliers, the procurement unit shall fill in the “Supplier Appraisal Form” before the end of January and July each year for suppliers with transaction amounts of NT$200,000 (inclusive) or actual transaction performances of more than six times (inclusive). The forms will be evaluated by relevant units once. The appraisal includes delivery, quality, cooperation/service, and price of the supplier’s products, require the suppliers to comply with the rules on safety, hygiene, environmental protection and human rights. Jointly commit to enhancing corporate social responsibilities and establishing partnerships for sustainable development.

3. The procurement unit has completed “Supplier Appraisal Report” on Feb. 2, 2023, and Jul. 26, 2023, respectively, and the results of the appraisal are all A-level qualified vendors.

(V) Management policy for project contractors:

1. To procure the contract manufacturers to observe the rules on environmental protection, safety or hygiene, the Company minimizes the potential harms to the general public, undertakers, on-site colleagues and environment. In all of its Engineering Contracts, the Company specifies the mandatory requirement that the contract manufacturers shall follow the rules on labor safety and hygiene during the construction. The evaluation shall cover project quality, project progress, sense of responsibility, coordinated cooperation, shift scheduling, obedience and financial strengths, etc.

2. Evaluation of contract manufacturers:

After acceptance upon project completion, the Construction Department shall fill in the Manufacturer Evaluation Form, and further evaluate the contract manufacturers together with related departments. Require the suppliers to comply with rules regarding safety, hygiene, environmental protection and human rights. Jointly commit to enhancing corporate social responsibilities and establishing partnerships for sustainable development.

3. In 2023, the Company completed projects including “National Central City” in Taoyuan, “Juke Run Long” in Hsinchu, and “Shuhoyuan” in Kaohsiung. The Construction Department conducted contractor evaluations on November 24, November 29, and November 24, 2023, respectively, with all evaluations scoring above 85 points.

(VI) Rights of stakeholders:

In order to fulfill the promises to stakeholders, and to respect and protect their legitimate interests, the Company has established various communication and complaint filing channels, and upholds the principle of good faith to handle and respond immediately. By establishing communication channels, the Company understands the issues that stakeholders are concerned about and immediately responds to their needs in a proactive manner, and takes such as a reference for the future direction of corporate social responsibility. In addition, the “Communication and Response” page of the “Investors” section on the Company website discloses the performance of communication with stakeholders. The communication with stakeholders in 2023 was reported at the 24th meeting of this term of the Board of Directors on December 20, 2023.

(VII) Continuing education of the directors:

Pursuant to the "Directions for the Implementation of Continuing Education for Directors of TWSE Listed and TPEx Listed Companies", the Company provides continuing education courses to the directors from time to time. Continuing education in 2023 is as follows:

Job Title	Name	Date of continuing education	Held by	Training Program	Duration (hour)
Independent Director	Li, Wen-Cheng	2023/05/26~ 2023/05/26	Ministry of Environment, Executive Yuan	Green Chemistry, Sustainable Co-Creation	3 hours
		2023/06/02~ 2023/06/02	Taiwan Corporate Governance Association	Exploration of Practices in Commercial Litigation and Dispute Resolution	3 hours
Independent Director	Yen, Yun-Chi	2023/06/09~ 2023/06/09	Securities & Futures Institute	2023 Insider Trading Prevention Seminar	3 hours
		2023/07/04~ 2023/07/04	Co-hosted by Cathay Financial Holdings, its subsidiaries, and the Taiwan Stock Exchange	2023 Cathay Sustainable Finance and Climate Change Summit Forum	6 hours
Independent Director	Chen, Yung-Chang	2023/04/27~ 2023/04/27	Taiwan Stock Exchange Corporation	Promotion Seminar on Sustainable Development Action Plans for Listed Companies	3 hours
		2023/09/13~ 2023/09/13	Securities & Futures Institute	Protection of Trade Secrets and Non-Compete Obligations	3 hours
		2023/10/17~ 2023/10/17	Securities & Futures Institute	Risks and Opportunities for Businesses Arising from Climate Change and Net-Zero Emission Policies	3 hours

(VIII) Execution of risk management policies and risk measuring standards:

I. Risk Management Policy

In order to strengthen corporate governance, improve operations and sustainable development, and establish a comprehensive risk management culture as the basis for the company's risk management, the company has passed the "Risk Management Measures" by the Board of Directors on Oct. 21, 2021. As the highest guiding principle of the company's risk management.

II. Risk Management Scope

The risk management of the company at all levels includes "Strategic Deployment Risk", "Operational Management Risk", "Financial Operation Risk", "Hazardous Event Risk" and "Other Risks", etc., identification, measurement, monitoring and reporting of various risks, etc. The process should be adjusted in a timely manner in accordance with changes in the business environment, business and operational activities.

III. Risk Management Organization

The company's risk management organization is governed by the Board of Directors, which is the highest management and decision-making body, assisted by the Audit Committee (comprised entirely of independent directors) overseeing risk management. The Board of Directors formulates risk management policies and procedures in line with the company's business strategy and the industry environment, involving all levels of management and employees in the implementation.

1. The board of directors

The board of directors of the company is the highest guiding unit of the company's risk management. With the goal of complying with laws and regulations, promoting and implementing the company's overall operational risk management, it clearly understands the risks faced by sustainable operation and ensures the effectiveness of risk management.

2. Conduct management meeting

The supervisory meeting or operation meeting chaired by the president or the relevant operation supervisor is responsible for reviewing and controlling the risk assessment and contingency command of various plans and projects initiated by the competent departments.

3. Responsible department

Heads of departments and divisions are responsible for risk management, and are responsible for analyzing, monitoring and preventing relevant risks within their subordinate units to ensure the effective implementation of risk control mechanisms and procedures.

4. Audit unit

Responsible for supervising all competent and responsible departments to follow the approval authority and related risk management methods and procedures to ensure the risk management awareness and implementation effectiveness of all employees.

IV. Implementation status

The Board of Directors of the Company passed and formulated the "Risk Management Measures" on Oct. 21, 2021, and on Dec. 20, 2023, reported the 2023 risk management operation to the 24th meeting of this term of the Board of Directors. The relevant contents are briefly described as follows:

1. Strategic risk: According to the changes in the construction industry, set strategic goals, and cooperate with budget control to control the company's business direction. Set strategic goals and budgets once in year 2023.

2. Operational risks: In addition to the Group's executive meetings held on Tuesdays, the Company's executive meetings are held on Wednesdays. In 2023, at least more than 40 meetings were held. The topics for discussion are summarized as follows:

Perspectives of discussion	Topics for discussion	Response measures of the Company
Environmental perspective	Shortage of workers and materials	●For shortage of workers, consider commencement of works first before sales, to flexibly adjust selling prices ●When costs of raw materials increase, actively look for alternative raw materials
	The prices of building energies soar	●Reduce consumption of building energies and actively engage in designing green energy-saving buildings, to create carbon neutral net-zero buildings
	Violation of Environmental Regulations	●Operations are conducted in compliance with legal regulations
Social perspective	Workplace Accidents	●Implement occupational safety and health management to reduce the likelihood of workplace accidents.
	Safety incidents of construction sites	●During construction, strictly require the contractors to abide by rules in relation to construction safety, reduce any personal injuries resulting from the contractors' negligence or oversight, and prevent safety incidents on the construction sites
	High Turnover Rate	●The Company offers salaries and benefits that exceed market standards to reduce turnover rate ●Establish a comprehensive education and training system to improve employees' workplace and skills
Economic perspective	Risks of market changes	●Develop real estate markets in different regions, actively develop architectural products suitable for population structures and seize business opportunities, to enhance operational performance
	Risks of land development	●Prudently analyze profits and returns of investments in land and buildings as grounds for decision making on land investment, to enhance operational performance

Perspectives of discussion	Topics for discussion	Response measures of the Company
Governance perspective	Consumer and customer complaints and disputes	●Analyze problems and discuss specific solutions; communicate with customers to satisfy their requirements or solve their problems
	Customer changes and disputes on house delivery	●Analyze problems and discuss specific solutions; communicate with customers to satisfy their requirements or solve their problems
	Risks of change in construction period	●Make sales strategies and construction methods precise for shortening construction period and reducing risks
	Regulatory Violations	●Complying with relevant laws and regulations, review and review the signed contracts in accordance with procedures, their legal validity, whether there are omissions, and inadequate regulations, so as to maintain the best interests of the company
Technical perspective	Control over construction quality	●The executives of related organizations shall keep informed about construction progress, improve quality of buildings and prevent inappropriate construction supervision from deteriorating construction quality

3. Financial risk: The company does not engage in high-risk investment, and has also formulated relevant measures such as "operational procedures for loaning funds to others" and "operational procedures for endorsement guarantees" to reduce financial risks.
4. Legal risk: In operating activities, in addition to complying with relevant laws and regulations, review and review the signed contracts in accordance with procedures, their legal validity, whether there are omissions, and inadequate regulations, so as to maintain the best interests of the company.
5. Information security risk: In 2023, the company did not find any major cyber attacks or incidents that had or may have a material adverse impact on the company's business and operations, nor was it involved in any legal cases or regulatory investigations related to this, On Dec. 20, 2023, the company's "information security risk management situation" was reported to the 24th meeting of this term of the board of directors.
6. Occupational Health & Safety Risks: To promote a culture of safety and health, conducts safety and health education and training across the entire group. All employees must complete a three-hour “Occupational Safety and Health Education and Training Course” online on the Occupational Safety and Health Administration’s digital learning platform

Evaluation Item	Implementation status			Deviations from “the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies” and Reasons
	YES	NO	Abstract Illustration	

and pass the test to receive certification.

A total of 92 employees completed the online OHS course and received certification between April and November 2023, accumulating a total of 279 hours of training.

(IX) Implementation of customer policy: The Company has set up a dedicated customer service unit and staff to deal with issues related to customers, and maintains good relationship with customers for creating profit.

(X) The Company’s purchase of liability insurance for the directors:

1. The Company obtains directors’ liability insurance with respect to liabilities resulting from the exercise of their duties during their terms of directorship.
2. The coverage of the Company’s “Directors’ Liability Insurance” for 2022 and 2023 has been reviewed and approved in 9st meeting of this term of the Board of Directors on May 9, 2022, and the 19thst meeting of this term of the Board of Directors on May 9, 2023. The insurance amount is US$3 million, and the insurance application has been completed.

IX. Please state the improvements made to the items in the corporate governance evaluation results issued in the most recent year by the Corporate Governance Center of the Taiwan Stock Exchange Co., Ltd., and indicate the enhancement and improvement measures for the items not yet improved.

1. Already improved:

① Item 1.15: The company has established and disclosed on its website internal regulations prohibiting directors, employees, and other insiders from trading securities based on non-public market information. The regulations include (but are not limited to) prohibiting directors from trading their shares during the closed periods, which are 30 days before the announcement of the annual financial report and 15 days before the quarterly financial reports, with details of compliance disclosed on the company’s website.

② Item 4.4: The Company will prepare the sustainability report and upload it to MOPS and the Company’s website by the end of September 2023 based on the GRI released by GRI.

2. Priority to enhance according to items that have not yet been improved:

① Item 2.14: The company plans to establish a Sustainable Development Committee and other non-statutory functional committees, with no fewer than three members, more than half of whom are independent directors. At least one member will possess the expertise required by the committee. The composition, responsibilities, and operation of the committee will be disclosed.

② Item 4.6: The company will formulate a human rights policy and specific management plans in accordance with international human rights conventions, and disclose these policies and their implementation on the company website or in the annual report.

Note 1: Assessment criteria for CPAs' independence:

I. Assessment description: According to Article 29 of the "Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies", listed companies should choose certified public accountants with specialty, responsibility and independency. The Company should assess the independency and suitability of certified public accountants employed regularly (at least once a year).

II. Evaluation Target:

CPA name:	Yi-lien Han, Accountant Kuo-Yang Tseng, Accountant	Accounting firm name:	KPMG Taiwan

III. Evaluation Content: The evaluation items for independence are set according to Article 47 of the Certified Public Accountant Act and Bulletin No. 10 of the Professional Ethics for Accountants of the Republic of China

Item	Evaluation Item	Assessment Outcomes	Compliance with Independence Requirements?
1	The CPAs have no direct or significant indirect relationship involving financial interest with the Company	YES	YES
2	The CPAs do not have mutual financing or guarantee activities with the Company or the Company's directors	YES	YES
3	The CPAs do not have any potential employment relationship with the Company	YES	YES
4	The accounting firm does not overly depend on remuneration from a single client (this Company) as its source of fees.	YES	YES
5	The non-audit services provided by the CPAs to the Company do not directly affect important items of the audit case	YES	YES
6	The CPAs do not intermediate the shares or other securities issued by the Company	YES	YES
7	The CPAs have not represented the Company's defense against any legal proceedings with third parties or other disputes	YES	YES
8	The CPAs and its audit team members are not been currently serving or have within the last two years served as directors, managerial officers or positions that have a significant impact on the audit case in the Company.	YES	YES
9	The CPAs are not related to the Company's directors, managers or persons who have significant influence on the audit case	YES	YES

Item	Evaluation Item	Assessment Outcomes	Compliance with Independence Requirements?
10	The CPAs have not served as directors or managerial officers, or positions having a significant influence on the audit case in the Company within a year of resignation	YES	YES
11	The certifying accountants have not been involved in the management decision-making processes of the company	YES	YES
12	There has been no situation where the same accountant has been used without change for seven years as of the most recent certification process	YES	YES
13	The Company does not require CPAs to accept improper options made by the Company in accounting policies or improper disclosures in financial statements?	YES	YES
14	The Company has not put pressure on CPAs to reduce professional service fees and thus prompt them to improperly reduce the audit tasks that should be performed	YES	YES

IV. Evaluation of AQIs: The audit quality of the accounting firm and its audit team is assessed based on annual AQI provided by KPMG.

V. Work Performance and Effectiveness:

1. Timely completion of the Company's periodic financial reports and tax certifications.
2. Provision of periodic financial and tax consultation services to the Company.

VI. Assessment Outcomes:

After the assessment, the certified public accountants the company appoints all do not have cases described above. We can make sure that the certified public accountants are correspond with the rules of independency, and the accountants and audit team have the audit experience and professional capabilities, thus the financial reports written by them can be trusted.

Note2: Company governance executives' advanced studies in 2023:

Date of continuing education	Held by	Training Program	Duration (hour)
2023/04/27	Taiwan Stock Exchange Corporation	Promotion Seminar on Sustainable Development Action Plans for Listed Companies	3.0
2023/05/26	Ministry of Environment, Executive Yuan	"Green Chemistry for Sustainable Co-Creation" Seminar and Panel Discussion	3.0
2023/07/04	Taiwan Stock Exchange Corporation	2023 Cathay Sustainable Finance and Climate Change Summit Forum	6.0
2023/07/18	Accounting Research and Development Foundation	2023 Seminar on Transition Justice and Sustainability Disclosure	3.0
2023/09/13	Securities & Futures Institute	Protection of Trade Secrets and Non-Compete Obligations	3.0
2023/10/20	Securities & Futures Institute	2023 Insider Trading Prevention Seminar	3.0
Total hours of advanced studies in the current year			21.0

(IV) Composition, duties, and operation of the Remuneration Committee

1. Remuneration Committee Member Information

April 15, 2024

Identity	Name	Professional Qualifications and Experience	Independence Situation	No. of other listed companies working as remuneration committee member of
Independent Director	Li, Wen-Cheng (Convener)	■Independent director / Remuneration Committee Convener / Audit Committee Convener ■Retired judge (retired from Taiwan High Court in 2006), qualified as judge and lawyer for more than 5 years, and has rich experience in legal affairs ■Past Experience President of Taiwan High Court President of Hualien Local Court President of Taitung Local Court President of Penghu Local Court His legal expertise covers administrative law, fair trade law, mass communication law, commercial litigation, criminal litigation, intellectual property litigation, etc. The company expects to rely on his expertise in legal talents and commercial litigation to assist the company in mastering the overall legal aspects during the operation layout, so as to reduce legal risks and improve operating efficiency. ■None of the provisions of Article 30 of the Company Act.	1. Him, his spouse, and relatives within the second degree of kinship do not serve as directors, supervisors or employees of the company or its affiliated companies. Independent director Li, Wen-cheng concurrently serves as an independent director and Remuneration Committee member of the parent company, does not apply to this restriction. 2. The person, the spouse, the relatives within the second degree of relatives do not hold the number of shares in the company 3. The members of the Remuneration Committee maintain their independence within the scope of execution of their business, and shall not have direct or indirect interests in the company. They have no Circumstances stipulated in Article 6, Paragraph 1 of "Regulations Governing the Appointment and Exercise of Powers by the Remuneration Committee of a Company Whose Stock is Listed on the Taiwan Stock Exchange or the Taipei Exchange" in the two years prior to their appointment and during their term of office. 4. The person has not provided business, legal, financial, accounting and other services to the Company or its affiliated companies for the last 2 years and received compensation.	1

Qualification / Name / Identity		Professional Qualifications and Experience	Independence Situation	No. of other listed companies working as remuneration committee member of
Independent Director	Yen, Yun-Chi	■Independent director / member of Remuneration Committee / member of Audit Committee ■With more than 5 years of profound construction and sales industry-related business background, and rich practical experience in business and accounting ■Primary current position Chairman Tungyue Advertising Co., Ltd. ■None of the provisions of Article 30 of the Company Act.	1. The daughter of Remuneration Committee member Yan, Yun-qi has been employed by the company since January 1, 2022, but is not the manager of the company, so it complies with the "Regulations Governing Appointment of Independent Directors Compliance Matters for Public Companies". 2. The person, the spouse, the relatives within the second degree of relatives do not hold the number of shares in the company 3. The members of the Remuneration Committee maintain their independence within the scope of execution of their business, and shall not have direct or indirect interests in the company. They have no Circumstances stipulated in Article 6, Paragraph 1 of "Regulations Governing the Appointment and Exercise of Powers by the Remuneration Committee of a Company Whose Stock is Listed on the Taiwan Stock Exchange or the Taipei Exchange" in the two years prior to their appointment and during their term of office. 4. The person has not provided business, legal, financial, accounting and other services to the Company or its affiliated companies for the last 2 years and received compensation.	0

Identity	Qualification / Name	Professional Qualifications and Experience	Independence Situation	No. of other listed companies working as remuneration committee member of
Others	Cai, Chi-Chan	■Member of the Remuneration Committee ■Qualified as a lawyer for more than 5 years, with rich experience in legal affairs ■Primary current position Attorney of Hong-Li Law Firm Sole mediator of Taichung City Government Labor Bureau ■None of the provisions of Article 30 of the Company Act.	1. Him, his spouse, and relatives within the second degree of kinship do not serve as directors, supervisors or employees of the company or its affiliated companies. The Remuneration Committee member Cai, Chi-Chan concurrently serve as the Remuneration Committee member of the parent company, does not apply to this restriction. 2. The person, the spouse, the relatives within the second degree of relatives do not hold the number of shares in the company 3. The members of the Remuneration Committee maintain their independence within the scope of execution of their business, and shall not have direct or indirect interests in the company. They have no Circumstances stipulated in Article 6, Paragraph 1 of "Regulations Governing the Appointment and Exercise of Powers by the Remuneration Committee of a Company Whose Stock is Listed on the Taiwan Stock Exchange or the Taipei Exchange" in the two years prior to their appointment and during their term of office. 4. The person has not provided business, legal, financial, accounting and other services to the Company or its affiliated companies for the last 2 years and received compensation.	1

2. Authority of the Remuneration Committee
   The remuneration committee of the Company convenes at least twice a year, and may hold meetings at any time as needed. The main responsibilities and annual work focus are to formulate and regularly review the policies, systems, standards and structures of directors and managers' performance evaluation and remuneration, and regularly evaluate and determine the remuneration of directors and managers.

3. Remuneration Committee Operation Status
   (1) The Company's Remuneration Committee is composed of three members.
   (2) The term of office of the fifth term of members: From Sep. 7, 2021 to Aug. 15, 2024, the Remuneration Committee held 4 meetings (A) in the most recent year (2023). The qualifications and attendance of the members are as follows:

Job Title	Name	Actual no. of meetings attended (B)	No. of meetings with entrusted attendance	Actual no. of meetings attended (B/A)	Remarks
Convener	Li, Wen-Cheng Independent Director	4	0	100.00%	
Committee member	Yen, Yun-Chi Independent Director	4	0	100.00%	
Committee member	Cai, Chi-chan	4	0	100.00%	
Remuneration Committee Member Average Actual Attendance Rate (%) for 2023 (Total actual attendances / total required attendances)				100.00%	

Other items to be recorded:

I. Subjects and resolutions of the proposals of the Remuneration Committee during 2023 and 2024 as of March, and the Company's handling of the opinions of the Remuneration Committee:

Date of meetings of the Remuneration Committee	Motion Contents	Resolutions of Remuneration Committee	The Company's treatment to the opinions of the Remuneration Committee	Date of Board of Directors Meeting	Resolution of the Board of Directors
2023.01.17 7th meeting of the 5th term	Proposal to distribute 2021 managerial officers' remuneration.	All attending members approved	Submitted to the Board of Directors for resolution	2023.01.17 16th meeting of the term	All attending directors approved
	Proposal to disburse the 2022 annual performance bonus of the managerial officers	All attending members approved	Submitted to the Board of Directors for resolution		All attending directors approved
2023.03.10 8th meeting of the 5th term	Proposal to distribute remuneration to the Company's employees and directors for 2022.	All attending members approved	Submitted to the Board of Directors for resolution	2023.03.10 17th meeting of the term	All attending directors approved
2023.05.09 9th meeting of the 5th term	Compensation Proposal for the Company's Newly Appointed Chairman and General Manager	All attending members approved	Submitted to the Board of Directors for resolution	2023.05.09 19th meeting of the term	All attending directors approved

Date of meetings of the Remuneration Committee	Motion Contents	Resolutions of Remuneration Committee	The Company's treatment to the opinions of the Remuneration Committee	Date of Board of Directors Meeting	Resolution of the Board of Directors
2023.12.20 10th meeting of the 5th term	Review the performance review and remuneration policy, system, standards, and structure case for the Company's directors (not including independent directors) and managerial officers.	All attending members approved	Submitted to the Board of Directors for resolution	2023.12.20 24th meeting of the term	All attending directors approved
	Review the performance review and remuneration policy, system, standards, and structure for the Company's directors (not including independent directors) and managerial officers.				
	Proposal to distribute 2022 directors' remuneration.				
2024.02.05 11th meeting of the 5th term	Proposal to distribute 2022 managerial officers' remuneration.	All attending members approved	Submitted to the Board of Directors for resolution	2024.02.05 25th meeting of the term	All attending directors approved
	Proposal to disburse the 2023 annual performance bonus of the managerial officers.				
2024.02.26 12th meeting of the 5th term	Change in Head of Planning Department at the Company	All attending members approved	Submitted to the Board of Directors for resolution	2024.02.26 26th meeting of the term	All attending directors approved
2024.03.13 13th meeting of the 5th term	Proposal to distribute remuneration to the Company's employees and directors for 2023.	All attending members approved	Submitted to the Board of Directors for resolution	2024.02.26 26th meeting of the term	All attending directors approved

II. If the Board of Directors did not adopt or amend the suggestions of the Remuneration Committee, please indicate the date and session number of the Board meeting, the contents of the motion, the result of the resolution and the Company's handling of the suggestions of the Remuneration Committee (if the remuneration passed by the Board is better than the suggestion of the Remuneration Committee, please state the difference and the reasons): No such situation.

III. If any member had objections or reservations about the resolutions of the Remuneration Committee and there is a record or a written statement, please indicate the date and session number of the Remuneration Committee meeting, the contents of the motion, all the opinions of the members and how the opinions were handled: No such situation.

(V) Facilitate Sustainability Development implementation and Differences with the Sustainability Development Best Practice Principles for TWSE/TPEx Listed Companies and reasons

Implementation Action Items	Implementation situation			Deviations from "The Sustainability Development Best-Practice Principles for TWSE/TPEx Listed Companies" and Reasons
	YES	NO	Abstract Illustration	
I. Does the company establish a governance structure to promote sustainable development, and set up a dedicated (part-time) unit to promote sustainable development, and the board of directors authorizes the senior management to handle and supervise the situation to the board of directors?	✓		■ In order to improve the management of sustainable development, the company establishes a governance structure to promote sustainable development, and assigns the management department as a part-time unit to promote sustainable development, responsible for the proposal and promotion of sustainable development policies, systems or related management guidelines and specific promotion plans. Implementation, all departments actively promotes practical assessment and planning for ESG according to their duties and responsibilities, and various issues are coordinated by the management department, and report to the board of directors regularly, and the implementation situation was reported at the 24th board of directors on December 20, 2023. ■ Based on the report (including ESG reports) of the management department, the board of directors of the	No variances.

Implementation Action Items	Implementation situation			Deviations from "The Sustainability Development Best-Practice Principles for TWSE/TPEx Listed Companies" and Reasons
	YES	NO	Abstract Illustration	
			company reviews the implementation results, reviews the implementation results when necessary and requires improvement or adjustment to ensure that the sustainable development strategy is fully implemented in the company's daily operations.	
II. Does the company assess the risk of the environment, society, and issue of management of the company and set up a policy or strategy of risk management, according to principle of importance? (note 1)	✓		■ This disclosure covers the company's sustainable development performance at its main bases from January 2023 to December 2023. The risk assessment boundary is mainly based on the company and and its subsidiaries. ■ The Management Department of the Company will analyze based on the materiality principle outlined in the sustainability report, communicate with internal and external stakeholders, and review domestic and international research reports, literature, and assessment data from various departments and subsidiaries. This process is used to evaluate significant ESG issues and develop effective risk management policies and concrete action plans that identify, measure, monitor, and control risks, thereby reducing their	No variances.

Implementation Action Items	Implementation situation			Deviations from "The Sustainability Development Best-Practice Principles for TWSE/TPEx Listed Companies" and Reasons
	YES	NO	Abstract Illustration	
			impact. The risk assessment boundary covers both the company and its subsidiaries, as detailed on the company's website and in the sustainability report.	
Ⅲ. Environmental Issue (1) Does the company set up an appropriate environmental management system, according to the feature of the industry?	✓		(1)Green buildings: The Company emphasizes energy saving for buildings in the usage stage. Many projects have obtained green building candidate certificates, integrating greening design, base water retention, energy-saving outer shells, and energy-saving illumination design into the daily life of users, to realize the concept of energy saving during the life cycle of buildings. Participated in selection of green buildings: Silver grade - green building certificates for candidate buildings in "Shihengbin - Xingye District" (Keelung), "Dream City" (Keelung), and "Jing'an Wenhui" (Zhonghe Area, New Taipei City).	(1) No variances.
(2) Does the company dedicate in promoting efficiency of the usage of any energy, and use renewable materials that have a low impact on the environment?	✓		(2) The company is actively implementing various energy reduction measures to minimize environmental impacts and manage energy use efficiently. This includes the use of environmentally friendly	(2) No variances.

Implementation Action Items	Implementation situation			Deviations from "The Sustainability Development Best-Practice Principles for TWSE/TPEx Listed Companies" and Reasons
	YES	NO	Abstract Illustration	
			and energy-saving materials, high-efficiency equipment, and renewable energy sources. Additionally, the company is improving construction methods to create opportunities for resource recycling, optimizing resource utilization. Technological advancements are being incorporated into the construction culture, including the use of Building Information Modeling (BIM) systems and aluminum formwork techniques. These technologies enhance construction quality, shorten construction periods, reduce the use of environmental resources and energy, and integrate green building concepts into architectural designs. By increasing green spaces, the company enhances urban self-purification capabilities to filter urban pollution.	
(3) Does the company assess the risks and chances that the climate change makes to the present and the future of the company, and adapt measures against the issue?	✓		(3) The company's sustainability report comprehensively assesses the current and future potential risks and opportunities posed by climate change, addressing the impact of climate-	(3) No variances.

Implementation Action Items	Implementation situation			Deviations from "The Sustainability Development Best-Practice Principles for TWSE/TPEx Listed Companies" and Reasons
	YES	NO	Abstract Illustration	
			related issues on the company. For the comfort and health of our citizens, and to reduce the impact on the environment of manufacturing building materials and promote the upgrade of the traditional construction material industry, the company shall actively take measures in response to the issue of climate change and put in effort into developing green building techniques to improve the level of green buildings, in hope of building up an energy saving and carbon emission reducing housing environment. Planning construction cases with energy saving and carbon emission reducing products, such as building materials, energy saving machinery, housing facilities and new energy systems applied in green buildings. To implement government policy, the Company goes to great lengths in environmental protection to put corporate social responsibility into practice.	
(4) Does the company calculate the emission of green house gas, water consumption, and the	✓		(4) Starting in 2030, the Company will progressively collect and	(4) No variances.

Implementation Action Items	Implementation situation			Deviations from "The Sustainability Development Best-Practice Principles for TWSE/TPEx Listed Companies" and Reasons
	YES	NO	Abstract Illustration	
amount of waste, and set up a managerial policy of reducing green house gas, reducing using water, or other waste.			calculate greenhouse gas emissions, water usage, and total waste weight to establish energy-saving measures and reduce water usage and waste management measures. The company has collected data on greenhouse gas emissions, water consumption and the total weight of construction waste in the past two years, and formulated policies for greenhouse gas reduction, water use reduction or other waste management, as shown in Note 2. The company continues to promote energy-saving solutions such as "Energy Saving and Carbon Reduction", and the goal of greenhouse gas emissions in the office area in 2024 is to keep below 100 metric tons. The construction wastes produced in the construction processes of the Company's projects somewhat vary with the construction progress. The Company's strategies for managing construction wastes particularly highlight lawful collection, transportation, reduction and recycling of wastes.	
Ⅳ. Social Issues (1) Has the company formulated relevant management policies and procedures in accordance with	✓		(1) The company has established a "Human Rights Policy and	(1) No variances.

Implementation Action Items	Implementation situation			Deviations from "The Sustainability Development Best-Practice Principles for TWSE/TPEx Listed Companies" and Reasons
	YES	NO	Abstract Illustration	
relevant laws and regulations and international human rights conventions?			Workplace Conduct Code" (details available on the company's website) to protect employee rights and promote sustainable development and corporate social responsibility. This ensures the basic human rights of all colleagues, supports, and adheres to internationally recognized human rights norms and principles, such as the Universal Declaration of Human Rights, while strictly complying with national labor regulations to eliminate human rights violations. The company's human rights policy applies to all its units, treating employees, customers, and suppliers with dignity. Timely education and training are provided to promote awareness and continual improvement in managing human rights issues. Key human rights issues addressed by the company include prohibiting child labor, forced labor, ensuring freedom of assembly, religious beliefs, association rights, opposing discrimination, bullying, harassment, and providing a safe, healthy work environment.	

Implementation Action Items	Implementation situation			Deviations from “The Sustainability Development Best-Practice Principles for TWSE/TPEx Listed Companies” and Reasons
	YES	NO	Abstract Illustration	
			For the Company’s human rights policies and proposals, as shown in Note 3.	
(2) Does the company set up and practice the measures of employees’ welfare (including payment, vacation, and others), and adjust the payment according to the performance of the operation?	✓		(2) The Company has established reasonable employee benefits measures. The implemented compensation and benefits plan, along with vacation policies, comply with legal requirements and are competitive in the market. Employee personal goals are closely linked to organizational goals, with end-of-year and performance bonuses awarded based on individual performance and company operational performance, including the provision of festival bonuses. Additionally, the company conducts bi-annual employee performance assessments and adjusts salaries based on employee performance outcomes. Please refer to pages 35 and 56 of the annual report for more details.	(2) No variances.
(3) Whether the company offers both safe and healthy working environment for its employees, and put into practice of safety and health education on a regular basis or not?	✓		(3) The Company provides staff a safe and healthy work place. There are air conditioning systems, equipment providing sufficient light, work	(3) No variances.

Implementation Action Items	Implementation situation			Deviations from "The Sustainability Development Best-Practice Principles for TWSE/TPEx Listed Companies" and Reasons
	YES	NO	Abstract Illustration	
			places good for eyes and ears, evacuation routes and emergency exits, regular elevator maintenance, fire protection equipment, periodically and irregularly sanitizing and disinfection of the work place, water testing, and entry control. Employee health checks are conducted every year, and health consultation lectures are arranged. The health check items are added and adjusted according to employee needs every year, so that employees better understand and pay attention to their own health. In addition, the Company has the Employee Welfare Committee responsible for handling various welfare measures and subsidies for employees. The Company also handles labor insurance, national health insurance and group insurance pursuant to laws, to protect the interests of employees and fully support the balanced development of their bodies, minds and souls. ■Implement as following: I. Access security 1. The company building is equipped with a strict	

Implementation Action Items	Implementation situation			Deviations from "The Sustainability Development Best-Practice Principles for TWSE/TPEx Listed Companies" and Reasons
	YES	NO	Abstract Illustration	
			access control monitoring system during the day and at night. 2. The company signs contracts with security companies at night and on holidays to maintain office security. II. Maintenance and inspection of various equipment 1. Carry out elevator equipment maintenance once a month. 2. According to the provisions of the Fire Protection Law, outsource fire inspections every year. 3. Conduct a water quality test once a year. 4. Do water dispenser maintenance every 3 months. III. Physiological Hygiene 1. Employee health checks are conducted every year, and health consultation lectures are arranged. The health check items are added and adjusted according to employee needs every year, so that employees better understand and pay attention to their own health. 2. Hygienic working environment: no smoking is allowed in the office, and the office	

Implementation Action Items	Implementation situation			Deviations from "The Sustainability Development Best-Practice Principles for TWSE/TPEx Listed Companies" and Reasons
	YES	NO	Abstract Illustration	
			environment is cleaned and disinfected more than once a year. IV. Mental health 1. Sexual harassment prevention: investigate and punish according to the "Employee Complaint Management Measures" established by the company. 2. Quarterly magazines: The Group issues quarterly magazines to provide a channel for employees to write and publish and provide opinions to the company. V. Insurance and medical condolences 1. Insure labor insurance and health insurance in accordance with the law, and provide employee group insurance every year and allow family members to insure medical insurance and cancer insurance at preferential rates. 2. Employee Welfare Committee, responsible for handling various welfare measures and subsidies for employees. 3. According to the rules on health protection of labor workers, the Occupational Safety Department monthly	

Implementation Action Items	Implementation situation			Deviations from "The Sustainability Development Best-Practice Principles for TWSE/TPEx Listed Companies" and Reasons
	YES	NO	Abstract Illustration	
			arranges medical and nursing personnel to provide on-site health services four hours per month, to provide the employees with professional guidance and advices regarding occupational injuries, related individual diseases, annual physical examination reports or return upon diagnosis. VI. Occupational Health and Safety Management 1. The safety and health education and training for the entire group to strengthen the overall safety and health culture. All current employees are required to complete a three-hour online "Safety and Health Education Training Course" on the Occupational Safety and Health Administration's digital learning platform and pass the test to receive certification. 2. A total of 92 employees completed the online safety and health course and received certification between April and November 2023, for a	

Implementation Action Items	Implementation situation			Deviations from “The Sustainability Development Best-Practice Principles for TWSE/TPEx Listed Companies” and Reasons
	YES	NO	Abstract Illustration	
			combined total of 279 training hours.	
(4) Whether an effective career development training project is available for employees or not?	✓		(4) The company prioritizes long-term talent development based on organizational needs, departmental needs, and individual employee needs by planning various internal and external training programs. These include training for new employees, advanced professional training, and management training, aiding colleagues in continuous learning and growth through diverse learning methods. For advanced studies and training of the employees in 2023, please refer to Page 148-151 of the annual report.	(4) No variances.
(5) Whether the health and security of the customers, privacy of the clients, and marketing and indication issues are following the rules, and related consumer or customers protection policies and grievance procedures are available by the company?	✓		(5) The Company has formulated relevant policies to protect the interests of consumers, such as signing sales contracts conforming to the Ministry of the Interior’s standardized contract specifications, complying with marketing and promotion regulations, communicating with customers for their customized interior alterations, voluntary	(5) No variances.

Implementation Action Items	Implementation situation			Deviations from "The Sustainability Development Best-Practice Principles for TWSE/TPEx Listed Companies" and Reasons
	YES	NO	Abstract Illustration	
			construction quality inspections and repairs, among other things, to ensure consumer rights. The Company maintains good communication channels with customers, and has dedicated departmental customer service personnel, who comply with confidentiality protocols and the Personal Information Protection Act for customer privacy. The Company's website has an Investors section, disclosing policies to protect consumer rights and provide a complaint filing channel.	
(6) Whether the company set up a managerial policy of supplier, asking them to follow the rules, such as environmental rules, workplace safety and health, and labor right?	✓		(6) Managerial policy of supplier and for implementation in 2023, refer to Page 56 to 57 of the annual report.	(6) No variances.
V. Does the company compile the Sustainability Report that disclose non-financial information according to international principle or guideline of report editing? Are the report confirm and guarantee by third testing unit?	✓		Since 2023, the Company has been compiling the sustainability report for the previous year, adhering to internationally recognized reporting standards or guidelines. This report discloses non-financial information, enhancing the reliability of stakeholder information through the sustainability report. This report has not obtained	No significant variances

Implementation Action Items	Implementation situation			Deviations from "The Sustainability Development Best-Practice Principles for TWSE/TPEx Listed Companies" and Reasons
	YES	NO	Abstract Illustration	
			confirmation and guarantee by third testing unit.	

VI. If the Company has its own Sustainable Development code in accordance with the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies, please describe the difference between its operation and the prescribed code:

The Company has the amended "Corporate Social Responsibility Best Practice Principles" based on "Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies" (the new title is "Sustainable Development Best Practice Principles") for enhancing the corporate sustainability and fulfillment of corporate social responsibility, and integrated it into the management and operation of the Company.

In order to improve the management of sustainable development, the company establishes a governance structure to promote sustainable development and assigns the administration dept. as a part-time unit to promote sustainable development, responsible for the proposal, promotion, implementation, and report of sustainable development policies, systems, or related management guidelines and specific promotion plans. And report the implementation situation to the board of directors at least once per year.

VII. Other important information to help understand the facilitation of corporate sustainable development:

(I) The Company expects that its own operations will bring positive developments to neighborhood communities. In addition to focusing on its major business, the Company will continue to manage and maintain the adopted roads and parks in order to establish good community relations:

1. Adoption and maintenance of the sidewalk in front of Section 2, Chenggong Road, Neihu District, Taipei City. The adoption period is from February 17, 2015, to February 16, 2025, for ten years.
2. Adoption of parks, plazas, green spaces, beside Zhiyun Road in Hsinchu City (Land No. 1065, Guangwu Section). The adoption period is from Oct. 25, 2018, to Oct. 25, 2027. The adoption includes responsibilities such as maintaining the adopted parks and green spaces by collecting garbage and cleaning animal excrement. When the park, green space or plaza facility is damaged due to natural disasters or by people, the Hsinchu City Government shall be notified as soon as possible.
3. The Company has adopted 16 plots numbered 1021, 1024-1, 1026-1, 1027-1, 1060, 1073-1, 1073-2, 1074-1, 1076-1, 1076-2, 1076-3, 1077, 1080, 1086-3, 1086-8 and 1122 in Dean Section, Zhongshan District, Keelung City, the roads and auxiliary facilities within the urban plan (including but not limited to road, drainage facilities, retaining walls and street lights) together with Hai Ju Construction and Huan Ding Development. During the adoption period, took charge of sustainability maintenance and management from September 29, 2022. The adoption covers completely milling and paving the adopted roads every 8 years, eliminating deficiencies of the adopted roads, setting emergency security measures, and regularly dispatching personnel for patrol and maintenance, etc.

Implementation Action Items	Implementation situation			Deviations from "The Sustainability Development Best-Practice Principles for TWSE/TPEx Listed Companies" and Reasons
	YES	NO	Abstract Illustration	

4.The Company adopted 4 plots numbered 1084, 1086-1, 1089 and 1090-1 on Dean Section, Zhongshan District, Keelung City, the roads and auxiliary facilities within the green land of the urban plan (including but not limited to lights, railings, floors of hydrophilic platforms and landscape-based pedestrian overcrossings with Hai Ju Construction and Huan Ding Development. During the adoption period, took charge of sustainability maintenance and management from September 13, 2022. The adoption covers regular and irregular maintenance of environmental cleanliness, tree straightening, vegetation trimming, and maintenance of lights and related facilities, etc.

(II) Participate in construction-related selection activities:

1. "Juke Run Long"(Hsinchu) Green Building Label - Gold Level.
2. Silver grade - green building certificates for candidate buildings in "Shihengbin - Xingye District" (Keelung), "Dream City" (Keelung), and Jing'an Wenhui (Zhonghe Area, New Taipei City).

(III) The company sponsors various public welfare activities from time to time:

1. A donation of NT$100,000 to Fo Guang Shan Temple.
2. A donation of NT$50,000 to Taita Jing-fu Medical Foundation.
3. A donation of 500 residential smoke detectors to the Kaohsiung City Government.
4. A donation of NT$1,302,683 to Anping District Office in Tainan.
5. The company encourages colleagues to participate in diverse volunteer activities, integrating this with the company's performance evaluation system. In 2023, 23 colleagues contributed approximately 135 hours to community service.

(IV) Office energy saving measures:

1. Implementation of shutdown procedures post-work hours, including turning off computers, lights, air conditioning, and other electrical devices.
2. Replace the energy-saving lighting equipment in the office and turn off the lights at workplace during lunch break.
3. Setting office air conditioning temperatures to a standard 26–28°C.
4. Regular equipment cleaning and maintenance, with periodic replacement of outdated devices to improve energy efficiency.

(V) Water-conservation measures:

1. Use the induction water-saving valve to effectively reduce unnecessary waste of water resources.
2. Posting water conservation slogans to achieve water-saving goals.

(VI) Paper Category:

1. Promote the use of double-sided printing or printing multiple pages on one sheet of paper.
2. The briefcase/ briefcase is reused repeatedly.
3. Use electronic document processing to reduce printing or photocopying.

Implementation Action Items	Implementation situation			Deviations from "The Sustainability Development Best-Practice Principles for TWSE/TPEx Listed Companies" and Reasons
	YES	NO	Abstract Illustration	
4. Make good use of the scan function to convert it into an electronic image archive. 5. Control color printing. (VII) Introduction of Electronic Invoicing 1. Environmental Protection: Reduction in paper usage and mail delivery carbon footprint. 2. Social Responsibility: Provision for consumers to store invoices electronically in the cloud, facilitating easier invoice tracking and prize claims. 3. Corporate Governance: Integration of invoicing into the information system to enhance transparency. 4. In 2022, 14,201 electronic invoices were issued, reducing carbon emissions by 0.05 metric tons. 5. In 2023, 19,582 electronic invoices were issued, reducing carbon emissions by 0.07 metric tons. (VIII) Others: The recycling management and resource classification of wastes such as kitchen waste, iron-aluminum glass jars, waste paper and special bottles, etc., shall be carried out, and professionals shall be responsible for the treatment and classification of wastes.				

Note 1: The principle of materiality refers to those related environmental, social and governance issues having significant impact on the Company's investors and other stakeholders.

Note 2: The company's statistics on the greenhouse gas emissions, water consumption and total weight of construction waste in the office area in the past two years are as follows:

Item / Year	Greenhouse gas emissions (tons CO2e)		Water usage (m3)	Total weight of construction waste (tons)
	Scope 1	Scope 2		
2022	6	108	188	18,460.03 (Explanation 6)
Carbon Intensity (Tons CO2e/NT$ Million)	0.0025	0.0456	0.0794	7.7923
2023	6.6	96.28	223	26,647.50 (Explanation 6)
Carbon Intensity (Tons CO2e/NT$ Million)	0.0002	0.0031	0.0073	0.8710

1.Scope 1, Scope 2 and Water Consumption Inventory Scope (Boundary): Taipei Corporate Office.

2. Calculation of Carbon Intensity: The calculation is based on the total emissions of the company (in tons of CO2e) divided by the annual revenue of the company (in million NT$).

3. Scope 1: This includes gasoline and diesel used primarily for company vehicles. In 2022, two vehicles were used; in 2023, three vehicles were used, although one of these was sold in May 2023.

4. Scope 2: Main energies consumed were mainly electricity purchased from Taipei office areas (electricity purchased from Taiwan power plants).
5. The company continues to promote energy-saving solutions such as "Energy Saving and Carbon Reduction" (refer to annual report for details, page 89), and the goal of greenhouse gas emissions in the office area in 2023 to keep below 100 metric tons is achieved.
6. The increase in water usage is primarily due to an increase in the number of employees (office use primarily consists of domestic water usage). The company will regularly disseminate water conservation information to employees to raise awareness about the value of water resources and encourage water conservation.
7. The scope of construction waste inventory for the years 2022 to 2023 is outlined as follows:
   7.1 For 2022, the areas covered include Keelung Dean Sections A, B, and C.
   7.2 For 2023, the areas include Keelung Dean Section C, Zhonghe Yuanton 337, Taoyuan Shanji 76, Taichung Hui'an 223, and Taichung Chungcheng 228.
   7.3 The construction waste generated by the company's projects varies according to the progress of each construction project.
8. Policies for reducing greenhouse gasses, water usage, and managing other wastes are as follows:
   8.1 Reduce greenhouse gas emissions:
      ①The primary source of energy consumption at our company comes from purchased electricity, which leads to indirect greenhouse gas emissions (Scope 2). We continue to promote energy-saving and carbon reduction policies to all employees, including shutting down computers, lights, air conditioners, and other electrical devices after work, turning off lights during lunch breaks, and setting office air conditioning temperatures between 26 to 28℃. These efforts aim to meet our annual electricity saving targets.
      ②Our goal is to reduce carbon emissions by 1% compared to the previous year, contributing to greenhouse gas reduction and sustainable corporate development.
      ③When replacing company cars, priority will be given to purchasing hybrid vehicles to support sustainable development goals for both the enterprise and the environment.
   8.2 Water Resource Management:
      ①The company's primary source of water is tap water supplied by the Taipei Water Department, used for domestic purposes in the office, presenting a relatively low risk associated with water resource impacts. Despite this, we are fully committed to water resource management. Our office water use focuses on infrastructure maintenance and improvements, including the use of sensor-based water-saving valves to effectively reduce unnecessary water wastage. We also continuously promote water conservation information among our employees to minimize the impact on water resources and the environment.
      ②We aim to reduce unnecessary water wastage each year by at least 1% compared to the previous year.

8.3 Wastewater Management:

①The source of wastewater in our office primarily comes from domestic wastewater generated by employees. The general domestic wastewater from our office does not significantly impact water bodies. As a non-manufacturing enterprise, we do not produce process wastewater. The wastewater from our building and adjacent properties is discharged in accordance with legal regulations, making it difficult to precisely quantify wastewater emissions.

8.4 Waste Management:

①The waste generated in our company's offices consists primarily of employee-generated domestic waste. In line with our environmental policies and compliance with government environmental regulations, we categorize waste into general waste and recyclables (including paper, PET bottles, and metal cans). The building's management service center contracts a cleaning company to handle waste uniformly. After properly recycling the reusable materials, the non-recyclable waste is ultimately disposed of through incineration or landfill. Therefore, it is not possible to precisely measure the volume of domestic waste generated by office employees.

②Waste from our construction sites is non-hazardous and is managed primarily by reusing materials on-site to reduce the use of raw materials. Ultimately, waste is recycled and processed by professional and legal environmental protection companies. Construction waste is kept separate from general domestic waste to ensure proper waste sorting and recycling.

③In our main construction processes, such as formwork engineering, aluminum formwork is used on a case-by-case basis, effectively reducing the generation of construction waste. The company continues to explore new energy-saving construction methods to enhance waste reduction management policies.

④As a non-manufacturing entity, our company does not need to differentiate between hazardous and non-hazardous waste.

9. Future Quantitative Management Goals:

Energy and Carbon Reduction Goals	In response to climate change, the Company is committed to energy conservation and carbon reduction using quantitative management. Using 2022 as the baseline year (with the scope of the inventory covering the Taipei office), the goal is to achieve a 1% reduction in carbon emissions from 2024 to 2026.
Water Management Goals	In response to global water scarcity, with 2022 as the baseline year, the goal is to reduce the company's total water consumption by 1% by 2026, taking concrete actions to face the challenges of climate change alongside global enterprises.
Waste Reduction Goals	Since office waste is managed uniformly by the building's management service center through contracted cleaning services, it is not possible to measure the volume of domestic waste generated on our office floors specifically. Additionally, the volume of construction waste generated varies according to the progress of each project, making it challenging to set quantifiable management goals for construction waste.

Note 3: Specific proposal and implementation on the Company's human rights management policies are as follows:

Human rights management policies	Specific proposal and implementation
Provide safe and healthy working environment	1. The Company attaches great importance to the employees' safety and health. It provides health care and assistance. The employees are entitled to group insurance and annual physical examination (once a year). 2. According to the rules on health protection of labor workers, the Occupational Safety Department monthly arranges medical and nursing personnel to provide on-site health services four hours per month, to provide the employees with professional guidance and advices regarding occupational injuries, related individual diseases, annual physical examination reports or return upon diagnosis.
Measures for protecting working environment and employees' personal safety	1. The Company has formulated the Management Measures for Whistleblowing and the Management Measures for Complaints, and set channels for the employees to file complaints, in order to protect personal safety of the employees. In 2023, the Company received no whistleblowing or complaint 2. The Company has formulated the Implementation Rules for Tutors of New Employees, to help the new employees understand enterprise cultures, rapidly integrate themselves into their departments, become enthusiastic in their workplaces and develop a sense of belonging and identity.
Assist the employees in keeping physically/mentally healthy and maintaining a balance between work and life	1. Implement a holiday system 2. Work-life balance: Subsidies for club activities and travelling subsidies. 3. Parenting support: Parental leave without pay, contracting to registered babysitting institutions and breastfeeding rooms. 4. Livelihood support: Group insurance for employees and their families, wedding subsidies, maternity subsidies, children's education subsidies, new year gifts, birthday allowance, employee injury and illness condolences and care, and subsidies for hospitalization and medical care. 5. Work assistance: Health checks and meal subsidies.
Educational training	1. All independent directors, company governance executives, accounting officers and internal audit officers shall take part in on-the-job educational training in accordance with pertinent ordinances. 2. The Group shall regularly organize educational training on integrity and ethics every year: On September 13, 2023, current directors, managers, and employees participated in a 180-minute training session on the protection of trade secrets and non-competition agreements. The training aimed to fully inform participants about the legal regulations concerning trade secrets and non-competition clauses, including the consequences of violating these provisions. A total of 10 individuals from the company and its subsidiaries attended this session. 3. On September 6, 2023, the Management Department invited lecturers from the Taipei City Labor Bureau to conduct a three-hour training session on workplace sexual harassment prevention and the Act of Gender Equality in Employment. A total of 21 participants from the company attended this session. 4. For advanced studies and training of the Company and its subsidiaries in 2023, please refer to Page 148 to 151 of the annual report.

Human rights management policies	Specific proposal and implementation
Prevent discrimination to reasonably ensure availability of equal work opportunities	According to HR management criteria of the Company about employment, wages, benefits, training, promotion, termination, retirement or other labor rights and interests, the employees and the applicants shall not be unequally treated for their race, religion, belief, gender, marital or fertility status, age, political background, nationality, disability, sexual orientation, constellation or any other reasons which affect the recruitment process and decision or other discriminations. In 2023, the Company has a total of 100 employees, among which, males, females, executives and female executives accounted for 50.0%, 50.0%, 31.0% and 25.81% respectively. Apparently, the Company does not discriminate against females for their gender. Instead. the Company provides workplaces for equal competitions and creates gender equality.
Prohibit forced labor	The Company's rules on the employees' daily and weekly regular and extended working hours, holidays, special holidays and all other types of holidays comply with ordinances. Never force or coerce any employees to perform any work against their wills.

(VI) Climate-Related Information for Listed Companies

1. Implementation of climate-related information

Item	Implementation situation
1. Description of the Board of Directors and the management supervise and govern climate related risks and opportunities.	● The board of directors The Company's risk management organization is structured by assigning responsibilities based on job functions within the relevant units, tasked with identifying and assessing various risks to formulate and implement appropriate response measures. The Board of Directors serves as the highest guiding body, while the Management Department coordinates the risk monitoring and management across different departments. This encompasses the implementation of energy conservation, greenhouse gas emissions management, and climate impact assessments. The effectiveness of these initiatives is reported annually to the Board of Directors. ● Management Levels The Management Department coordinates and establishes the company's action plans in response to climate change and the enhancement of green energy initiatives, executing related climate risk control strategies and countermeasures. Plans also include linking senior management compensation with ESG performance, setting benchmarks that integrate environmental and social considerations to help achieve sustainable development goals.
2. Description of how the identified climate risks and opportunities impact corporate business, strategies and financial affairs (short, medium and long term).	● Domestic carbon fees/carbon taxes and the rise in electricity costs lead to an increase in raw material costs 1. The Company, primarily engaged in residential construction, uses high carbon-emitting raw materials. Although the implementation of the *Climate Change Response Act* means we are not directly subjected to carbon charges, we will incur increased costs passed on by suppliers who are charged. This not only raises our production costs but may also affect how raw materials are used. 2. We are prioritizing the procurement of green products, equipment, and low-carbon raw materials, gradually requiring suppliers to provide detailed information about the raw materials per project and plan carbon reduction measures. 3. As the purchase of low-carbon materials incurs higher costs, these will inevitably be reflected in our pricing, necessitating efforts to enhance customer recognition and acceptance.

Item	Implementation situation
	●Risk of Interruptions of Operations Due to Natural Disasters or Extreme Weather Events 1. Incidents such as site flooding or prolonged high temperatures can halt construction projects or endanger the health and safety of on-site personnel, potentially leading to fatalities. These risks could disrupt operations, impact revenue, and make it challenging to predict completion and delivery dates accurately. 2. With the advent of extreme climate variations, our company is compelled to design buildings with effective temperature control to boost consumer purchasing interest. 3. Extreme weather conditions may lead to service interruptions, indirectly causing a decrease in revenue and an increase in expenses.
3. Description of impacts of extreme climate events and transition actions upon financial affairs.	Constantly develop policy actions related to climate changes. The policy objectives are divided into two categories as follows: Restrict any adverse impacts which might facilitate climate changes, and promote adjustment of climate changes. Implementation of policies, laws and regulations might increase operating costs of the Company. For instance, carbon pricing mechanism may be implemented to reduce greenhouse gas emissions, assure indoor air quality, increase standards for electricity saving and improve efficiency of water utilization, etc. Except that climate anomalies increase power consumption and in summer, peak power consumption results in power outage, catastrophic extreme climates such as hurricane and heavy rain have become increasingly more serious. These would possibly suspend operations of construction sites, offices, computer rooms and other facilities. Accordingly, asset impairment would be caused.
4. Description of how to integrate the procedures for identifying, evaluating and managing climate risks into the overall risk management system.	Opportunities and risks brought by ESG and climate change to the company's operations will be properly planned by management department, and the board of directors will provide more solid guidance and supervision. The management department will analyze the impact of climate risks, formulate response strategies, goals, and schedules, and implement them in order to comply with trends, regulations, and customer requirements, thereby enhancing the company's competitiveness.

Item	Implementation situation
	The Management Department, through greenhouse gas inventories, monitors and manages the quantification of overall emissions and identifies significant climate-related risks and opportunities. Each responsible department then carries out risk control, operational risk management, and develops response strategies, regularly reporting to the Board of Directors.
5. If using scenario analysis to assess resilience to climate change risks, the scenarios, parameters, assumptions, analytical factors, and main financial impacts used should be described.	The company has not yet adopted scenario analysis for climate change.
6. Introduction of any transition plan for managing climate related risks, indexes and objectives for identifying and managing physical and transition risks.	The Company manages various physical and transition risks with three strategic plans: “Regulatory Compliance,” “Hardware Equipment Update,” and “Greenhouse Gas Inventory.” First, regularly updating climate-related regulations, strictly adhering to their requirements, and using these as a foundation for the development of the transition plan. Second, replacing hardware equipment with environmentally certified labels and phasing out fuel-consuming official vehicles. Third, gradually completing the greenhouse gas inventory according to the schedule set by the regulatory authorities and planning reduction policies (with a management goal of reducing emissions by 1% annually). In addition, we put in effort into developing green building techniques to improve the level of green buildings for our products, in the hope of building up an energy saving and carbon emission reducing housing environment. Planning construction cases with energy saving and carbon emission reducing products, such as building materials, energy saving machinery, housing facilities and new energy systems applied in green buildings. To implement government policy, the Company goes to great lengths in environmental protection to put corporate social responsibility into practice.

Item	Implementation situation
7. If internal carbon pricing is utilized as a planning tool, the basis for price setting should be explained.	The Company has not yet adopted internal carbon pricing.
8. If climate-related goals are set, the explanation should cover the activities involved, the scope of greenhouse gas emissions, the planned time frame, and annual progress. If carbon offsets or Renewable Energy Certificates (RECs) are used to achieve these goals, the source and amount of the carbon reduction or the number of RECs should be detailed.	The Company, having a paid-in capital of less than NT$5 billion, falls into the third phase of greenhouse gas inventory and verification, with an inventory due by 2026 and verification by 2028. However, as a subsidiary of Highwealth Construction Corp. (hereinafter referred to as the parent company), we need to align with the parent company's schedule for consolidated subsidiary greenhouse gas inventory and verification, completing our first internal inventory by April 2025 and the first external verification by May 2027. According to the Financial Supervisory Commission's regulations, our company and its subsidiaries have completed the greenhouse gas inventory and verification schedule, which was approved by the board on June 27, 2022, and is reported quarterly to the board. In alignment with the parent company, our greenhouse gas inventory process will commence in January 2024.
9. Greenhouse gas inventory and assurance information, reduction targets, strategies, and specific actions (see Tables 1-1 and 1-2).	See Table 1-1.

1-1 Recent Two-Year Greenhouse Gas Inventory and Assurance Information

1-1-1 Greenhouse Gas Inventory Information:

Describe the greenhouse gas emissions for the last two years (metric tons CO2e), intensity (metric tons CO2e per million NT$), and the scope of the data.
Detailed on pages 76, 87 to 89 of the annual report.

Note 1: Direct emissions (Scope 1, directly from sources owned or controlled by the company), energy indirect emissions (Scope 2, from imported electricity, heat, or steam causing indirect greenhouse gas emissions), and other indirect emissions (Scope 3, emissions from company activities that are not energy-related but from sources owned or controlled by other companies).

Note 2: The scope of direct emissions and energy indirect emissions should be managed according to the schedule set by the standards under Article 10, Paragraph 2 of these guidelines, while other indirect emissions data may be voluntarily disclosed.

Note 3: Greenhouse gas inventory standards: Greenhouse Gas Protocol (GHG Protocol) or ISO 14064-1.

Note 4: The intensity of greenhouse gas emissions can be calculated per unit of product/service or revenue, but at a minimum, the data should be specified in terms of revenue (in NT$ million).

1-1-2 Greenhouse Gas Assurance Information

Describes the assurance situation for the last two fiscal years up to the date of publication of the annual report, including the scope of assurance, the assurance body, assurance standards, and the assurance opinion.
As of the date of the annual report, the Company has not conducted any assurance activities for the past two fiscal years. The Company will complete its first internal greenhouse gas inventory by April 2025 and its first external verification by May 2027; subsidiaries will align with the company's greenhouse gas inventory and verification schedule.

Note 1: Assurance activities should be conducted according to the timetable set under Article 10, Paragraph 2, of these guidelines. If the company has not obtained a complete greenhouse gas assurance opinion by the date of the annual report's publication, it should be noted that "Complete assurance information will be disclosed in the sustainability report." If the company does not produce a sustainability report, then "Complete assurance information will be disclosed on the Public Information Observation Station," and complete assurance information must be disclosed in the annual report of the following year.

Note 2: The assurance institution must comply with the regulations for sustainability report assurance institutions set by the Taiwan Stock Exchange Corporation and the Taiwan Securities and OTC Market Foundation.

Note 3: For disclosure content, refer to the best practice examples available on the Corporate Governance Center website of the Taiwan Stock Exchange.

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

Describes the baseline year for greenhouse gas reduction and its data, reduction targets, strategies, and specific action plans, and the progress towards achieving these reduction targets.
1. According to the "Listed Companies' Sustainable Development Action Plan," the Company will complete its first internal inventory by April 2025 and its first external verification by May 2027. 2. According to the "Guidelines for Identifying Sustainable Economic Activities," the standards for sustainable economic activities in construction must meet the following two criteria: ●Green Building Label at silver level or higher

● Building energy efficiency rating at level 2 or above

3. In accordance with the “Listed Companies’ Sustainable Development Roadmap and Information Disclosure Standards,” the Company must disclose climate-related financial risks (TCFD).
4. According to the “Taiwan 2050 Net-Zero Emissions Pathway and Strategy” published by the National Development Council, the net-zero building phase milestones are as follows:
   - By 2030: Public new buildings to achieve Level 1 building energy efficiency or near-zero carbon buildings;
   - By 2040: 50% of existing buildings upgraded to Level 1 building energy efficiency or near-zero carbon buildings;
   - By 2050: 100% of new buildings and more than 85% of buildings to be near-zero carbon buildings.
5. Increase the ratio of green procurement: Increase the usage rate of green building materials and the signing ratio of green suppliers.
6. Sustainable-linked loans: Continue to plan for sustainable-linked loans, green time deposits, and other sustainable financial products.

Note 1: Must be carried out according to the schedule specified in Article 10, Paragraph 2, of these guidelines.

Note 2: The baseline year should be the year in which the consolidated financial statement boundary inventory is completed, for example, according to Article 10, Paragraph 2, companies with a capital of over NT$10 billion should complete the inventory of the 2024 consolidated financial statement by 2025, thus the baseline year is 2024. If a company has completed the inventory of the consolidated financial statement earlier, that earlier year may be taken as the baseline year, and the data for the baseline year may be calculated as a single-year or multi-year average.

Note 3: For disclosure content, refer to the best practice examples available on the Corporate Governance Center website of the Taiwan Stock Exchange.

(VII) Implementation of ethical corporate management and differences with Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies and reasons

Evaluation Item	Implementation Status			Differences with Ethical Corporate Management Best Practice Principles for Listed Companies and reasons
	YES	NO	Abstract Illustration	
1. Setting business integrity policies and programs				
(1) Does the company set the policy of trust management pass by the board of directors and express its commitment to the policies and practices of integrity management in its regulations and in the external documents, and do the board of directors and the management actively implement the business policies?	✓		(1) In order to establish a corporate culture of ethical management and sound development, and provide a good business operation structure, the Company has formulated the "Ethical Corporate Management Best Practice Principles" to follow and implement it in internal management and external business activities.	(1) No variances.
(2) Has the company set up a program for the prevention of dishonesty as well as analizing and assessing the activity with high unethical risk, and include conducts specified in Article 7, paragraph 2 of the "Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies"?	✓		(2) The Company has established operational procedures such as the "Code of Ethical Conduct," "Integrity Management Code," "Whistleblower Procedure," and "Significant Internal Information Handling and Insider Trading Prevention Procedure," which specifically regulate activities including the prohibition of offering or accepting improper benefits and the	(2) No variances.

Evaluation Item	Implementation Status			Differences with Ethical Corporate Management Best Practice Principles for Listed Companies and reasons
	YES	NO	Abstract Illustration	
			standards for their determination, supervision and management of donations and sponsorships, ownership and confidentiality commitments for intellectual property rights, and the prevention, reporting, investigation, and handling of dishonest behaviors. It also includes verification of the integrity level of business partners and the avoidance and investigation of potential conflicts of interest. These regulations encompass the preventive measures for the behaviors specified in Article 7, Paragraph 2 of the Listed Companies' Code of Integrity Management	
(3) Has the company set up procedures, conduct guidelines and a disciplinary in the program for the prevention of dishonesty and appeals system in various programs and implemented them?	✓		(3) Based on the business philosophy and policies of the preceding paragraph, the Company clearly and in detail specifies guidelines in the Principles to prevent	(3) No variances.

Evaluation Item	Implementation Status			Differences with Ethical Corporate Management Best Practice Principles for Listed Companies and reasons
	YES	NO	Abstract Illustration	
			unethical conduct, punishment and appeal systems for violations, and implements them. The Company reviewed and amended the Company's "Ethical Corporate Management Best Practice Principles" by referring the amendments to the "Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies" and the "Sample Template for XXX Co., Ltd. Procedures for Ethical Management and Guidelines for Conduct".	
2. Implementation of integrity management (1) Does the Company assess the integrity record of its business partners, and stipulate the terms of conduct on integrity in the contracts with business partners?	✓		(1) The Company conducts commercial activities on the principle of fairness and transparency. When signing a contract with others, the legal personnel reviews the terms of the contract, and the contract includes the penalty terms; if the vendor fails to perform the contract truthfully,	(1) No variances.

Evaluation Item	Implementation Status			Differences with Ethical Corporate Management Best Practice Principles for Listed Companies and reasons
	YES	NO	Abstract Illustration	
			compensation will be made pursuant to the contract.	
(2) Has the Company set up a dedicated corporate integrity promotion unit under the Board of Directors which regularly reports to the Board on its work (at least once a year)?	✓		(2) The Company designates the legal unit of the President's Office as the unit in charge, responsible for handling the amendment, implementation, interpretation, consulting services, and reporting, registration and documentation of the Principles, as well as supervision and implementation. A report shall be made to the Board of Directors at least once a year. The implementation has been reported at the 24th meeting of the current term of the Board of Directors on Dec. 20, 2023.	(2) No variances.
(3) Has the company formulated policies to prevent conflicts of interest, provided appropriate channels for statements and implemented them?	✓		(3) The Company has stipulated the directors to recuse themselves from participating in discussions and voting when any proposal involves their interests and conflicts with the Company's interests; the directors, managerial officers, employees, and	(3) No variances.

Evaluation Item	Implementation Status			Differences with Ethical Corporate Management Best Practice Principles for Listed Companies and reasons
	YES	NO	Abstract Illustration	
			appointees shall not use their position in the Company and their influence to enable themselves or others to obtain improper interests.	
(4) Has the Company established an effective accounting system and internal control system for the implementation of integrity management, which is checked by the internal auditing unit on a regular basis or audited by external auditors?	✓		(4) ■ The Company has established an effective accounting system and internal control system. The internal auditors schedule audit plans and perform audits based on the level of risk, and regularly report the audit status to the Board of Directors. ■ Regularly commissioning CPAs to audit the financial statements and confirm the effectiveness of the internal control system.	(4) No variances.
(5) Does the company hold regular internal and external training on business integrity?	✓		(5) On September 13, 2023, the Group conducted training courses on “Protection of Trade Secrets” and “Non-Competition” for current directors, managers, and employees to fully understand the legal norms related to trade secrets and non-competition, as well as	(5) No variances

<table>
<tr><th rowspan="2">Evaluation Item</th><th colspan="3">Implementation Status</th><th rowspan="2">Differences with Ethical Corporate Management Best Practice Principles for Listed Companies and reasons</th></tr>
<tr><th>YES</th><th>NO</th><th>Abstract Illustration</th></tr>
<tr><td></td><td></td><td></td><td>the consequences of breaching trade secrets or violating non-competition agreements. The training lasted 180 minutes, with a total of 10 participants from the Company and its subsidiaries, and the presentation files from the courses were sent to all directors, managers, and employees for reference.
For additional educational training and advanced learning content, please refer to the information on further education and training for directors, managers, and employees.</td><td></td></tr>
<tr><td>3. The operation status of reporting system.
(1) Has the company set up specific reporting and reward systems and a convenient reporting channel, and does the company assign appropriate personnel to investigate the person being reported?
(2) Has the company set up standard investigation procedures and a related confidentiality mechanism for the matter being reported?
(3) Does the company take measures to protect the reporter from improper treatment?</td><td>✓
✓
✓</td><td></td><td>The Company has formulated the “Reporting Management Procedures”, clearly defined the reporting system, and provided legitimate reporting channels; the identity of the informant and the content of the report are kept fully confidential. The procedures are disclosed on the website. No complaints were received in 2023.</td><td>(1) No variances.
(2) No variances.
(3) No variances.</td></tr>
<tr><td>4. Strengthening of Information Disclosure:</td><td>✓</td><td></td><td>The Company discloses the implementation of the Ethical</td><td>No variances.</td></tr>
</table>

<table>
<tr><td rowspan="2">Evaluation Item</td><td colspan="3">Implementation Status</td><td rowspan="2">Differences with Ethical Corporate Management Best Practice Principles for Listed Companies and reasons</td></tr>
<tr><td>YES</td><td>NO</td><td>Abstract Illustration</td></tr>
<tr><td>Does the company disclose the contents of its Ethical Corporate Management Best Practice Principles and the effectiveness on its website and MOPS?</td><td></td><td></td><td>Corporate Management Best Practice Principles on the Company's website, in the annual report and the prospectus.</td><td></td></tr>
<tr><td colspan="5">V. If the Company has its own Ethical Corporate Management Best Practice Principles in accordance with the "Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies", please describe the difference between them: The Company has established the "Corporate Governance Best Practice Principles", and the operation is no different from the established principles.</td></tr>
<tr><td colspan="5">VI. Other important information that helps to understand the Company's ethical management operation (such as the Company's review and revision of the Company's integrity management code, etc.):
The company adheres to the principle of good faith management and engages in all commercial activities. When signing a contract with others, its contents include compliance with the integrity management policy and the transaction relatives may terminate or cancel the terms of the contract at any time; Professional and diligent management to ensure fair, sustainable and competitive returns, to create the best interests of shareholders; to provide working conditions that guarantee the health and safety of each employee, to listen to employees and to face complaints from employees in good faith problems, encouragement and assist employees in developing relevant skills and knowledge, and avoid illegal activities, providing employees with sustainable employment opportunities. The Company values the interests of every stakeholder, to promote the sustainable development of the Company.</td></tr>
</table>

Note: Regardless of whether "Yes" or "No" is checked for the operation, it should be stated in the summary description column.

(VII) If the Company has established corporate governance best practice principles and related regulations, it should disclose its inquiry method:

The Company has stipulated the “Corporate Governance Best Practice Principles”, in addition to comprehensively disclosing financial and business-related information on MOPS according to the regulations of the competent authority, the Company also fully discloses relevant corporate governance conditions on its website, the Company has also established the “Regulations Governing Procedure for Board of Directors Meetings”, the “Regulations for Election of Directors”, the “Audit Committee Charter”, the “Remuneration Committee Charter”, the “Code of Ethical Conduct”, the “Ethical Corporate Management Best Practice Principles” and the “Sustainable Development Best Practice Principles” as the regulations for the Company to advance corporate governance, the enquiry method is as follows:

1. On the Company’s website (URL: https://www.runlong.com.tw), click on “Stakeholders” and then select “Corporate Governance Information” under the “Corporate Governance” section to access the Company’s relevant codes and regulations.
2. On the Public Information Observation Station (URL: http://mops.twse.com.tw), click on “Corporate Governance,” select “Regulations on Establishing Corporate Governance,” and then choose “Listed Companies” to view the Company’s relevant codes and regulations.

(VIII) Other important information that is sufficient to enhance understanding of the Company’s operation of corporate governance:

Material information of the Company is immediately announced on MOPS as required by the competent authority. The Company’s finance, business and corporate governance related information is also regularly or immediately updated in the “Investors” section on the Company’s website.

The company regularly updates its corporate governance standards in response to legal changes and environmental shifts. These standards serve as guidelines for the conduct of directors, managers, and employees. A dedicated “Corporate Governance” section is maintained on the company website to fully disclose related management procedures. In alignment with our commitment to sustainable corporate operations, we continuously enhance our corporate governance through improvements in organizational structure, regulatory frameworks, and execution reviews.

(IX) Implementation of the internal control system

1. Internal Control Statement

RUN LONG CONSTRUCTION CO., LTD.
Internal Control Statement

Date: Mar. 13, 2024

The Company's internal control system of 2023, according to the result of self-assessment is thus stated as follows:

I. The Company acknowledges that the implementation and maintenance of internal control system is the responsibility of the Board of Directors and management, and the Company has established such system. The internal control system is aimed to reasonably assure that goals such as the effectiveness and the efficiency of operations (including profitability, performance and protection of assets), the reliability of financial reporting and the compliance with applicable laws and regulations are achieved.

II. An internal control system has its innate limitations. An effective internal control system can only ensure that the foregoing three goals are achieved. Moreover, due to the changes in the environment and conditions, the effectiveness of the internal control system will change accordingly. However, the internal control system of the Company has self-monitoring function and the Company will take corrective action once any defect is identified.

III. According to the effective judgment items for the internal control system specified in the "Regulations Governing Establishment of Internal Control Systems by Public Companies" (hereinafter referred to as the "Regulations"), the Company judges whether or not the design and execution of internal control system is effective. The judgment items for internal control adopted by "Highlights" are, based on the process of management control, for classifying the internal control into five elements: 1.Control environment; 2.Risk assessments; 3.Control activities; 4.Information and communication; and 5.Monitoring. Each element also includes a certain number of items. For the foregoing items, refer to "Highlights".

IV. The Company has adopted the aforesaid judgment items for internal control to evaluate the effectiveness of the design and execution of the internal control system.

V. Based on the above-mentioned result of the evaluation, the Company believes that the internal control system, including the design and execution of internal control relating to the effectiveness and efficiency of operations, the reliability of financial reporting and the compliance with applicable laws and regulations, has been effective as of December 31, 2023, and they can reasonably assure the aforesaid goals have been achieved.

VI. This statement will be the main content of the annual report and prospectus and will be disclosed publicly. If the above contents have any falsehood and concealment, it will involve in the liability as mentioned in Article 20, 32, 171 and 174 of Securities and Exchange Law.

VII. This statement has been approved by the meeting of the Board of Directors on March 13, 2024, and the 6 directors present all agreed with the contents of this statement.

RUN LONG CONSTRUCTION CO., LTD.

Chairperson: Chiu, Ping-Tse Signature/Seal

President: Lin, Wei-Chum Signature/Seal

2. If the Securities and Futures Commission requires the company to commission an accountant to audit its internal control system, please disclose the accountant's audit report: None.

(X) If there has been any legal penalty against the Company or its internal personnel, or any disciplinary penalty by the Company against its internal personnel for violation of the internal control system during the most recent fiscal year and up to the publication date of the annual report, where the result of such penalty could have a material effect on shareholder equity or securities prices, the annual report shall disclose the penalty, the main shortcomings, and conditions for improvement: None.

(XI) Important resolutions of the shareholder meeting and the Board meetings, in the latest year and as of the date of publication of the annual report

1. Key resolutions of shareholders meetings and implementation

The Company's 2023 general shareholder meeting was held on Jun. 13, 2023, at No. 8 Zhifu Road, Zhongshan District, Taipei City (Dynasty Hall, Dazhi Denwell Hotel), and its important resolutions and implementation status are as follows:

I. Ratification Items

i. Proposal for the Company's 2022 business report and financial statements.

Voting results: 357,885,868 rights in favor, 13,650 rights opposed, and 6,745,359 abstentions/non-voting rights; the rights in favor took 98.14% of the total voting rights of the shareholders attended. The proposal was passed as it was proposed.

Implementation status: Proceeded as the resolution.

ii Proposal for the Company's 2022 earnings distribution.

Voting results: 357,881,743 rights in favor, 17,157 rights opposed, and 6,745,977 abstentions/non-voting rights; the rights in favor took 98.14% of the total voting rights of the shareholders attended. The proposal was passed as it was proposed.

Implementation situation: The distribution of earnings per share is cash dividend for NT$0.6 per share; Oct. 2, 2023, was set as the ex-dividend base date, and Oct. 31, 2023, was the payment date of cash dividends.

II. Discussion Items

i Proposal to amend the Company's "Rules of Procedures for Shareholders' Meetings "

Voting results: 357,885,862 rights in favor, 13,565 rights opposed, and 6,745,359 abstentions/non-voting rights; the rights in favor took 98.14% of the total voting rights of the shareholders attended. The proposal was passed as it was proposed.

Implementation situation: The proposal was proceeded as the resolution, and the disclosure was made on MOPS and the Company website.

2. Important resolutions of the Board of Director as of the year 2023 and the date of publication of the annual report are as follows:

Date of Meeting	Key resolution	Implementation situation
2023.03.10 (17th meeting of the term)	1. Proposal for the Company's 2022 business report and financial statements. 2. Proposal for the Company's 2022 earnings distribution. 3. Matters related to the convening of the Company's general shareholder meeting of 2023.	It has been reported for completion on MOPS on March 10, 2023.
2023.04.10 (18th meeting of the term)	1. Proposal to elect the Chairperson of the Company. 2. Proposal to dismiss and appoint the President of the Company. 3. The proposal to change the Company's spokesman.	It has been reported for completion on MOPS on April 10, 2023.
2023.05.09 (19th meeting of the term)	1. The company Q1 2023 consolidate financial report proposal.	It has been reported for completion on MOPS on May 9, 2023.
2023.06.30 (20th meeting of the term)	1. The Company plans to purchase land located at No. 11, Wenshang Section, Xitun District, Taichung City. 2. The Company plans to purchase building permits and related rights from related parties. 3. The Company intends to engage in a joint construction project and purchase building permits for lands at No. 39 and 40, Wenshang Section, Xitun District, Taichung City.	It has been reported for completion on MOPS on June 30, 2023.
2023.08.10 (21st meeting of the term)	1. The company Q2 2023 consolidate financial report proposal. 2. Set the date for the Company's cash dividend distribution for the fiscal year 2022. 3. The Company's proposal for issuance of common stocks for cash by subscribing to the subsidiary Chin Chun Construction Co., Ltd.	It has been reported for completion on MOPS on August 10, 2023.
2023.11.10 (23rd meeting of the term)	1. The company Q3 2023 consolidate financial report proposal. 2. The Company's proposal to entrust the subsidiary Jin Jyun Construction Co., Ltd. to offer the limit on guaranty within NT$1,000,000,000 for financing needs from financial institutions for business operations.	It has been reported for completion on MOPS on November 10, 2023.
2024.02.26 (26th meeting of the term)	1. The Company plans to purchase land located in Jincheng Section, Anping District, Tainan City. 2. Proposal to sell the housing and parking space of the Company's construction projects to related parties. 3. Proposal of the Company plans to issue the 2024 1st Secured Ordinary Corporate Bonds.	It has been reported for completion on MOPS on February 26, 2024.

Date of Meeting	Key resolution	Implementation situation
2024.03.13 (27th meeting of the term)	1. Proposal for the Company's 2023 business report and financial statements. 2. Matters related to the convening of the Company's general shareholder meeting of 2024. 3. Proposal to sell the housing and parking space of the Company's construction projects to related parties. 4. Proposal of the Company plans to issue the 2024 2nd Secured Ordinary Corporate Bonds.	It has been reported for completion on MOPS on March 13, 2024.
2024.03.26 (28th meeting of the term)	1. Proposal for the Company's 2023 earnings distribution. 2. Proposal for the Company's 2023 earnings and capital increase by way of issuance of new shares.	It has been reported for completion on MOPS on March 26, 2024.

(XII) In the most recent year and up to the date of publication of the financial report, directors that had different opinions on important resolutions passed by the Board of Directors for which there are records or written statements, specify the major content: None.

(XIII) In the most recent year and up to the date of publication of the financial report, a summary of resignations of the Company's chairperson, president, accounting, financial, internal audit and management officers and R&D executives:

Job Title	Name	On Board Date	Dismiss Date	Reason for resignation or dismissal
Chairperson	Tsai, Chung-Ping	2010.07.09	2023.04.10	As a corporate shareholder, Da-Li Investment Co., Ltd appointed Lin, Wei-Chum as legal representative and director in place of Tsai, Chung-Ping on April 10, 2023. As a result, Tsai, Chung-Ping was removed from his post as Chairperson.
President	Chiu, Ping-Tse	2021.10.05	2023.04.10	On April 10, 2023, the Board of Directors elected Chiu, Ping-Tse as Chairperson. To distinguish powers and duties of the Chairperson and the President, manager Lin, Wei-Chum was promoted to be the President from April 10, 2023.

5. Certified CPA public fee information

(I) The amount of public audit fees and non-audit public fees paid to the certified public accountants, their affiliated firms and affiliated enterprises, and the content of non-audit services:

Unit: NT$ thousand

Accounting firm name	CPA name	CPAs' Audit Report	Audit Fee	Non-audit Fee	Total	Remarks
KPMG Taiwan	Yi-Lien Han and Kuo-Yang Tseng	2023/01/01~ 2023/12/31	2,470	32	2,502	Non-audit Fee Service Content is as follows: 1. Financial statement verification visa stamp certification fee. 2. Full-time employee salary information checklist for Non-supervisory positions to review public expenses.
	Chang, Zhi	2023/01/01~ 2023/12/31	—	10	10	Non-audit Fee Service Content is as follows: 1. Change registration service for reappointment of directors and election of chairman by corporate shareholders.

(II) When the Company changes its accounting firm and the audit fees paid for the fiscal year in which such change took place are lower than those for the previous fiscal year, the amounts of the audit fees before and after the change and the reasons shall be disclosed: None.

(III) When the audit fees paid for the current fiscal year are lower than those for the previous fiscal year by 10 percent or more, the reduction in the amount of audit fees, reduction percentage, and reasons shall be disclosed: None.

6. CPA replacement information

(I) Regarding the former CPAs: None.

(II) Regarding the successor CPAs: None.

(III) The reply of the former CPAs regarding Article 10, Paragraph 6, Subparagraph 1 Items and 2-3 of the Standards: Not applicable.

7. Where the Company's chairperson, president, or any managerial officer in charge of finance or accounting matters has in the most recent year held a position at the accounting firm of its CPAs or at an affiliated enterprise of such accounting firm, the name and position of the person and the period during which the position was held shall be disclosed: None.

8. In the most recent fiscal year and up to the date of publication of the annual report, the directors, supervisors, managers and shareholders holding more than 10% of the equity transfer and equity pledge changes

(I) Changes in shareholdings of directors, supervisors, managers and major shareholders

Unit: Share

Job Title	Name	2023		Current year as of April 15	
		Increase (decrease) in number of shares held	Increase (decrease) in number of pledges held	Increase (decrease) in number of shares held	Increase (decrease) in number of pledges held
Institutional Director	Da-Li Investment Co., Ltd	0	0	0	0
Chairperson	Tsai, Chung-Ping (Note 1)	0	0	—	—
Director and President	Lin, Wei-Chum (Note 1)	0	0	0	0
Institutional Director	Kaung Yang Investment Co., Ltd.	0	3,000,000	0	0
Chairperson	Chiu, Ping-Tse (Note 1)	0	0	0	0
Director	Cheng, Chiao-Wen	0	0	0	0
Director	Chen, Kuo-Yen	-80,000	0	0	0
Independent Director	Yen, Yun-Chi	0	0	0	0
Independent Director	Li, Wen-Cheng	0	0	0	0
Independent Director	Chen, Yung-Chang	0	0	0	0
Associate Vice President	Wu, Chin-Ching	0	0	0	0
Associate Vice President	Fang, Tze-Chiang (Note 2)	0	0	0	0
Associate Vice President	Lin, Yueh-Feng (Note 2)	—	—	0	0
Associate Vice President	Liu, Kuan-Ying (Note 3)	10,000	0	—	—
Financial Officer also acted as the Company Governance Executives	Lu, Chia-Yin	0	0	0	0
Accounting Officer	Lin, Ya-mei	0	0	0	0

Note 1: As a corporate shareholder, Da-Li Investment Co., Ltd appointed Lin, Wei-Chum to act as representative and director in place of Tsai, Chung-Ping on April 10, 2023. As a result, Tsai, Chung-Ping was removed from the post as Chairperson. At the meeting of the Board of Directors on April 10, 2023, Chiu, Ping-Tse was elected to be the Chairperson. To distinguish powers of the Chairperson and the President, manager Lin, Wei-Chum was promoted as the President from April 10, 2023.

Note 2: Due to group position adjustments, starting from March 1, 2024, the former Deputy Manager of the Planning Department, Fang Tze-Chiang, has been transferred to the Group Planning Department. The new head of the Planning Department will be Lin Yueh-Feng, who has been promoted from Manager to Assistant Manager within the Group Planning Department.

Note 3: Associate Vice President Liu, Kuan-Ying was discharged on August 11, 2023.

(II) Information on equity transfers

Information of transfers of equity interests by a director, managerial officer, or shareholder with a stake of more than 10 percent, where the counterparty of any such transfer of equity interests is a related party: None.

(III) Information on equity pledges

Information of pledges of equity interests by a director, managerial officer, or shareholder with a stake of more than 10 percent, where the counterparty of any such pledge of equity interests is a related party: None.

9. Shareholders who account for the top ten shareholders, and their relationships with each other

April 15, 2024; Unit: Share: %

Name (Note 1)	Personal Holding Share		Spouse & Minor Shareholding		Holding shares in the name of others		Names and relationships of the top ten shareholders who have a relationship with each other or are relatives of a spouse or a second degree kinship. (Note3)		Remarks
	Stock Number	Holding shares ratio (Note 2)	Shares	Holding shares ratio (Note 2)	Shares	Holding shares ratio (Note 2)	Title (or Name)	Relationship	
Chin-Shi-Pan Investment Co., Ltd Representative: Cheng Chun-Fang	44,419,740	9.85	Note 4	Note 4	Note 4	Note 4	Cheng Xiuhui	Relative within Second Degree Kinship	
Xing Ri-sheng Investment Co., Ltd. Representative：Cheng Xiuhui	33,074,642	7.33	Note 4	Note 4	Note 4	Note 4	Cheng Junfang	Relative within Second Degree Kinship	
							Cheng Yousheng	Relative within Second Degree Kinship	
							Cheng Chunmin	Relative within Second Degree Kinship	
							Tsai, Chungping	Relative within Second Degree Kinship	
Kaung Yang Investment Co., Ltd. Representative: Cheng Chunmin	28,759,103	6.37	0	0%	0	0%	Cheng Xiuhui	Relative within Second Degree Kinship	
							Cheng Yousheng	Relative within Second Degree Kinship	
							Tsai, Chungping	Relative within Second Degree Kinship	
Wan Shengfa Investment Co., Ltd Representative：Cheng Yousheng	26,103,040	5.79	Note 4	Note 4	Note 4	Note 4	Cheng Xiuhui	Relative within Second Degree Kinship	
							Cheng Chunmin	Relative within Second Degree Kinship	
							Tsai, Chungping	Relative within Second Degree Kinship	
Feng-Rao Investment Co., Ltd. Representative：Cheng Xiuhui	24,426,382	5.42	Note 4	Note 4	Note 4	Note 4	Cheng Junfang	Relative within Second Degree Kinship	
							Cheng Yousheng	Relative within Second Degree Kinship	
							Cheng Chunmin	Relative within Second Degree Kinship	
							Tsai, Chungping	Relative within Second Degree Kinship	
Highwealth Construction Co., Ltd. Representative: Tsao, Yuan-Pao	23,698,288	5.25	Note 4	Note 4	Note 4	Note 4	None	None	

Name (Note 1)	Personal Holding Share		Spouse & Minor Shareholding		Holding shares in the name of others		Names and relationships of the top ten shareholders who have a relationship with each other or are relatives of a spouse or a second degree kinship. (Note3)		Remarks
	Stock Number	Holding shares ratio (Note 2)	Shares	Holding shares ratio (Note 2)	Shares	Holding shares ratio (Note 2)	Title (or Name)	Relationship	
Jing-Wei Investment Co., Ltd Representative：Huang Qingshui	21,332,612	4.73	Note 4	Note 4	Note 4	Note 4	None	None	
Runying Investment Co., Ltd. Representative：Cheng Xiuhui	21,051,302	4.67	Note 4	Note 4	Note 4	Note 4	Cheng Junfang	Relative within Second Degree Kinship	
							Cheng Yousheng	Relative within Second Degree Kinship	
							Cheng Chunmin	Relative within Second Degree Kinship	
							Tsai, Chungping	Relative within Second Degree Kinship	
ChyiYuh Construction Co., Ltd. Representative: Cheng Chunmin	20,838,755	4.62	Note 4	Note 4	Note 4	Note 4	Cheng Xiuhui	Relative within Second Degree Kinship	
							Cheng Yousheng	Relative within Second Degree Kinship	
							Tsai, Chungping	Relative within Second Degree Kinship	
Da-Li Investment Co., Ltd Representative: Tsai Chungping	17,663,965	3.92	0	0.%	0	0%	Cheng Xiuhui	Relative within Second Degree Kinship	
							Cheng Yousheng	Relative within Second Degree Kinship	
							Cheng Chunmin	Relative within Second Degree Kinship	

Note 1: All the top ten shareholders shall be listed. Those that are legal person shareholders should list the name of the legal person shareholder and the name of the representative separately.

Note 2: The calculation of the shareholding ratio refers to the calculation of the shareholding ratio in the name of oneself, the spouse, the minor child or the use of another person.

Note 3: The shareholders listed in the previous disclosure, including legal persons and natural persons, shall disclose their relationship with each other in accordance with the issuer's financial reporting standards.

Note 4: The shareholder is not an insider declared by the company, so the relevant materials of his spouse, minor children or holding shares in the name of others cannot be obtained.

10. The number of shares held by the Company, the Company's directors, managers and the companies directly or indirectly controlled by the Company in the same investment business, and combined to calculate the comprehensive shareholding ratio:

Unit: Shares; %

Re-investment business (Note)	Investment by the Company		Directors, supervisors, managerial officers and investments directly or indirectly controlling the business		Comprehensive Investment	
	Shares	Shareholding ratio	Shares	Shareholding ratio	Shares	Shareholding ratio
Jin Jyun Construction Co., Ltd.	170,000,000	100%	0	0%	170,000,000	100%

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

IV. Capital Overview

I. Capital and Shares

1. Source of share capital

(1) The types of shares issued by the Company in the most recent fiscal year and up to the date of publication of the annual report

Unit: NT$; Shares

<table>
<tr><th rowspan="2">Month /Year</th><th rowspan="2">Issuing price</th><th colspan="2">Approved Share Capital</th><th colspan="2">Paid-up Share Capital</th><th colspan="3">Remark</th></tr>
<tr><th>Stock Number</th><th>Amount</th><th>Stock Number</th><th>Amount</th><th>Sources of Share Capital</th><th>Non-cash Capital Increase</th><th>Others</th></tr>
<tr><td>2006/ 09</td><td>10</td><td>120,000,000</td><td>1,200,000,000</td><td>62,490,000</td><td>624,900,000</td><td>Surplus transferred to capital increase 24,900,000</td><td>None</td><td rowspan="2">Effective per Letter Jin-Guan-Zheng-Yi-Zi No. 0950129041 issued by the Financial Supervisory Commission, Executive Yuan, dated July 7, 2006
Effective per Letter Jin-Guan-Zheng-Yi-Zi No. 0950131709 issued by the Financial Supervisory Commission, Executive Yuan, dated August 14, 2006.</td></tr>
<tr><td>2006/ 09</td><td>10</td><td>120,000,000</td><td>1,200,000,000</td><td>64,980,000</td><td>649,800,000</td><td>Surplus transferred to capital increase (Private placement) 24,900,000</td><td>None</td></tr>
<tr><td>2007 /09</td><td>10</td><td>120,000,000</td><td>1,200,000,000</td><td>73,102,500</td><td>731,025,000</td><td>Surplus transferred to capital increase 81,225,000</td><td>None</td><td rowspan="2">Effective per Letter Jin-Guan-Zheng-Yi-Zi No. 0960044644 issued by the Financial Supervisory Commission, Executive Yuan, dated August 20, 2007.</td></tr>
<tr><td>2007/ 09</td><td>10</td><td>120,000,000</td><td>1,200,000,000</td><td>81,225,000</td><td>812,250,000</td><td>Surplus transferred to capital increase (Private placement) 81,225,000</td><td>None</td></tr>
<tr><td>2008/ 08</td><td>10</td><td>120,000,000</td><td>1,200,000,000</td><td>97,600,000</td><td>976,000,000</td><td>Surplus and employees’ bonus transferred to capital increase 163,750,000</td><td>None</td><td>Effective per Letter Jin-Guan-Zheng-Yi-Zi No. 0970034696 issued by the Financial Supervisory Commission, Executive Yuan, dated July 10, 2008.</td></tr>
<tr><td>2009/ 08</td><td>10</td><td>120,000,000</td><td>1,200,000,000</td><td>113,216,000</td><td>1,132,160,000</td><td>Surplus transferred to capital increase 156,160,000</td><td>None</td><td>Effective per Letter Jin-Guan-Zheng-Yi-Zi No. 0980034483 issued by the Financial Supervisory Commission, Executive Yuan, dated July 10, 2009.</td></tr>
</table>

Month /Year	Issuing price	Approved Share Capital		Paid-up Share Capital		Remark		
		Stock Number	Amount	Stock Number	Amount	Sources of Share Capital	Non-cash Capital Increase	Others
2010/ 12	10	160,000,000	1,600,000,000	135,859,200	1,358,592,000	Surplus transferred to capital increase 226,432,000	None	Effective per Letter Jin-Guan-Zheng-Yi-Zi No. 0990056467 issued by the Financial Supervisory Commission, Executive Yuan, dated October 15, 2010.
2012/ 01	10	250,000,000	2,500,000,000	136,484,404	1,364,844,040	Conversion of corporate bonds 6,252,040	None	Tai-Zheng-Shang-Yi-Zi No. 10100013531 by the Taiwan Stock Exchange Corporation, dated January 18, 2012.
2012/ 04	10	250,000,000	2,500,000,000	142,232,518	1,422,325,180	Conversion of corporate bonds 57,481,140	None	Tai-Zheng-Shang-Yi-Zi No. 10100082201 by the Taiwan Stock Exchange Corporation, dated April 18, 2012.
2012/ 07	10	250,000,000	2,500,000,000	143,723,712	1,437,237,120	Conversion of corporate bonds 14,911,940	None	Tai-Zheng-Shang-Yi-Zi No. 10100169681 by the Taiwan Stock Exchange Corporation, dated July 26, 2012.
2012/ 10	10	250,000,000	2,500,000,000	144,600,643	1,446,006,430	Conversion of corporate bonds 8,769,310	None	Tai-Zheng-Shang-Yi-Zi No. 10100232901 by the Taiwan Stock Exchange Corporation, dated October 15, 2012.
2013/ 01	10	250,000,000	2,500,000,000	144,634,298	1,446,342,980	Conversion of corporate bonds 336,550	None	Tai-Zheng-Shang-Yi-Zi No. 10200010221 by the Taiwan Stock Exchange Corporation, dated January 17, 2013.
2013/ 04	10	250,000,000	2,500,000,000	144,699,139	1,446,991,390	Conversion of corporate bonds 648,410	None	Tai-Zheng-Shang-Yi-Zi No. 1020007491 by the Taiwan Stock Exchange Corporation, dated April 25, 2013.
2013/ 10	10	250,000,000	2,500,000,000	176,597,015	1,765,970,150	Conversion of corporate bonds 318,978,760	None	Tai-Zheng-Shang-Yi-Zi No. 1020021840 by the Taiwan Stock Exchange Corporation, dated October 22, 2013.
2014/ 04	10	250,000,000	2,500,000,000	177,008,875	1,770,088,750	Conversion of corporate bonds 4,118,600	None	Tai-Zheng-Shang-Yi-Zi No. 10300073421 by the Taiwan Stock Exchange Corporation, dated April 18, 2014.
2014/ 07	10	250,000,000	2,500,000,000	177,380,937	1,773,809,370	Conversion of corporate bonds 3,720,620	None	Tai-Zheng-Shang-Yi-Zi No. 1030014446 by the Taiwan Stock Exchange Corporation, dated July 17, 2014.
2014/ 10	10	250,000,000	2,500,000,000	185,008,864	1,850,088,640	Conversion of corporate bonds 76,279,270	None	Tai-Zheng-Shang-Yi-Zi No. 1030022108 by the Taiwan Stock Exchange Corporation, dated October 23, 2014.

Month /Year	Issuing price	Approved Share Capital		Paid-up Share Capital		Remark		
		Stock Number	Amount	Stock Number	Amount	Sources of Share Capital	Non-cash Capital Increase	Others
2015/ 01	10	250,000,000	2,500,000,000	215,008,864	2,150,088,640	Issuance of common stock for cash 300,000,000	None	Effective per Letter Jin-Guan-Zheng-Fa-Zi No. 1030052644 issued by the Financial Supervisory Commission, Executive Yuan, dated January 8, 2015
2015/ 08	10	250,000,000	2,500,000,000	215,026,195	2,150,261,950	Conversion of corporate bonds 173,310	None	Tai-Zheng-Shang-Yi-Zi No.1040016174 by the Taiwan Stock Exchange Corporation, dated August 11, 2015.
2015/ 10	10	250,000,000	2,500,000,000	215,850,199	2,158,501,990	Conversion of corporate bonds 8,240,040	None	Tai-Zheng-Shang-Yi-Zi No.1040021557 by the Taiwan Stock Exchange Corporation, dated October 21, 2015.
2016/ 01	10	250,000,000	2,500,000,000	233,184,874	2,331,848,740	Conversion of corporate bonds 173,346,750	None	Approved by the Taiwan Stock Exchange Corporation on January 20, 2016, for reference.
2016/ 05	10	250,000,000	2,500,000,000	233,494,574	2,334,945,740	Conversion of corporate bonds 3,097,000	None	Approved by the Taiwan Stock Exchange Corporation on May 10, 2016, for reference.
2016/ 07	10	250,000,000	2,500,000,000	234,557,995	2,345,579,950	Conversion of corporate bonds 10,634,210	None	Approved by the Taiwan Stock Exchange Corporation on August 2, 2016, for reference.
2016/ 10	10	250,000,000	2,500,000,000	236,847,345	2,368,473,450	Conversion of corporate bonds 22,893,500	None	Approved by the Taiwan Stock Exchange Corporation on October 24, 2016, for reference.
2017/ 01	10	250,000,000	2,500,000,000	237,666,300	2,376,663,000	Conversion of corporate bonds 8,189,550	None	Approved by the Taiwan Stock Exchange Corporation on January 25, 2017, for reference.
2017/ 04	10	250,000,000	2,500,000,000	243,355,904	2,433,559,040	Conversion of corporate bonds 56,896,040	None	Approved by the Taiwan Stock Exchange Corporation on April 19, 2017, for reference.
2017/ 10	10	250,000,000	2,500,000,000	243,404,446	2,434,044,460	Conversion of corporate bonds 485,420	None	Approved by the Taiwan Stock Exchange Corporation on October 19, 2017, for reference.
2018/ 04	10	250,000,000	2,500,000,000	244,472,405	2,444,724,050	Conversion of corporate bonds 10,679,590	None	Approved by the Taiwan Stock Exchange Corporation on April 13, 2018, for reference.
2018/ 07	10	250,000,000	2,500,000,000	244,501,531	2,445,015,310	Conversion of corporate bonds 291,260	None	Approved by the Taiwan Stock Exchange Corporation on July 27, 2018, for reference.

Month /Year	Issuing price	Approved Share Capital		Paid-up Share Capital		Remark		
		Stock Number	Amount	Stock Number	Amount	Sources of Share Capital	Non-cash Capital Increase	Others
2018/ 09	10	360,000,000	3,600,000,000	308,330,531	3,083,305,310	Conversion of corporate bonds 638,290,000	None	Approved by Taiwan Stock Exchange Corporation on September 27, 2018, for reference.
2020/ 10	10	500,000,000	5,000,000,000	369,996,637	3,699,966,370	Surplus transferred to capital increase 308,330,530 capital surplus transferred to capital increase 308,330,530	None	Effective on the filing to the Financial Supervisory Commission on August 3, 2020 Approved by the Taiwan Stock Exchange Corporation on October 21, 2020, for reference.
2021/ 10	10	500,000,000	5,000,000,000	392,196,637	3,921,966,370	Surplus transferred to capital increase 74,000,000 capital surplus transferred to capital increase 148,000,000	None	Effective on the filing to the Financial Supervisory Commission on August 30, 2021 Approved by the Taiwan Stock Exchange Corporation on October 21, 2021, for reference.
2022/ 10	10	800,000,000	8,000,000,000	451,026,133	4,510,261,330	Surplus transferred to capital increase 588,294,960	None	Effective on the filing to the Financial Supervisory Commission on August 1, 2022 Approved by the Taiwan Stock Exchange Corporation on October 18, 2022, for reference.

(2) Information on shelf registration: The Company has not applied to offer and issue securities by shelf registration.

(3) Private placement of common shares in the most recent fiscal year and up to the date of publication of the annual report: None.

(II) Share type

April 15, 2024; Unit: Shares

Share Type	Approved Share Capital			Remark
	Outstanding Shares	Un-issued Shares	Total Amount	
Ordinary share	451,026,133	348,973,867	800,000,000	Listed company stock

2. Status of shareholders

April 15, 2024; Unit: Shares

Type / Volume	Government Agencies	Financial Institutions	Other Juridical Persons	Individual	Foreign Institutes and Foreigners	Total Amount
Shareholders	2	4	110	20,500	141	20,757
Shares	79	14,072,330	327,848,313	73,903,296	35,202,115	451,026,133
Shareholding ratio	0.00%	3.12%	72.69%	16.39%	7.80%	100.00%

3. Shareholding distribution status

(I) Common shares dispersion

April 15, 2024; Unit: Shares

Shareholding Tiers (Unit: Share)	Number of Shareholders	Shares	Shareholding ratio
1 to 999	7,355	1,534,439	0.34%
1,000 to 5,000	11,423	20,587,133	4.57%
5,001 to 10,000	1,030	7,995,584	1.77%
10,001 to 15,000	291	3,783,670	0.84%
15,001 to 20,000	179	3,288,154	0.73%
20,001 to 30,000	132	3,344,565	0.74%
30,001 to 40,000	68	2,442,759	0.54%
40,001 to 50,000	52	2,406,332	0.53%
50,001 to 100,000	90	6,348,137	1.41%
100,001 to 200,000	54	7,406,129	1.64%
200,001 to 400,000	21	6,270,297	1.39%
400,001 to 600,000	17	8,339,470	1.85%
600,001 to 800,000	9	6,126,802	1.36%
800,001 to1,000,000	5	4,556,485	1.01%
More than 1,000,001	31	366,596,177	81.28%
Total Amount	20,757	451,026,133	100.00%

(II) Preference share dispersion: The Company has not issued preferred shares.

4. Names of major shareholders

April 15, 2024; Unit: Shares

Share / Name	Number of shares held	Shareholding ratio
Chin-Shi-Pan Investment Co., Ltd.	44,419,740	9.85%
Xing Ri-sheng Investment Co., Ltd.	33,074,642	7.33%
Kaung Yang Investment Co., Ltd.	28,759,103	6.37%
Wan Shengfa Investment Co., Ltd	26,103,040	5.79%
Feng-Rao Investment Co., Ltd.	24,426,382	5.42%
Highwealth Construction Co., Ltd.	23,698,288	5.25%
Jing-Wei Investment Co., Ltd.	21,332,612	4.73%
Runying Investment Inc.	21,051,302	4.67%
ChyiYuh Construction Co., Ltd.	20,838,755	4.62%
Da-Li Investment Co., Ltd	17,663,965	3.92%

5. Market price, net worth, earnings, and dividends per share for the two most recent years

Unit: NT$

<table>
<tr><th colspan="3">Year / Item</th><th>2022</th><th>2023</th><th>Current year as of Mar. 31, 2024 (Note 8)</th></tr>
<tr><td rowspan="3">Price per share (note 1)</td><td colspan="2">Maximum</td><td>74.60</td><td>115.50</td><td>139.00</td></tr>
<tr><td colspan="2">Minimum</td><td>53.00</td><td>67.20</td><td>94.10</td></tr>
<tr><td colspan="2">Average</td><td>63.63</td><td>91.33</td><td>116.57</td></tr>
<tr><td rowspan="2">Net worth per share (Note 2)</td><td colspan="2">Before assignment</td><td>13.55</td><td>29.96</td><td>—</td></tr>
<tr><td colspan="2">After assignment</td><td>12.75</td><td>26.96(Note 9)</td><td>—</td></tr>
<tr><td rowspan="3">EPS</td><td colspan="2">Weighted average amount of shares (thousand shares)</td><td>451,026</td><td>451,026</td><td>451,026</td></tr>
<tr><td rowspan="2">Earnings per share (Note 3)</td><td>Before Retrospectively Adjustment</td><td>0.35</td><td>17.08</td><td>—</td></tr>
<tr><td>After Retrospectively Adjustment</td><td>0.35</td><td>7.76 (Note 10)</td><td>—</td></tr>
<tr><td rowspan="4">Dividend per share</td><td colspan="2">Cash dividend</td><td>0.6</td><td>3 (Note 9)</td><td>—</td></tr>
<tr><td rowspan="2">Issuance of bonus share</td><td>Earnings dividend</td><td>—</td><td>12(Note 10)</td><td>—</td></tr>
<tr><td>Capital reserve dividend</td><td>—</td><td>—</td><td>—</td></tr>
<tr><td colspan="2">Accumulated unpaid dividend (note 4)</td><td>—</td><td>—</td><td>—</td></tr>
<tr><td rowspan="3">Analysis of ROI</td><td colspan="2">P/E ratio (Note 5)</td><td>179.34</td><td>4.82</td><td>—</td></tr>
<tr><td colspan="2">Price to dividend ratio (Note 6)</td><td>104.62</td><td>27.44 (Note 9)</td><td>—</td></tr>
<tr><td colspan="2">Dividend yield (Note 7)</td><td>0.010</td><td>0.036 (Note 9)</td><td>—</td></tr>
</table>

* If shares are distributed in connection with a capital increase out of earnings or capital reserve, further disclose information on market prices and cash dividends retroactively adjusted based on the number of shares after distribution.

Note 1: Set forth the highest and lowest market price per share of common stock for each fiscal year and calculate each fiscal year's average market price based upon each fiscal year's actual transaction prices and volume.

Note 2: Please set forth the distribution based on the issued shares at the end of the year and resolved by the board of directors meeting or the general shareholders' meeting in the next year.

Note 3: In case retrospective adjustment is required due to bonus shares, the earnings-per-share before and after adjustment shall be set forth.

Note 4: In the conditions for issuing equity securities, if it is specified that the undistributed dividends of the year may be accumulated until they are distributed in a year with surplus earnings, the accumulated unpaid dividends shall be disclosed respectively.

Note 5: Price-earnings ratios = Average closing price per share of the year / earnings per share.

Note 6: Price to dividend ratios = Average closing price per share of the year / cash dividend per share.

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

Note 8: For the net worth per share and earnings per share, the latest information audited (reviewed) by the CPAs shall be filled in; other columns shall be filled in with the current year information up to the publication date of the annual report. The financial information of the Company for the first quarter of 2024 has not been reviewed by an accountant, so it will not be disclosed.

Note 9: The distribution of dividends in cash from earnings for 2023 has been resolved by the Board of Directors on March 26, 2024.

Note 10: The bonus shares from surplus for 2023 have been proposed by the Board of Directors on March 26, 2024, to be resolved by the 2024 general shareholder meeting.

6. Company dividend policy and implementation status

(I) Dividend policy set in the Articles of Incorporation

Where the Company made a profit in a fiscal year, the profit shall be first utilized for paying taxes, offsetting losses of previous years, setting aside as legal reserve 10% of the remaining profit, except when the legal reserve has reached the amount of the Company's paid-in capital. Depending on the Company's operation and legal requirements, special reserve may be set aside or reversed. The Company’s Board of Directors shall use any remaining profit together with any undistributed retained earnings as the basis for proposing a distribution plan, which should be resolved in the shareholders’ meeting for distribution of dividends and bonus to shareholders.

The Company’s dividend policy shall take into the Company's financial structure, operating situation and capital budget, as well as the interests of shareholders and balance of dividends. The distributable earnings may be retained or paid in shares or cash. The amount of dividend distribution shall be maintained at between 10% and 100% of the current year’s distributable earnings. The dividends paid in cash shall be less than 10% of the total dividends distributed in the year.

If the Company distributes all or part of the dividends and bonuses or statutory surplus reserves and capital reserves by means of cash disbursement, it shall authorize the Board of Directors with over two-thirds of the directors attending the meeting and conduct after approval of a majority of the directors attending the meeting, which shall be reported to the shareholders’ meeting.

(II) Proposed dividend distribution by the current shareholder meeting

1. The distribution of dividends in cash from earnings for 2023 has been resolved by the Board of Directors on March 26, 2024. The cash dividend this year will be distributed of NT$3 per share.
2. The bonus shares from surplus for 2023 have been proposed by the Board of Directors on March 26, 2024, to be resolved by the 2024 general shareholder meeting. The share dividend this year will be distributed of NT$12 per share. (i.e. 1,200 shares are allotted free of charge for every 1,000 shares)

<table>
<tr><th colspan="2">Item</th><th>Dividend per share (NT$/share)</th></tr>
<tr><td rowspan="2">Cash dividends</td><td>Bonus share from surplus</td><td>3</td></tr>
<tr><td>Bonus share from capital reserve</td><td>–</td></tr>
<tr><td rowspan="2">Issuance of bonus share</td><td>Earnings dividend</td><td>12</td></tr>
<tr><td>Capital reserve dividend</td><td>–</td></tr>
</table>

(III) Significant changes to dividend policy: None.

7. Impact on the Company's operating performance and earnings per share of the bonus shares proposed at this shareholder meeting:

<table>
<tr><td colspan="3">Year
Item</td><td>2023
(estimation)</td></tr>
<tr><td colspan="3">Opening paid-in capital (thousand)</td><td>4,510,261</td></tr>
<tr><td rowspan="3">Dividend and stock dividend this year</td><td colspan="2">Cash dividends per share (NT$)</td><td>3 (Note 1)</td></tr>
<tr><td colspan="2">bonus shares from surplus and capital reserve transferred to capital increase (shares)</td><td>1.2 (Note 2)</td></tr>
<tr><td colspan="2">Stock dividend from capital reserve transferred to capital increase (shares)</td><td>0</td></tr>
<tr><td rowspan="7">Changes to operating performances</td><td colspan="2">Operating profit</td><td rowspan="7">Not applicable. (Note3)</td></tr>
<tr><td colspan="2">Increasing (decreasing) percentage of operating profit compared with the same period last year</td></tr>
<tr><td colspan="2">Net income after tax</td></tr>
<tr><td colspan="2">Increasing (decreasing) percentage of net income after tax compared with the same period last year</td></tr>
<tr><td colspan="2">Earnings per share</td></tr>
<tr><td colspan="2">Increasing (decreasing) percentage of earnings per share compared with the same period last year</td></tr>
<tr><td colspan="2">Average annual return on investment (inverse of the average annual price-earnings ratio)</td></tr>
<tr><td rowspan="6">Proforma earnings per share and price-earnings ratio</td><td rowspan="2">If all the retained earnings transferred to the capital increase were distributed by the cash dividend</td><td>Proforma earnings per share (NT$)</td><td rowspan="6">Not applicable. (Note3)</td></tr>
<tr><td>Proforma annual average rate on investment</td></tr>
<tr><td rowspan="2">If capital reserve transferred to capital increase was not conducted</td><td>Proforma earnings per share (NT$)</td></tr>
<tr><td>Proforma annual average rate on investment</td></tr>
<tr><td rowspan="2">If capital reserve transferred to capital increase and all the retained earnings transferred to capital increase distributed by cash dividend were not conducted</td><td>Proforma earnings per share (NT$)</td></tr>
<tr><td>Proforma annual average rate on investment</td></tr>
</table>

Note 1: The distribution of dividends in cash from earnings for 2023 has been resolved by the Board of Directors on March 26, 2024.

Note 2: The bonus shares from surplus for 2023 have been proposed by the Board of Directors on March 26, 2024, to be resolved by the 2024 general shareholder meeting.

Note 3: The Company did not officially announce the 2024 financial estimation. Hence, this item is not applicable.

8. Compensation of employees and directors

(I) Employees' and directors' compensation policies as stated in the Articles of Incorporation:

Pursuant to Article 29 of the Articles of Incorporation, if the Company records a profit in a year, it shall set aside not less than one-thousandth of the profit as remuneration to employees and not more than one-hundredth of the profit as remuneration to directors. The remuneration shall be distributed after the resolution of the Board of Directors and reported to the shareholder meeting. However, if the Company still has accumulated losses, the compensation amount shall be reserved in advance.

The employee remuneration may be determined by shares or cash and its receiving parties must include its serving employees in accordance who meet certain criteria established by the board of directors.

(II) The basis for the estimation of the amount of remuneration of employees and directors in the current period, and the accounting treatment if there is a difference between the estimated amount and the actual remuneration paid in shares or cash:

1. Estimation basis for the period:0.27% of the net profit before tax of the period as employees' remuneration; 0.11% as the directors' remuneration.
2. The calculation basis for employees' remuneration distributed in shares: No employees' remuneration is paid in shares this period, and thus this is not applicable.
3. Accounting treatment if there is a discrepancy between the estimate and the actual amount paid: The difference will be recognized as profit or loss from changes in accounting estimates in the next fiscal year.

(III) Remuneration distribution as decided by the Board of Directors' meeting

1. Distribution of employees and directors' remunerations:

   The Company's 2023 remunerations for employees and directors were approved by the Board of Directors in the meeting on March 13, 2024, described as follows:

   (1) Employees' remuneration in cash: NT$25,000,000 (approximately 0.27%)

   (2) Directors' remuneration in cash: NT$10,000,000 (approximately 0.11%)
2. Discrepant amount, reasons, and treatment, in the event of a discrepancy between the 2023 estimated amount and the actual remunerations paid in shares or cash to employees and directors: No discrepancy between the 2023 estimated amount and the actual remunerations paid.
3. Employee remuneration paid in shares as a percentage of the total amount of the current net profit after tax and the total employee remuneration as reported in the consolidated or individual financial statements: there is no remuneration in shares proposed for the period, so it is not applicable.

(IV) Actual distribution of employees and directors' remuneration (including distributed cash, shares, and share prices) in the prior year, and the accounting disclosures, treatments and explanations if discrepancies exist

1. Actual distribution of employees and directors' remuneration in the previous year

Distribution	2022			
	Distributed amount resolved by the Board of Directors	Actual distributed amount	Recognized amount	Discrepant amount
Employee cash remuneration	NT$4,000 thousand	NT$4,000 thousand	NT$4,000 thousand	0
Directors' remuneration	NT$1,500 thousand	NT$1,500 thousand	NT$1,500 thousand	0

2. Reason for discrepancy between the actual distributed amount and recognized amount and treatment: No discrepancy from the expense amount recognized in 2022.

9. Buyback of treasury stock of the company: None.

10. Corporate bonds

I. Issuance Status of Corporate Bonds

1. On December 17, 2019, approved with Letter Zheng-Gui-Zhai-Zi No. 10800138421 issued by the Taipei Exchange, the 2019 third batch of domestic secured ordinary convertible corporate bonds for NT$1.9 billion was issued.
2. On November 3, 2021, approved with Letter Zheng-Gui-Zhai No. 11000120671 issued by the Taipei Exchange, the 2021 first batch of domestic secured ordinary convertible corporate bonds for NT$2 billion was issued.
3. On Mar. 30, 2022, approved with Letter Zheng-Gui-Zhai No. 11100020801 issued by the Taipei Exchange, the 2022 first batch of domestic secured ordinary convertible corporate bonds for NT$2 billion was issued.
4. On Mar. 27, 2024, approved with Letter Zheng-Gui-Zhai No. 11300016202 issued by the Taipei Exchange, the 2024 first batch of domestic secured ordinary convertible corporate bonds for NT$2 billion was issued.
5. Each of the above batches of corporate bonds was issued as follows:

April 15, 2024

<table>
<tr><td colspan="2">Type of Corporate Bonds</td><td>2019 3rd Secured Ordinary Corporate Bond (Code: B85107)</td></tr>
<tr><td colspan="2">Issuance (handling) date:</td><td>December 24, 2019</td></tr>
<tr><td colspan="2">Denomination</td><td>NT$1,000,000</td></tr>
<tr><td colspan="2">Place of issuance and transaction (Note)</td><td>Not applicable.</td></tr>
<tr><td colspan="2">Issuing price</td><td>At face value</td></tr>
<tr><td colspan="2">Total</td><td>Face value of NT$1.9 billion in total</td></tr>
<tr><td colspan="2">Interest rate</td><td>Coupon rate: fixed rate at 0.78% per annum</td></tr>
<tr><td colspan="2">Period</td><td>5-year period, maturity date: December 24, 2024</td></tr>
<tr><td colspan="2">Guarantee Organization</td><td>Taiwan Cooperative Bank Co., Ltd.</td></tr>
<tr><td colspan="2">Trustee</td><td>Land Bank of Taiwan Co., Ltd.</td></tr>
<tr><td colspan="2">Underwriting institution</td><td>Taiwan Cooperative Securities Co., Ltd. is the leading underwriter, and Land Bank of Taiwan Co., Ltd. is the co-underwriter</td></tr>
<tr><td colspan="2">Certified Lawyer</td><td>Zhong-Jie Wei</td></tr>
<tr><td colspan="2">Certified Public Accountant</td><td>Ti-Nuan Chien</td></tr>
<tr><td colspan="2">Reimbursement Method</td><td>Bullet repayment at maturity</td></tr>
<tr><td colspan="2">Outstanding principal amount</td><td>NT$1,900,000,000</td></tr>
<tr><td colspan="2">Redemption and Advanced Redemption Provisions</td><td>Not applicable.</td></tr>
<tr><td colspan="2">Restrictions</td><td>None</td></tr>
<tr><td colspan="2">Credit rating agency, assessment date and results</td><td>Not applicable.</td></tr>
<tr><td rowspan="2">Other rights attached</td><td>Amount of Converted (Exchanged or Subscribed) Ordinary shares, Overseas Depository Receipts or Other Negotiable Securities</td><td>Not applicable.</td></tr>
<tr><td>Issuance and Conversion (Exchange or Subscription) Method</td><td>Please refer to the prospectus of the 2019 3rd Secured Ordinary Corporate Bonds.</td></tr>
<tr><td colspan="2">Potential impact of issuance, conversion, exchange, subscription, or issuing method and conditions on the dilution of equity and existing shareholders’ rights</td><td>Please refer to the prospectus of the 2019 3rd Secured Ordinary Corporate Bonds.</td></tr>
<tr><td colspan="2">Name of the Custodian Institution for Underlying Exchange</td><td>Not applicable.</td></tr>
</table>

Note: Filled in by overseas bond holders

April 15, 2024

<table>
<tr><td colspan="2">Type of Corporate Bonds</td><td>2021 1st Secured Ordinary Corporate Bonds (Code: B85108)</td></tr>
<tr><td colspan="2">Issuance (handling) date:</td><td>November 10, 2021</td></tr>
<tr><td colspan="2">Denomination</td><td>NT$1,000,000</td></tr>
<tr><td colspan="2">Place of issuance and transaction (Note)</td><td>Not applicable.</td></tr>
<tr><td colspan="2">Issuing price</td><td>At face value</td></tr>
<tr><td colspan="2">Total</td><td>NT$2 billion in total</td></tr>
<tr><td colspan="2">Interest rate</td><td>Coupon rate: fixed rate at 0.57% per annum</td></tr>
<tr><td colspan="2">Period</td><td>5-year period, maturity date: November 10, 2026</td></tr>
<tr><td colspan="2">Guarantee Organization</td><td>Taiwan Business Bank Co., Ltd.</td></tr>
<tr><td colspan="2">Trustee</td><td>Land Bank of Taiwan Co., Ltd.</td></tr>
<tr><td colspan="2">Underwriting institution</td><td>BankTaiwan Securities Co.,Ltd.</td></tr>
<tr><td colspan="2">Certified Lawyer</td><td>Zhong-Jie Wei</td></tr>
<tr><td colspan="2">Certified Public Accountant</td><td>Yi-lien Han</td></tr>
<tr><td colspan="2">Reimbursement Method</td><td>Bullet repayment at maturity</td></tr>
<tr><td colspan="2">Outstanding principal amount</td><td>NT$2,000,000,000</td></tr>
<tr><td colspan="2">Redemption and Advanced Redemption Provisions</td><td>Not applicable.</td></tr>
<tr><td colspan="2">Restrictions</td><td>None</td></tr>
<tr><td colspan="2">Credit rating agency, assessment date and results</td><td>Not applicable.</td></tr>
<tr><td rowspan="2">Other rights attached</td><td>Amount of Converted (Exchanged or Subscribed) Ordinary shares, Overseas Depository Receipts or Other Negotiable Securities</td><td>Not applicable.</td></tr>
<tr><td>Issuance and Conversion (Exchange or Subscription) Method</td><td>Please refer to the prospectus of the 2021 1st Secured Ordinary Corporate Bonds.</td></tr>
<tr><td colspan="2">Potential impact of issuance, conversion, exchange, subscription, or issuing method and conditions on the dilution of equity and existing shareholders’ rights</td><td>Please refer to the prospectus of the 2021 1st Secured Ordinary Corporate Bonds.</td></tr>
<tr><td colspan="2">Name of the Custodian Institution for Underlying Exchange</td><td>Not applicable.</td></tr>
</table>

Note: Filled in by overseas bond holders

April 15, 2024

<table>
<tr><td colspan="2">Type of Corporate Bonds</td><td>2022 1st Secured Ordinary Corporate Bonds (Code: B85109)</td></tr>
<tr><td colspan="2">Issuance (handling) date:</td><td>Apr. 11, 2022</td></tr>
<tr><td colspan="2">Denomination</td><td>NT$1,000,000</td></tr>
<tr><td colspan="2">Place of issuance and transaction (Note)</td><td>Not applicable.</td></tr>
<tr><td colspan="2">Issuing price</td><td>At face value</td></tr>
<tr><td colspan="2">Total</td><td>NT$2 billion in total</td></tr>
<tr><td colspan="2">Interest rate</td><td>Coupon rate: fixed rate at 0.85% per annum</td></tr>
<tr><td colspan="2">Period</td><td>5-year period, maturity date: Apr. 11, 2027</td></tr>
<tr><td colspan="2">Guarantee Organization</td><td>Mega International Bank Co., Ltd.</td></tr>
<tr><td colspan="2">Trustee</td><td>Land Bank of Taiwan Co., Ltd.</td></tr>
<tr><td colspan="2">Underwriting institution</td><td>Mega Securities Co.,Ltd.</td></tr>
<tr><td colspan="2">Certified Lawyer</td><td>Zhong-Jie Wei</td></tr>
<tr><td colspan="2">Certified Public Accountant</td><td>Yi-lien Han</td></tr>
<tr><td colspan="2">Reimbursement Method</td><td>Bullet repayment at maturity</td></tr>
<tr><td colspan="2">Outstanding principal amount</td><td>NT$2,000,000,000</td></tr>
<tr><td colspan="2">Redemption and Advanced Redemption Provisions</td><td>Not applicable.</td></tr>
<tr><td colspan="2">Restrictions</td><td>None</td></tr>
<tr><td colspan="2">Credit rating agency, assessment date and results</td><td>Not applicable.</td></tr>
<tr><td rowspan="2">Other rights attached</td><td>Amount of Converted (Exchanged or Subscribed) Ordinary shares, Overseas Depository Receipts or Other Negotiable Securities</td><td>Not applicable.</td></tr>
<tr><td>Issuance and Conversion (Exchange or Subscription) Method</td><td>Please refer to the prospectus of the 2022 1st Secured Ordinary Corporate Bonds.</td></tr>
<tr><td colspan="2">Potential impact of issuance, conversion, exchange, subscription, or issuing method and conditions on the dilution of equity and existing shareholders’ rights</td><td>Please refer to the prospectus of the 2022 1st Secured Ordinary Corporate Bonds.</td></tr>
<tr><td colspan="2">Name of the Custodian Institution for Underlying Exchange</td><td>Not applicable.</td></tr>
</table>

Note: Filled in by overseas bond holders

April 15, 2024

<table>
<tr><td colspan="2">Type of Corporate Bonds</td><td>2024 1st Secured Ordinary Corporate Bonds (Code: B85110)</td></tr>
<tr><td colspan="2">Issuance (handling) date:</td><td>March 28, 2024</td></tr>
<tr><td colspan="2">Denomination</td><td>NT$1,000,000</td></tr>
<tr><td colspan="2">Place of issuance and transaction (Note)</td><td>Not applicable.</td></tr>
<tr><td colspan="2">Issuing price</td><td>At face value</td></tr>
<tr><td colspan="2">Total</td><td>NT$2 billion in total</td></tr>
<tr><td colspan="2">Interest rate</td><td>Coupon rate: fixed rate at 1.70% per annum</td></tr>
<tr><td colspan="2">Period</td><td>5-year period, maturity date: March 28, 2029</td></tr>
<tr><td colspan="2">Guarantee Organization</td><td>Mega International Bank Co., Ltd.</td></tr>
<tr><td colspan="2">Trustee</td><td>Taiwan Bank Co., Ltd.</td></tr>
<tr><td colspan="2">Underwriting institution</td><td>Mega Securities Co.,Ltd.</td></tr>
<tr><td colspan="2">Certified Lawyer</td><td>Zhong-Jie Wei</td></tr>
<tr><td colspan="2">Certified Public Accountant</td><td>Yi-lien Han</td></tr>
<tr><td colspan="2">Reimbursement Method</td><td>Bullet repayment at maturity</td></tr>
<tr><td colspan="2">Outstanding principal amount</td><td>NT$2,000,000,000</td></tr>
<tr><td colspan="2">Redemption and Advanced Redemption Provisions</td><td>Not applicable.</td></tr>
<tr><td colspan="2">Restrictions</td><td>None</td></tr>
<tr><td colspan="2">Credit rating agency, assessment date and results</td><td>Not applicable.</td></tr>
<tr><td rowspan="2">Other rights attached</td><td>Amount of Converted (Exchanged or Subscribed) Ordinary shares, Overseas Depository Receipts or Other Negotiable Securities</td><td>Not applicable.</td></tr>
<tr><td>Issuance and Conversion (Exchange or Subscription) Method</td><td>Please refer to the prospectus of the 2024 1st Secured Ordinary Corporate Bonds.</td></tr>
<tr><td colspan="2">Potential impact of issuance, conversion, exchange, subscription, or issuing method and conditions on the dilution of equity and existing shareholders’ rights</td><td>Please refer to the prospectus of the 2024 1st Secured Ordinary Corporate Bonds.</td></tr>
<tr><td colspan="2">Name of the Custodian Institution for Underlying Exchange</td><td>Not applicable.</td></tr>
</table>

Note: Filled in by overseas bond holders

(II) Information on Corporate Bonds Maturing Within 1 Year:

Type of Corporate Bonds	B85107 2019 3rd st Secured Ordinary Corporate Bonds
Release Date	December 24, 2019
Period	December 24, 2019 to December 24, 2024
Outstanding principal amount	NT$1,900,000,000
Reimbursement Method	Bullet repayment at maturity five years after the day of issuance

(III) Information on convertible corporate bonds: None.

(IV) Information on exchanged corporate bonds: None.

(V) Shelf registration of corporate bonds issuance: None.

(VI) Information on corporate bonds with share options: None.

(VII) Private placement of corporate bonds during the three most recent years and up to the publication date of the annual report: None.

11. Preferred shares: None.

12. Global depository receipts: None.

13 Employee share subscription warrants: None.

14. New restricted employee shares: None.

15. Issuance of new shares in connection with mergers and acquisitions: None.

16. Financial plans and implementation

(I) Contents of the plans

For the period as of the quarter preceding the date of publication of the annual report, with respect to each uncompleted public issue or private placement of securities, and to such issues and placements that were completed in the most recent 3 years but have not yet fully yielded the planned benefits: None.

(II) Implementation of the plans

1. The Company issued the 2019 first batch of secured ordinary corporate bonds on April 2, 2019, with par value of NT$2 billion for the purpose of repaying the 2014 first and second batch of secured ordinary company bonds, and has already completed the funding and execution. The funds have repaid the principal of the 2014 first and second batch of secured ordinary corporate bonds in the Q2 and Q3 2019, respectively.

   The company's first guaranteed ordinary corporate bonds in 2019 were issued on April 2, 2019 and matured after five years - matured on April 2, 2024. Based on the letter Zheng-Gui-Zhai No. 11304001352, dated March 5, 2024, issued by the Taipei Exchange, the trading will be terminated from the business day following the expiry date.
2. The Company issued the 2019 second batch of secured ordinary corporate bonds on April 2, 2019, with par value of NT$2 billion for the purpose of repaying bank loans, and has already completed the funding and execution. The funds have repaid the bank in full in Q3 2019, with visible effect.

   The company's second guaranteed ordinary corporate bonds in 2019 were issued on April 2, 2019 and matured after five years - matured on April 2, 2024. Based on the letter Zheng-Gui-Zhai No. 11304001352, dated March 5, 2024, issued by the Taipei Exchange, the trading will be terminated from the business day following the expiry date.
3. The Company issued the 2019 third batch of secured ordinary corporate bonds on December 24, 2019, with par value of NT$1.9 billion for the purpose of repaying bank loans, and has already completed the funding and execution. The funds have repaid the bank in full in Q4 2019, with visible effect.
4. The Company issued the 2021 first batch of secured ordinary corporate bonds on Nov. 10, 2021, with par value of NT$2 billion for the purpose of repaying bank loans, and has already completed the funding and execution. The funds have repaid the bank in full in Q4 2021, with visible effect.
5. The Company issued the 2022 first batch of secured ordinary corporate bonds on Apr. 11, 2022, with par value of NT$2 billion for the purpose of repaying bank loans, and has already completed the funding and execution. The funds have repaid the bank in full in Q2 2022, with visible effect.

6. The Company, to repay the principal of the secured corporate bonds due from the second issue of 2019, issued the first secured corporate bonds of 2024 on March 28, 2024, with a total face value of NT$2 billion, successfully raising the funds according to the original schedule, which will be used in the second quarter of 2024 to repay the principal of the secured corporate bonds due from the second issue of 2019.

V. Operational Highlights

1. Business Activities

(I) Business Activities

1. Major lines of business

(1) Lease and sale of public housing and commercial buildings commissioned by construction companies.

(2) The subsidiary Chin Chun Construction mainly contracts construction projects.

2. Major products and the business weight

2023	Business weight (%)
Construction revenue	100
Engineering revenue	—
Total	100

3. New products or services in planned development

(1) Construction business

The Company's core values are planning capabilities, construction quality and after-sales service, and it actively promotes the brand. Its direction of project development is that of self-construction or joint construction, and it seeks to expand land development areas, accumulate land inventory, and advance into other types of real estate markets. In terms of product planning, the key appeals are the current rigid market needs for self-occupied and first time buyers, with safety, health and environmentally friendly housing demands. The Company is committed to construct sustainable and smart buildings. In terms of after-sales service, the Company continues to monitor the needs of customers and the market, actively handle customer complaints, and improve the trust of home buyers in the Company.

(2) Construction/engineering business of the subsidiary Jin Jyun Construction

Jin Jyun Construction is a comprehensive domestic construction company. Its main business is to contract construction and building projects. It is committed to providing high-quality construction services, upholding the high quality of construction projects, while continuously improving construction technologies and accumulating forward-looking construction management practices, and gradually expanding the business area in the construction industry.

(II) Industry Overview

1. Industry status and overview

(1) Construction business

In 2023, the government introduced several anti-speculation policies, "Integrated Housing and Land Tax 2.0", "Actual Price Registration 2.0" , "Presale Housing Transfer Ban", "Central Bank Lending Restrictions", "Amendment to the Equalization of Land Rights Act", "Hoarding Tax 2.0", etc., where the government aimed to curb speculation through heavy taxes and policy restrictions. However, it did not affect housing prices but reduced transaction volumes. The real reasons for the high prices of new houses include land scarcity, labor shortage, and soaring construction material costs post-pandemic. Additionally, in line with the government's 2050 net-zero carbon policy, construction costs are expected to rise.

The first half of 2024 saw an economic rebound and a rising stock market, which boosted confidence in home buying, beneficial to the housing market. Although the Hoarding Tax 2.0 was implemented in the second half of the year, the new government's housing policies are essentially a continuation of the current ones, and the imminent global interest rate cuts will support housing market confidence.

(2) Construction/engineering business of the subsidiary Jin Jyun Construction

According to the "Construction Industry Economic Outlook Survey" report released by the National Land Agency at the end of January 2024, in 2022 the construction industry had a total of 48,669 labor shortages, with grassroots labor shortages being the most significant at 35,251, accounting for 72% of the total. The demand for grassroots technical workers is about twice that of general laborers.

For developers and constructors, in addition to the ongoing labor shortage problem, another major impact starting in 2024 is the imposition of a carbon tax and the European Union's Carbon Border Adjustment Mechanism (CBAM) which includes carbon auditing for industries such as steel, projecting additional costs for high-energy-consuming materials like steel, cement, aluminum, and copper, with the transformation and research costs of these material manufacturers also being passed on to developers and constructors.

2. Relationship among the industry's up-, mid-, and downstream

(1) Construction Industry

The construction industry combines the two sides of the manufacturing industry (house production) and the service industry (house sales and services), and is closely related to the steel industry, cement industry, sand and gravel industry, glass industry, tile industry, hardware industry, wire and cable Industry, sanitary equipment manufacturing industry and furniture industry. In addition, it activates the advertising, realtors, decoration, utilities and other related industries, which will greatly help to boost the overall economic prosperity and benefits.

There are many upstream and downstream industries involved in the construction industry, and operation processes must rely on the cooperation and support of other industries such as manufacturing and mining. However, there may currently be joint ventures, shareholding, and investment for construction within domestic construction projects, construction companies and construction suppliers, which leads to a close cooperation among the upstream, midstream and downstream of the construction industry.

(2) Construction/engineering business of the subsidiary Jin Jyun Construction

Its main source is the contracts commissioned by construction companies. The upstream industry includes the ready-mixed concrete industry, steel materials and products industry, cement industry, mechanical and electrical equipment industry, and ceramic tile industry; the downstream industry includes realtors, the furniture industry, home appliance industry, lighting industry and insurance industry, among other things. Therefore, the prosperity of the construction industry has a great impact on the industries of related raw materials, and also affects the development of other related industries.

3. Product development trends and competition

(1) Construction business

According to statistics from Yung-Ching Realty Group, the proportion of two-bedroom layouts has surpassed three-bedroom layouts in the housing markets of the six major cities and across Taiwan in just three years, becoming the mainstream in the presale housing market, driven by a decrease in household size and rising housing prices, highlighting the trend toward smaller living spaces.

Demand for 2024 still exists with the market favoring low priced and smaller sized homes. Therefore, the Company continues to plan for smaller homes that not only serve for self-occupation but also hold multi-dimensional value for property investment and renting.

(2) Construction/engineering business of the subsidiary Jin Jyun Construction

In 2024, Taiwan’s construction industry will be impacted by multiple factors including the pandemic, inflation, and demographic structures, leading to increased construction costs due to rising labor and material costs, as well as a shortage of labor. The price per square meter has surged from NT$85,000 to 150,000, marking a historic high over 40 years. Additionally, the first quarter of this year saw a record high in labor demand in the construction sector, with 4,276 vacancies. The construction industry is now not only facing the challenges of cost pressures and demand for talent but also must adapt to environmental changes under the net-zero carbon trend.

To reduce formation of many unstable factors, the Group is committed to developing new technologies. It has greatly transformed its original construction methods and processes. In the future, the construction technologies and project quality can be completely improved in accordance with new construction methods. This will not only alleviate the shortage of workers in the construction industry and solve earthquake problems, but also positively facilitate the concepts of low carbon and sustainability which arouse great global concerns.

(III) Overview of technology and research and development: The Company and its subsidiaries have invested considerable human resources and costs over the years, and have continuously introduced new services and systems to meet consumer demands for real estate transactions. However, the Company and its subsidiaries are mainly engage in real estate construction and transactions, so R&D investment is not applicable.

(IV) Short-term and long-term operation plans

1. Short-term operation plans

(1) Construction business：In 2023, we will continue to sell the remaining houses and actively promote projects. The main development project promotion and sales status are as follows:

① Completed projects

Project Title	Location	Product	Sale rate	Units/parking lots to be sold
Shihengbin- Shangye District	Zhongshan District , Keelung City	Residence	100%	0 units; 0 parking lots
Shihengbin- Xingye District	Zhongshan District, Keelung City	Residence and commercial	99%	1 units; 1 parking lots
Bokelai Park	Banqiao District , New Taipei City	Residence and commercial	98%	3 units; 3 parking lots
Kuobin Da Yuan	Xindian District, New Taipei City	Residence	71%	7 units; 12 parking lots
Kuobin Kuandi	Neihu District, Taipei City	Residence and commercial	96%	4 units; 7 parking lots
National Central City	Chungli District, Taoyuan City	Residence and commercial	97%	22 units; 26 parking lots
Juke Run Long	East District, Hsinchu City	Residence and commercial	99%	1 units; 2 parking lots
Taichung Dibao	Xitun District, Taichung City	Residence	75%	11 units; 29 parking lots
NTC National Trading Center	Xitun District, Taichung City	Commercial	97%	4 units; 63 parking lots
Wenhua Run Long	Lingya District, Kaohsiung City	Residence and commercial	99%	4 units; 4 parking lots
Shuhoyuan	Sanmin District, Kaohsiung City	Residence and commercial	99%	3 units; 5 parking lots

② Pre-sale projects

Project Title	Location	Product	Current progress of sales
Dream City	Zhongshan District, Keelung City	Residence and commercial	98%
Jing'an Wenhui	Zhonghe District, New Taipei City	Residence	98%
Windsor Castle	Guishan District, Taoyuan City	Residence and commercial	94%
Shicheng Aiyue	Xitun District, Taichung City	Residence and commercial	99%
VVS1	Xitun District, Taichung City	Residence and commercial	97%
Run Long Park Hyatt	Anping District, Tainan City	Residence and commercial	98%

③ Future projects

Project name (provisional)	Location	Product	Schedule of promotion
Keelung Dean E、F	Zhongshan Distric, Keelung City	Residence	Under planning
Xinyi Fujian	Wenshan District, Taipei City	Residence	Under planning
Xitun Wenshang Ⅰ	Xitun District, Taichung City	Residence	Under planning
Contemporary Shoufu	Xitun District, Taichung City	Residence and commercial	Under planning
Jincheng Section	Anping District, Tainan City	Residence and commercial	Under planning

(2) Construction/engineering business of the subsidiary Jin Jyun Construction

①The business direction of vertical integration (civil engineering/electromechanical and construction/electromechanical).

②Cultivate relevant talents and improve the quality of professional human resources.

③Deepen the application of BIM technology and smart technologies in construction management.

④Compliance with various safety and environmental regulations ensures the safety of construction sites and workers.

2. Long-term operation plans

(1) Construction business

①Long-term business development should strengthen organizational efficiency, reduce unit costs, enhance market competitiveness, apply informatization, urban renewal plans and incentives, and flexibly use land development strategies to reduce land development costs and increase the Company's profits.

②Strengthening product innovation and R&D capabilities, focusing on safe, healthy, and environmentally friendly residential and commercial buildings, and achieving green building certification align with future development trends.

③Commit to product planning for meeting the diversified needs of buyers, while maintaining a good after-sales service system, so that customers may refer new customers to improve sales performance.

(2) Construction/engineering business of the subsidiary Jin Jyun Construction

①Actively enhance brand (quality) recognition.

②Improve the breadth and depth of products.

③Actively research and develop other highly professional construction methods and technologies.

④Introduce digital technology and innovation.

⑤Enhanced engineering cost management to improve gross margins in construction.

2. Market and Sales Overview

(I) Market Analysis

1. Geographic areas where the main products are sold

The Company's business is the construction and sale of real estate. The subsidiary mainly contracts construction projects from the Group's development projects. Real estate construction mainly selects areas with convenient transportation, complete living functions and with development potential.

2. Market share, analysis of future supply and demand and market growth

(1) Construction business

Domestic real estate market is widely distributed in different areas. The main promotion areas vary among companies, so do their selling prices and strategies, which are dependent upon customers' preferences. The product locations and characteristics differ. Besides, the industry competitions are mostly regional and on a case-by-case basis. Therefore, product planning and design, positioning, engineering management, quality requirements and aftersales services will become favorable indexes for customers to decide to buy. The construction proposals launched by the Company in the past years have been mainly specific to major urban areas, including Keelung City, New Taipei City, Taoyuan City, Taichung City, Tainan City and Kaohsiung City. With remarkably high sales ratio, these proposals have been highly recognized by consumers.

Despite the adverse economic conditions and inflation impacting the real estate market with downturns and rising mortgage rates which reduce investor demand, the inherent demand for first-time buyers and owner-occupiers remains, supported by current mortgage rates which are still within an affordable range for homebuyers.

(2) Construction/engineering business of the subsidiary Jin Jyun Construction

At present, Jin Jyun Construction mainly undertakes the construction projects of affiliates for development. Jin Jyun Construction continues to improve and strengthen its project management system, including talent cultivation, and progess, quality, and contract management and maintenance, to improve the overall management efficiency of the Company to improve external competitiveness.

The Group uses innovative digital technologies to improve productivity, such as using the 3D "Building Information Modeling" (BIM), and unmanned robots to move materials (with automated warehousing and moving systems), to help construction companies solve labor shortages and improve efficiency.

In addition to excelling in construction, Jin Jyun Construction is planning self-developed projects in 2024, leveraging cost advantages due to its construction firm background, and expects future development initiatives to become a major driving force.

3. Competitive niches, long-term opportunities, threats, and countermeasures

(1) Construction projects

1. Competitive niches and long-term opportunities:
   (a) The demand for first-time and owner-occupied homes continues to exist.
   (b) Taiwan's tech industry benefits from the global AI boom, driving opportunities in technology applications and indirectly boosting demand for factories and industrial offices.
   (c) In urban districts, old offices have been gradually eliminated. The enterprises have had greater demands for expanding and upgrading their office spaces.
   (d) The government continues to promote the policy of urban renewal and endangered elderly ordinances and encourages residents to participate in redevelopment.
2. Threats:
   (a) Both construction and material costs have increased. The interest rate for land and construction financing has been regulated. As a result, the returns on investments are not as expected.
   (b) As the Equalization of Land Rights Act was promulgated after it was read out for three times, the investors have withdrawn from the real estate market. The Equalization of Land Rights Act was passed in its third reading in January 2023, introducing restrictions on contract transfers and resales, and imposing heavy

penalties on speculative real estate transactions, causing investors to withdraw from the property market.

(c) From 2022 to April 2023, the Central Bank raised interest rates five times by a total of three percentage points, leading to higher mortgage rates and a cautious attitude among consumers.

(d) Six City precious land is scarce and difficult to obtain, the cost is higher, the integration time is longer, and the development difficulty increases.

3. Countermeasures:

(a) Continue to refine calculation methods for precise control of the return rate of projects, and reasonably and prudently estimate the sales price after the development is completed.

(b) Continue to monitor development trends of commercial real estate, and invest in commercial or plant development when suitable.

(c) Actively evaluate and participate in the government authorities' cases on investment promotions, thus increasing the occupancy rate of six cities.

(d) Rolling adjustment of development strategy, active southward layout.

(2) Construction/engineering business of the subsidiary Jin Jyun Construction

1. Competitive niches and long-term opportunities

(a) As customers gradually come to care more about construction quality and technology, it is positive to comprehensive construction companies which specialize in construction engineering technologies with good corporate image and various achievements.

(b) Cooperate with the Group to develop the 3D building information modeling (BIM) system and unmanned robot material transporting (with automated warehousing and moving systems), to enhance construction value and competitiveness with all-round services.

2. Threats

(a) Rising material costs.

(b) Labor shortages and increasing wages.

3. Countermeasures

(a) Jin Jyun Construction, having a complete supply chain, will continue to monitor the post-pandemic developments, implementing flexible procurement strategies and adjusting construction schedules accordingly. Priority is given to fixed-price purchases of bulk materials, and when price fixing is not feasible with suppliers, a price adjustment index is agreed to mitigate the risk of price fluctuations.

(b) Committed to the research and development of new technologies and automation of construction projects, such as the pre-casting construction method, to complete most of the construction needs in the factory, reducing the manpower requirement on the construction site.

(II) Main products and manufacturing process

1. Major products and their main uses

(1) Development, construction, lease and sale of public residences and commercial buildings, while centering on the domestic market, to develop and construct community-type high-end residences, villas, buildings and other products.

(2) Construction/engineering business of the subsidiary Jin Jyun Construction

Undertake residential, commercial and office building construction projects.

2. Production process of products

(1) Construction projects: The self-build process of residences is as follows

Land development → product planning → planning and design → marketing preparation → sales operation → construction → property title registration → handover → after-sales service

(2) Construction/engineering business of the subsidiary Jin Jyun Construction: Contracting for engineering:

Business development → estimate → bidding (bargaining) → tender awarding with contract signing → construction budget → construction plan → material and manpower arrangement → construction management → completion → completion review

(III) Supply of major source materials

1. Construction business

(1) Land

The Company has the land development department. Besides the development department actively looking for suitable lands, suitable lands may be introduced through land brokers. In addition, the Company also cooperates with landlords in the form of joint construction or participates in urban renewal development based actual needs. The supply of lands is stable.

(2) Construction projects

The Company selects robust construction companies to cooperate, and controls the construction progress and ensures the quality of construction.

(3) Materials

To reduce cost and for the construction progress, for more flexible utilization and control over outsourcing operations, material procurement takes place through in-house price comparison, combination of construction and material procurement, or joint-outsourcing. Therefore the supply of materials is stable.

2. Construction/engineering business of the subsidiary, Jin Jyun Construction

For the main bulk materials for construction projects such as steel bars, steel sheets, concrete, sand, long-term cooperation is maintained with vendors despite constant increase in prices of building materials and labor costs as well as the constructors' cost pressure. Therefore, the supply situation is still stable.

(IV) Suppliers and clients accounting for 10 percent or more of the Company's total procurement (sales) amount in either of the two most recent fiscal years, the amounts bought from (sold to) each, the percentage of total procurement (sales) accounted for by each

1. Major supplier in the the two most recent fiscal years

Unit: NT$ thousand

	2022				2023				2024 up to the previous quarter (Note 1)			
Item	Title	Amount	As a percentage of net purchases for the year (%)	Relation	Title	Amount	As a percentage of net purchases for the year (%)	Relation	Title	Amount	As a percentage to net purchases as of the previous quarter of the year (%)	Relation
1	None	—	—	—	Individual (Mr. Yuan)	2,265,650	26%	None	—	—	—	—
	Others	9,733,943	100%	None	Others	6,289,366	74%	None	Others	—	—	—
	Net Purchase	9,733,943	100%		Net Purchase	8,555,016	100%		Net Purchase	—	—	—

Note 1: the 2024 Q1 financial statements have not been reviewed by the CPAs and thus will not be disclosed.

Note 2: Reason for changes: The main thing is to purchase construction land in 2023.

2. Major customers in the the two most recent fiscal years

Unit: NT$ thousand

	2022				2023				2024 up to the previous quarter (Note 1)			
Item	Name	Amount	Percentage (%)	Relation	Name	Amount	Percentage (%)	Relation	Name	Amount	As a percentage to net sales as of the previous quarter of the year (%)	Relation
1	—	—	—	—	—	—	—	—	—	—	—	—
	Others	2,485,724	100%		Others	30,683,941	100%		Others	—	—	—
	Net Sales	2,485,724	100%		Net Sales	30,683,941	100%		Net Sales	—	—	—

Note 1: The 2024 Q1 financial statements have not been reviewed by the CPAs and thus will not be disclosed.

(V) Production volume and value in the two most recent years

Unit: NT$ thousand

Year / Volume / Product	2022			2023		
	Capacity	Volume	Value	Capacity	Volume	Value
Houses	—	214 units	1,565,708	—	2,907 units	19,539,979
Construction	—	—	111,300	—	—	85,363
Others	—	—	9,322	—	—	16,781
Total Amount	—	—	1,686,330	—	—	19,642,123

Note 1: The production volume and value of houses are the total units completed in the year and their total costs.
Note 2: Others are leasing and spare parts sales costs.

(VI) Sales volume and value in the two most recent years

Unit: NT$ thousand

Year / Volume / Product	2022				2023			
	Domestic sales		Export		Domestic sales		Export	
	Volume	Value	Volume	Value	Volume	Value	Volume	Value
Houses	186 units	2,353,101	–	–	2,954 units	30,574,496	–	–
Construction		116,644	–	–		91,022	–	–
Others		15,979	–	–		18,423	–	–
Total Amount		2,485,724	–	–		30,683,941	–	–

Note 1: The sales volume and value of houses are the total sold units and amount recognized as the construction revenue in the year.
Note 2: Others are leasing and spare parts sales revenue.

3. Employee information in the two most recent fiscal years and up to the date of publication of the annual report

Year		2022	2023	Current year up to April 15, 2024
Number of employees	Employees	158	162	159
	Engineers	109	174	180
	Total Amount	267	336	339
Average age		39.04	38.81	39.00
Average years of service		5.24	4.76	4.74
Educational background distribution	PhD	0.00	0.00	0.00
	Master's	5.24	5.37	5.31
	College Graduate	83.15	65.47	61.06
	Senior High School	10.49	13.69	15.63
	Below senior high school	1.12	15.47	18.00

4. Environmental Protection Expenditure

(I) Any losses suffered by the Company in the most recent fiscal year and up to publication date of the annual report due to environmental pollution incidents (including any compensation paid and any violations of environmental protection laws or regulations found in environmental inspection, specifying the disposition dates, disposition reference numbers, the articles of law violated, and the content of the dispositions):

Our main business activities consist of the construction and sales of buildings. We outsource construction with or without materials procurement to contractors, who will be responsible for the processing and disposal of wastes. The Company assumes a supervisorial role, and therefore, did not recognize any losses from environmental pollution penalties during the last year and up to the publishing date.

(II) An estimate of possible expenses that could be incurred currently and in the future and measures being or to be taken. If a reasonable estimate cannot be made, an explanation of the facts of why it cannot be made shall be provided:

1. Responding measures expected to be taken: The Company stipulates in its contracts that construction partners shall take whole responsibility for any pollution during construction, and the Company is responsible for monitoring. The Company assumes a supervisorial role. We

have the following measures in place to prevent pollution:

①Select the most appropriate construction methods based on the geology and the neighboring areas of the location to minimize noise and vibrations.

② Some works (such as continuous wall construction or concrete grouting) require continuous construction, which may cause construction during the night. In addition to maintaining good relations with neighbors, it is necessary to control the progress of the project and reduce construction during the night.

③Set up protection nets around the site to prevent dust and stones from flying or falling.

④Vehicles accessing the sites are required to clean their tires and body at the car-washing platform before leaving the sites; gates are designated as the security personnel’s responsibility area, to enhance the the supervision of vehicle cleaning when accessing the gates; strengthen water spraying to clean roads.

⑤Carry out the 5S (sort, set in order, shine, standardize, and sustain) cleanup campaign at the sites to keep the surrounding environment clean.

2. Expected environmental expenditure for the next three years: None.

3. Impact after the improvement: None.

5. Labor Relations

(I) Employee welfare measures, continuing education, training, retirement, and their implementation status; labor agreements and measures to safeguard employees’ interests

1. Employee welfare measures

The Company has always emphasized employee benefits and established the Joint Employee Welfare Committee, to regularly hold birthday celebrations, medical and various other activities. All in-service employees may participate. The source of funds is allocated from the Company’s operating revenue, and the Employee Welfare Committee is responsible for management and utilization. The members of the Welfare Committee are elected by employees and are re-elected regularly to promote benefits.

Employee welfare measures include group insurance, regular health checks, employee uniforms, travel subsidies, birthday celebration, birthday cash gifts, weddings and funerals, maternity, children's education scholarships, emergency relie, societies subsidies and holiday bonuses.

For employees facing maternity, serious illness, or major life changes, the company allows for extended unpaid leave, with the possibility of reinstatement once the period is over, to balance personal and family care needs.

2. Continuing education training of employees

The Company’s employee training is based on internal management measures, and the management department formulates the training procedures, to conduct the pre-employment and on-the-job training for employees through internal training or by external organizations, so that employees may fully leverage their talents and continue to improve their knowledge and skills, to improve working efficiency.

Continuing education training received by employees of the Company and its subsidiaries in the most recent year (2023):

Training Program	Time of training	Training fee (NT$)	Target
IFRS Adoption Seminar (Selective Package) (Taipei Class)	12 hours	8,000	Accounting staff
BPM Electronic Signature System	2.5 hours	0	15 staff members from various departments
Introduction and Seminar on Important Internal Audit Practices	6 hours	3,500	Audit officer
Fair Trade	2 hours	0	14 staff members from various departments
Continuing training course for accounting supervisors of issuers, securities firms and stock exchanges	12 hours	8,000	Accounting Officer
“Insider Trading” and “Financial Reporting Misrepresentation”: Practical Exploration and Response	6 hours	3,300	Audit officer
KPMG Practical Seminar and Case Study (Common Internal Control Deficiencies in Land Development and Procurement Contracting Processes)	4 hours	0	16 staff members from Development and Accounting Departments
Carbon Issues and Their Relevance to the Construction Industry	2 hours	0	15 staff members from various departments
Gender Mainstreaming, Workplace Sexual Harassment Prevention, Act of Gender Equality in Employment	3 hours	0	21 staff members from various departments

Training Program	Time of training	Training fee (NT$)	Target
Protection of Trade Secrets and Non-Compete Obligations	3 hours	12,000	10 staff members from director and various departments
Internal Audit Personnel on 'Information Security' Audit Control Practices	6 hours	3,500	Auditors
Net Zero Sustainable Talent Cultivation Class 【Central】 - Carbon Sinks, Carbon Rights, and Carbon Trading	9 hours	0	Director
Information Security Education and Promotion Course	1.5 hours	0	19 staff members from various departments
Seminar of Listed company's bushiness.	3 hours	0	stock staff
Fire Safety Lecture	2 hours	0	12 staff members from various departments
Comprehensive Guide to Information Security Audit	6 hours	3,300	Auditors
2023 Insider Trading Prevention Seminar	3 hours	0	3 on the board of directors
iPAS - Junior Information Security Engineer	12 hours	9,000	Information Security Manager
HiNet SME and Check Point Webinars	1 hour	0	Information Security Manager
Listed Companies - Understanding the Derivative Financial Markets, Moving Towards Corporate Sustainability Seminar	3 hours	0	Director
2023 Annual Insider Equity Transaction Legal Compliance Publicity and Briefing Session	3 hours	0	2 on the board of directors

Training Program	Time of training	Training fee (NT$)	Target
2023 Seminar on Promoting the Adoption of IFRS in Taiwan	4.5 hours	0	Accounting Officer Three accounting staff
(2023) International Corporate Governance Summit - Creating New Governance Strategies to Enhance Corporate Value	7 hours	0	stock staff
General Occupational Safety and Health Education Training (Part 1)	1 hour	0	91 staff members from various departments
General Occupational Safety and Health Education Training (Part 2)	1 hour	0	91 staff members from various departments
Construction Safety and Health Management	1 hour	0	91 staff members from various departments
Occupational Safety and Health Work Rules and Related Safety Knowledge	1 hour	0	5 staff members from various departments
Construction Automatic Inspection and Emergency Response and First Aid Course	1 hour	0	Sales Service Personnel
Pre-employment training	1 hour	0	newcomers
From Start to Occupancy Permit: Key Steps and Considerations	3 hours	0	All Construction Sites Director of engineering (and above) personnel
1. Precautions for Installing Electric Water Heaters 2. Considerations for Early Stage Kitchen Planning	3.5 hours	0	All Construction Sites Electrical engineering staff

Training Program	Time of training	Training fee (NT$)	Target
Stress Prevention Management and Workplace Violence Prevention Management	3 hours	0	All Construction Sites All staff
Key Points for Compiling Weekly Construction Photos	1 hour	0	All Construction Sites Construction site vice supervisor (and above) personnel
Monthly Work Report Writing Guidelines	1 hour	0	All Construction Sites Construction site vice supervisor (and above) personnel
Review Process for Huada Engineering Drawings	2 hours	0	All Construction Sites Construction site vice supervisor (and above) personnel

3. Retirement system

The Company accommodates the enforcement of the Labor Pension Act (hereinafter referred to as the "new system"). For employees who choose to use the new system, their service years after adopting the new system, and the service years of employees who are employed after the implementation of the new system, the definite contribution system will be applied. The payment of the pension is made by the Company on a monthly basis at a minimum of 6% of the monthly salary and deposited in their individual labor pension account.

4. Other important agreements

The Company has always been people-oriented, abiding by relevant labor laws and regulations, protecting the legitimate rights and interests of employees, establishing a complete management system for employee welfare, work safety and health, education and training, etc., and issuing performance bonuses, year-end bonuses and employee remuneration based on operating results each year, so the personal interests of employees and the interests of the company are combined to create a belief in co-prosperity and coexistence.

(II) List any losses suffered by the Company in the two most recent fiscal years and up to the annual report publication date due to labor disputes (including any violations of the Labor Standards Act found in labor inspection, specifying the disposition dates, disposition reference numbers, the articles of law violated, the substance of the legal violations, and the content of the dispositions), and disclose an estimate of possible expenses that could be incurred currently and in the future and measures being or to be taken. If a reasonable estimate cannot be made, an explanation of the facts of why it cannot be made shall be provided: None.

6. Information Communication Security Management

(I) State the information security risk management structure, the information security policy, the specific management plan, and the resources invested in the security management of the information communication, etc.:

1. Information security risk management framework:

At present, the Company’s information staff belong to the management department. They perform information and communication security management and carry out specific management preventive plans such as information security and crisis handling, and implementing corresponding security control measures, while continuously improving internal abnormality detection and protection methods to reduce corporate information security risks.

In response to the Guidelines for the Formulation of Internal Control Rules by Public Companies, the configuration of the Information security Officer and 1 Information security executives has been completed on December 20, 2023, to formulate the Company’s information security policies, plan information security measures and perform operations related to information security.

Report to the Board of Directors at least once a year on the "Information Security Risk Management".

2. Information Security Policy:

(1) Compliance with laws and regulations:

In conducting businesses, the Company shall observe government laws, regulations and standards regarding information and communication security and personal information protection.

(2) Safety education:

Perform regular education and training on information and communication safety. Promote policies and implementation rules on information and communication safety.

(3) Resource planning:

Establish a management mechanism for information resources. Distribute resources in a coordinated manner and utilize them effectively to solve safety problems.

(4) Beforehand prevention:

Before establishment or launch of new information systems or services, information and communication security factors shall be taken into account, to prevent circumstances which endanger security.

(5) Security monitoring:

Establish measures for monitoring and protecting information and communication security. Perform regular inspections.

(6) Authorization management:

Clearly specify the access to information systems, network services and sensitive information, to prevent unauthorized access.

(7) Review and improvement:

Define and carry out internal and external audits, to implement information and communication security management rules, and make improvements with respect to the unsettled matters.

(8) Business continuity:

Define operation maintenance plans for information and communication security, and organize practical drills, to ensure responses to emergencies when they occur.

(9) Information security cultures:

All employees shall be responsible for information and communication security. They shall understand and abide by rules on information and communication security, which shall be implemented in performing their duties.

At present, the Company has not passed international certification with respect to its information security policies and specific management proposals. According to the extent to which the information security risks identified by the Information Department of the Company are tolerated, it is still unnecessary to buy insurances against information security risks.

3. Specific management plan:

The company has not yet purchased insurance for information security, so at this stage, the company's existing information security management procedures are used to implement information security risk management. The relevant specific implementation measures are as follows:

(1) Information Communication Security Management:

①Configure an enterprise-level firewall to block illegal intrusions by hackers.

②Use HiLink VPN enterprise dedicated line with the North, Central and South branches, and use the data encryption method to avoid illegal capture during data transmission.

③Configure an electronic data control system for controlling communications of internal and external networks and monitoring network traffic. This cannot only enhance cyber security and shield access to harmful or forbidden websites and contents, but also prevents inappropriate occupation of band width, to prevent materials and viruses from spreading through transmission control.

④In December 2023, the Company was approved as a member of the Taiwan Computer Emergency Response Team Coordination Center (TWCERT/CC). The center provides consultancy and coordination services for cybersecurity incidents, enabling the Company to effectively receive and transmit cybersecurity intelligence, achieving the goal of horizontal cybersecurity defense, maintaining network security together, and enhancing overall cybersecurity protection.

(2) System Access Control:

①The use of various application systems in the company must go through the information service request application process. After approval by the authority and responsibility supervisor, an account will be created in the IT section, and each system administrator can activate the permissions according to the functions applied for before it can be used.

②The password setting of the account must meet the specified strength, and must be mixed with alphanumeric characters to be accepted.

③When colleagues go through the resignation procedures, they need to contact the information personnel of the management department to delete the accounts and permissions of each system.

(3) Implement information security training:

①Increase the employees' awareness of information security. Irregularly promote patterns of email social attacks by email, and commit irregular social engineering drill.

②On-the-job training for colleagues, special training sessions are held every quarter for colleagues who violate information security regulations.

③Group Information Security Education and Promotion Course.

(4) Virus protection and management:

①Endpoint protection software is installed on the server and colleagues' computer equipment, and the virus pattern is automatically updated to ensure that the latest viruses can be blocked.

②The email server is equipped with an advertisement spam filtering mechanism to prevent viruses or spam from entering the user's PC.

(5) Ensure system availability:

①Construct a hardware virtualization system to increase system availability and fault tolerance.

②Establishing a backup management system, regularly conducting offline backups to keep a copy of the data from Monday to Friday in the server room, and performing off-site backups to store a copy of daily backup data in an off-site location (Taichung branch server room) for mutual support.

③Disaster recovery drills are carried out on a regular basis, and after the restoration reference point is selected, the backup file is restored to the system host.

(6) Security management of computer equipment:

①The company's computer host, various application servers, etc. are all set up in a dedicated computer room. The computer room is locked at any time to strictly control the entry and exit of personnel, and records are kept for inspection.

②There are independent air conditioners and uninterruptible power supply systems in the information room to keep the computer equipment running at a suitable temperature, and the operation of the computer application system will not be interrupted when the power is cut off.

③To build a device management system, only mobile devices and USB devices certified by the company can be connected to the company's intranet and access data.

4. Resources invested in information security management: "Information Security Measures Implementation Results" in 2023 are as follows:

(1) Internal Audit Office

From February 3 to 21, 2023, the audit unit inspected the security control of files and equipment, and the control of information security management operations; no abnormal or deficient items were found.

(2) Mail threat statistics

Currently, the Company has installed a spam control mechanism to filter and intercept malicious or advertisement mail.

(3) Anti-virus interception

Anti-virus software is installed on the Company's computers to prevent viruses from getting into computers and spreading.

(4) Information security incidents in the year

Time	Information security incident	Treatment
2023/08	Updated the Microsoft operating system	From August 1, 2023, to December 31, 2023, the version has been updated to Windows 10 Ver.22H2.
2023/09	Updated the version of the anti-virus software	Updated the version to 10.1.2050.0
2023/06	Changes in login passwords of personal computers	Password length of more than six characters, with a combination of uppercase or lowercase letters in English and figures

(5) Invest resources for information and communication security management

①A professional information security service provider assists with backup of firewall connection rules and management consultation, authorization of anti-virus and backup systems and management consultation, advanced integrated endpoint protection...and other services. The annual total expenditures for these services were approximately NT$ 110,250.

②In 2023, the Group purchased a new type of enterprise firewall for NT$1,658,580, with the company sharing NT$301,980 of the cost. This upgrade replaces old equipment, enhancing internal and external network defenses. The project setup offers various security modules and sandbox exercises, providing advanced and safer protection compared to the old equipment.

③Information personnel attended the Department of Economic Affairs' Industry Talent Competence Certification iPAS-(Junior) Information Security Engineer course organized by the Taiwan Software Association from November 2 to 3, 2023. The 12-hour course culminated in a completion certificate.

④Information personnel participated in an online seminar by HiNet SME and Check Point on November 21, 2023.

(6) Group Information Security Education and Promotion Course:

On October 12, 2023, the Group conducted an information security education and promotion course lasting 90 minutes. A total of 19 participants from the company and its subsidiaries attended, and the course content was made available via a YouTube live link to accommodate employees unable to attend due to official duties.

(7) Participation in Group InfoSec Promotions: Email Social Engineering Drills, sharing the latest on social engineering attacks and defenses.

In July 2023, the group conducted an unannounced email social engineering attack drill. The results demonstrated improved security awareness among employees, although a few mistakenly clicked on the simulated phishing emails. Following the drill, on August 29, 2023, the group disseminated a short educational video and defensive instructions via email, urging employees to heighten security awareness, not to open suspicious emails, and avoid clicking on any attached links or files to protect against social engineering email attacks.

5. Effect of damage to information systems upon the company's business affairs, as well as response measures being or to be taken:

The Company's information system is under construction. In the hardware area servers with high stability have been set up and in the software area the information systems, software and default system parameters are regularly backed up and there is a complete data back-up mechanism to ensure service downtime is shortened.

With uninterrupted information services and information safety, the information unit under the management department regularly sends back-up data for storage in other places and there are regular drills for post-disaster recovery measures, to prevent the interruption of information services and shorten the recovery time from natural disasters or human accidents.

In order to get the information system smoothly back on track and reduce losses after the damage has occurred, in addition to regular drills for post-disaster recovery measures, the Company shall continue to plan, design, and improve the resource efficiency of software and hardware equipment, and to construct a network protection mechanism with a high-security level to reduce the risks of system damage.

In recent information security threat analysis, most of the threats come from external hacker attacks, followed by the negligence of internal employees and lack of information security awareness. The root cause of these information security incidents is that users execute them Caused by unknown malware. Therefore, information security protection requires the company's comprehensive consensus and full participation, only by gradually developing employees' risk awareness and information security protection capabilities through working habits and company culture, can the information security defense capabilities truly be strengthened.

(II) List the losses, possible impacts, and countermeasures of major information security incidents in the most recent year and up to the date of publication of the annual report. If it is impossible to estimate reasonably, the facts that cannot be reasonably estimated shall be stated:

As of the year 2023 and the date of publication of the annual report, the Company has not suffered any major losses due to information security incidents.

7. Important Contracts

Apr. 15, 2024

Type	Counterparty	Start and end date of contract	Content	Restrictive Provisions
Construction contract	Chyiyuh Construction	Contract Date Aug. 31, 2015 ~ Warranty expires	Construction project contract (Chungyen A+)	None
	Taisei Corporation	Contract Date Feb. 21, 2019 ~ Warranty expires	Construction project contract (Shihengbin-Shangye District)	None
	Taisei Corporation	Contract Date Feb. 21, 2019 ~ Warranty expires	Construction project contract (Shihengbin-Xingye District))	None
	Taisei Corporation	Contract Date Feb. 21, 2019 ~ Warranty expires	Construction project contract (Dream City)	None
	Chyiyuh Construction	Contract Date Apr. 15, 2019 ~ Warranty expires	Construction project contract (Shihengbin-Shangye District)	None
	Chyiyuh Construction	Contract Date Aug. 23, 2019 ~ Warranty expires	Construction project contract (Juke Run Long)	None
	Taisei Corporation	Contract Date Apr. 26, 2021 ~ Warranty expires	Construction project contract (Xinyi Fujian)	None
Joint construction contract	Chuangding Construction Co., Ltd.	Contract Date Dec. 3, 2015 ~ Joint construction and house handover completed	Yuanton Section, Chungho District, New Taipei City (Jing'an Wenhui)	None
	Highwealth Construction	Contract Date Aug. 13, 2019 ~ Joint construction and house handover completed	Huian Section, Xitun District, Taichung City (Shicheng Aiyue)	None
	Mr. Liu and two other people	Contract Date June 30, 2023 ~ Joint construction and house handover completed	Wenchang Section, Xitun District, Taichung City (Wenshang Ⅱ)	None
Joint investment	Hai Ju Construction	Contract signing date: April 19, 2013 to the completion and conclusion of the project	Dean Section, Chungshan District, Keelung City.	None

Note 1: Only includes construction contracts with value above NT$ 300 million (before taxes).
Note 2: Only includes joint construction contracts with a deposit(check) of at least NT$ 30 million.

VI. Financial Profile

I. Condensed balance sheet, comprehensive income statement and audit opinion of CPAs in the five most recent years

(I)Condensed Balance Sheet and Comprehensive Income Statement

1. Condensed Balance Sheet - consolidated financial statements

Unit: NT$ thousand

Item / Year		Financial analysis in the five most recent years (Note 1)					Financial analysis as of March 31, 2024 (Note 2)
		2019	2020	2021	2022	2023	
Current assets		24,473,681	32,877,608	35,529,894	43,930,387	40,001,737	—
Property, plant and equipment		1,601,532	243,860	237,243	232,087	229,634	—
Intangible assets		10,046	15,051	14,380	16,218	16,934	—
Other assets		3,034,120	3,661,471	3,543,494	4,636,079	2,290,455	—
Total assets		29,119,379	36,797,990	39,325,011	48,814,771	42,538,760	—
Current liabilities	Before distribution	12,901,157	23,527,423	24,367,806	32,568,146	24,715,390	—
	After distribution (Note 3)	13,517,818	23,601,423	25,152,199	32,838,762	26,068,468	—
Non-current liabilities		10,703,294	8,199,631	8,282,194	10,223,298	4,312,747	—
Non-current liabilities	Before distribution	23,604,451	31,727,054	32,650,000	42,791,444	29,028,137	—
	After distribution (Note 3)	24,221,112	31,801,054	33,434,393	43,062,060	30,381,215	—
Interests attributable to parent company owner		5,514,928	5,070,936	6,675,011	6,023,327	13,510,623	—
Share Capital		3,083,305	3,699,966	3,921,966	4,510,261	4,510,261	—
Capital surplus	Before distribution	779,297	168,389	21,376	22,601	23,854	—
	After distribution (Note 3)	162,636	20,389	21,376	22,601	23,854	—
Retained earnings	Before distribution	1,551,272	1,052,113	2,575,943	1,359,891	8,790,821	—
	After distribution (Note 3)	934,611	904,113	1,203,255	1,089,275	2,025,429	—
Other interests		101,054	150,468	155,726	130,574	185,687	—
Treasury stock		0	0	0	0	0	—
Previous equity under joint control		0	0	0	0	0	—
Non controlling interests		Not applicable.	Not applicable.	Not applicable.	Not applicable.	Not applicable.	—
Total equity	Before distribution	5,514,928	5,070,936	6,675,011	6,023,327	13,510,623	—
	After distribution (Note 3)	4,898,267	4,996,936	5,890,618	5,752,711	12,157,545	—

Note 1: The information above was certified by accountants.

Note 2: the 2024 Q1 financial statements have not been reviewed by the CPAs and thus not to be disclosed.

Note 3: The 2023 earnings distribution cash dividend was approved by the resolution of the board of directors on March 26, 2024, and the 2023 earnings distribution shares dividend was subject to the resolution of the 2024 general meeting of shareholders after the proposed distribution by the board of directors on March 26, 2024.

2. Condensed Balance Sheet - parent company-only financial statements

Unit: NT$ thousand

Item \ Year		Financial analysis in the five most recent years (Note 1)				
		2019	2020	2021	2022	2023
Current assets		22,843,851	31,299,034	33,467,156	41,780,022	36,635,679
Property, plant and equipment		1,599,259	240,696	234,619	229,972	227,733
Intangible assets		2,878	2,129	1,471	2,488	2,453
Other assets		3,629,017	4,218,903	4,036,756	5,211,114	3,935,242
Total assets		28,075,005	35,760,762	37,740,002	47,223,596	40,800,707
Current liabilities	Before distribution	11,856,783	22,490,195	22,782,797	30,976,971	22,977,337
	After distribution (Note 2)	12,473,444	22,564,195	23,567,190	31,247,587	24,330,415
Non-current liabilities		10,703,294	8,199,631	8,282,194	10,223,298	4,312,747
Non-current liabilities	Before distribution	22,560,077	30,689,826	31,064,991	41,200,269	27,290,084
	After distribution (Note 2)	23,176,738	30,763,826	30,280,598	41,470,885	28,643,162
Interests attributable to parent company owner		Not applicable.	Not applicable.	Not applicable.	Not applicable.	Not applicable.
Share Capital		3,083,305	3,699,966	3,921,966	4,510,261	4,510,261
Capital surplus	Before distribution	779,297	168,389	21,376	22,601	23,854
	After distribution (Note 2)	162,636	20,389	21,376	22,601	23,854
Retained earnings	Before distribution	1,551,272	1,052,113	2,575,943	1,359,891	8,790,821
	After distribution (Note 2)	934,611	904,113	1,203,255	1,089,275	2,025,429
Other interests		101,054	150,468	155,726	130,574	185,687
Treasury stock		0	0	0	0	0
Previous equity under joint control		0	0	0	0	0
Non controlling interests		Not applicable.	Not applicable.	Not applicable.	Not applicable.	Not applicable.
Total equity	Before distribution	5,514,928	5,070,936	6,675,011	6,023,327	13,510,623
	After distribution (Note 2)	4,898,267	4,996,936	5,890,618	5,752,711	12,157,545

Note 1: The information above was certified by accountants.

Note 2: The 2023 earnings distribution cash dividend was approved by the resolution of the board of directors on March 26, 2024, and the 2023 earnings distribution shares dividend was subject to the resolution of the 2024 general meeting of shareholders after the proposed distribution by the board of directors on March 26, 2024.

3. Condensed statement of comprehensive income - consolidated financial statements

Unit: NT$ thousand

Item \ Year	Financial analysis in the five most recent years (Note 1)					Financial analysis as of March 31, 2024 (Note 2)
	2019	2020	2021	2022	2023	
Operating revenue	4,198,656	7,656,236	10,479,267	2,485,724	30,683,941	—
Gross profit from operations	517,128	1,016,928	2,738,473	812,617	11,281,096	—
Operating income	(77,329)	404,454	2,090,047	219,556	9,477,253	—
Non-operating income and expenses	819,073	(194,424)	(29,846)	13,513	(117,412)	—
Income from continuing operations before income tax	741,744	210,030	2,060,201	233,069	9,359,841	—
Net income of continuing business units	655,920	117,248	1,671,830	156,636	7,701,546	—
Income of suspended business unit	0	0	0	0	0	—
Net income	655,920	117,248	1,671,830	156,636	7,701,546	—
Other comprehensive profits and losses (Net value after tax)	15,535	49,668	5,258	(25,152)	55,113	—
Total comprehensive income	671,455	166,916	1,677,088	131,484	7,756,659	—
Net income attributable to stockholders of the parent	655,920	117,248	1,671,830	156,636	7,701,546	—
Net profit attributable to the previous equity's net profit under joint control	0	0	0	0	0	—
Net income attributable to non-controlling interests	Not applicable.	Not applicable.	Not applicable.	Not applicable.	Not applicable.	—
Total comprehensive income attributable to stockholders of the parent	671,455	166,916	1,677,088	131,484	7,756,659	—
Total comprehensive income attributable to the previous equity's net profit under joint control	0	0	0	0	0	—
Total comprehensive income attributable to non-controlling interests	Not applicable.	Not applicable.	Not applicable.	Not applicable.	Not applicable.	—
Earnings per share(NT$)	1.77	0.30	4.26	0.35	17.08	—

Note 1: The information above was certified by accountants.
Note 2: the 2024 Q1 financial statements have not been reviewed by the CPAs and thus not to be disclosed.

4. Condensed statements of comprehensive income - parent company-only financial statements

Unit: NT$ thousand

Item \ Year	Financial analysis in the five most recent years (Note 1)				
	2019	2020	2021	2022	2023
Operating revenue	1,684,425	3,944,597	9,653,691	2,369,080	30,592,919
Gross profit from operations	384,494	835,974	2,641,258	804,836	11,005,805
Operating income	(139,747)	308,835	2,073,849	293,292	9,307,740
Non-operating income and expenses	863,333	(134,164)	(33,749)	(87,574)	33,399
Income from continuing operations before income tax	723,586	174,671	2,040,100	205,718	9,341,139
Net income of continuing business units	655,920	117,248	1,671,830	156,636	7,701,546
Income of suspended business unit	0	0	0	0	0
Net income	655,920	117,248	1,671,830	156,636	7,701,546
Other comprehensive profits and losses (Net value after tax)	15,535	49,668	5,258	(25,152)	55,113
Total comprehensive income	671,455	166,916	1,677,088	131,484	7,756,659
Net income attributable to stockholders of the parent	655,920	117,248	1,671,830	156,636	7,701,546
Net profit attributable to the previous equity's net profit under joint control	0	0	0	0	0
Net income attributable to non-controlling interests	Not applicable.	Not applicable.	Not applicable.	Not applicable.	Not applicable.
Total comprehensive income attributable to stockholders of the parent	671,455	166,916	1,677,088	131,484	7,756,659
Total comprehensive income attributable to the previous equity's net profit under joint control	0	0	0	0	0
Total comprehensive income attributable to non-controlling interests	Not applicable.	Not applicable.	Not applicable.	Not applicable.	Not applicable.
Earnings per share(NT$)	1.77	0.30	4.26	0.35	17.08

Note 1: The information above was certified by accountants.

(II) Auditing CPAs and audit opinions in the past five years

Year	Name of the firm	CPA name	Opinion
2023	KPMG Taiwan	Han Yi-Lien and Tseng Kuo-Yang	Unqualified opinion
2022	KPMG Taiwan	Han Yi-Lien and Tseng Kuo-Yang	Unqualified opinion
2021	KPMG Taiwan	Han Yi-Lien and Chien Ti-Nuan	Unqualified opinion
2020	KPMG Taiwan	Han Yi-Lien and Chien Ti-Nuan	Unqualified opinion
2019	KPMG Taiwan	Chien Ti-Nuan and Tseng Kuo-Yang	Unqualified opinion

2. Financial Analysis in the Past Five Years

(I) Financial analysis - consolidated financial statements

Item		Financial analysis in the five most recent years (Note 1) 2019	2020	2021	2022	2023	Current year as of Mar. 31, 2024 (Note 2)
Financial structure (%)	Debt to asset ratio	81.06	86.21	83.02	87.66	68.23	－
	Long term capital to property, plant and equipment ratio	1,012.66	5,441.87	6,304.59	7,000.23	7,761.64	－
Solvency	Current ratio (%)	189.70	139.74	145.80	134.88	161.84	－
	Quick ratio (%)	42.46	33.17	32.88	23.88	60.15	－
	Interest coverage ratio (times)	3.19	1.48	5.59	1.37	14.09	－
Management capacity	Receivable turnover rate (times)	6.80	11.91	19.91	2.56	29.43	－
	Average cash recovery day	53.67	30.64	18.33	142.57	12.40	－
	Inventory turnover rate (times)	0.22	0.30	0.29	0.05	0.63	－
	Payable turnover rate (times)	2.65	3.47	3.31	0.70	7.40	－
	Days sales outstanding	1,659.09	1,216.66	1,258.62	7,300.00	579.36	－
	Property, plant and equipment turnover rate (times)	2.35	8.29	43.56	10.59	132.91	－
	Total asset turnover rate (times)	0.16	0.23	0.27	0.05	0.67	－
Profitability	Return on Assets (%)	3.59	1.40	5.33	1.47	18.11	－
	Return on Equity (%)	10.22	2.21	28.46	2.46	78.85	－
	Pre-tax net profit to paid-in capital ratio (%)	24.05	5.67	52.52	5.16	207.52	－
	Net profit margin (%)	15.62	1.53	15.95	6.30	25.09	－
	Earnings per share(NT$)	1.77	0.30	4.26	0.35	17.08	－
Cash Flow	Cash flow ratio (%)	(Note 3)	(Note 3)	(Note 3)	(Note 3)	75.35	－
	Cash flow adequacy ratio (%)	(Note 3)	(Note 3)	(Note 3)	(Note 3)	70.91	－
	Cash reinvestment ratio (%)	(Note 3)	(Note 3)	(Note 3)	(Note 3)	117.21	－
Leverage	Operating leverage	(2.12)	1.67	1.15	2.61	1.03	－
	Financial leverage	0.31	1.56	1.06	3.64	1.02	－

Please explain the reasons of the financial ratio changes in the past two years. (Analysis may be omitted if the changes did not reach 20%) 1. The liabilities to assets ratio declined by 22% because of the decrease in short-term loans in 2023. 2. The quick ratio increased by 152% because of the declined in the short-term loans in 2023. 3. Interest coverage ratio increased by 928%: Because the 2023 net income before tax increased, the interest coverage ratio increased in double. 4. A 1050% increase in accounts receivable turnover rate: This was due to an increase in business revenue in 2023. 5. Average cash recovery day decreased by 91%: Because the receivable turnover rate increased in 2023, the average cash recovery day decreased. 6. Inventory turnover rate increased by 1160%: Due to the operational costs of goods increased in 2023. 7. Payable turnover rate increased by 957%: Because the operational costs of goods increased in 2023, the payable turnover rate increased. 8. Sales outstanding days decreased by 92%: Because the inventory turnover rate increased in 2023, the sales outstanding days decreased. 9. Property, plant and equipment turnover rate increased by 1155%, because the operating revenue increased in 2023. 10. Total asset turnover ratio increased by 1240%, because the operating revenue increased in 2023. 11. The return on assets increased by 1132% : Due to a decrease in 2023 net profit after tax. 12. Equity return rate increased by 3105%: Due to a increase in 2023 net profit after tax. 13. Pre-tax net profit to paid-in capital ratio increased by 3922%: Due to a increased in net of tax in 2023. 14. Net profit margin increased by 298%: Due to a decrease in 2023 net profit after tax. 15. The earnings per share increased by 4780%: Due to a decrease in 2023 net profit after tax. 16. Operating leverage decreased by 61% due to the increase in operating revenue in 2023 and the decrease in the proportion of fixed cost. 17. Financial leverage decreased by 72%: Because the operating profit increased 2023.

Note 1: The information above was certified by accountants.

Note 2: The 2024 Q1 financial statements have not been reviewed by the CPAs and thus not to be disclosed.

Note 3: The ratio in the cash flows is not calculated when the net cash flows from the operating activities are negative.

Note 4: Formulae for financial analysis calculation are as follows:

1.Financial structure

(1)Debt to asset ratio =total liabilities / total assets

(2) Long term capital to property, plant and equipment ratio = (total equity + non-current liabilities) / net property, plant and equipment.

2.Solvency

(1)Current ratio = current assets / current liabilities

(2) Quick ratio = (current assets - inventory - prepaid expenses) / current liabilities

(3)Interest coverage ratio = net profit before income tax and interest expense / interest expense in the current period

3.Operating capacity

(1) Receivable (including accounts receivable and notes receivable due to business) turnover rate = net sales / average receivables for each period (including accounts receivable and notes receivable due to business)

(2)Average cash recovery date = 365 / receivables turnover rate

(3)Inventory turnover rate = sales cost / average inventory

(4)Payable (including accounts payable and notes payable due to business) turnover rate = cost of sales / average balance payable on each period (including accounts payable and notes payable due to business)

(5)Days sales outstanding = 365 / inventory turnover rate

(6)Property, plant and equipment turnover rate = net sales/net average property, plant and equipment value

(7)Total asset turnover rate = net sales / average total assets

4.Profitability

(1) Return on assets = [after tax profit and loss + interest expense × (1 - tax rate)] / average total assets

(2) Return on equity = after tax profit and loss / average equity

(3) Net profit rate = after tax profit and loss / net sales

(4) Earnings per share = (profit or loss attributable to parent company owner - special dividend) / weighted average number of issued shares (Note 6)

5.Cash flow

(1) Cash flow ratio = net cash flow from operating activities / current liabilities.

(2) Cash flow adequacy ratio = net cash flow from operating activities in the last five years / (capital expenditure + inventory increase + cash dividend) in the last five years

(3) Cash reinvestment ratio = (net cash flow from operating activities - cash dividends) / (gross property, plant and equipment + long term investment + other non-current assets + working capital) (Note 7)

6.Leverage

(1) Operating leverage = (net operating income - changing operating costs and expenses) / operating profit (Note 8)

(2) Financial leverage = operating profit / (operating profit - interest expense)

Note 5: The above calculation formula for earnings per share should pay careful attention to the following points:

1.Based on weighted average number of ordinary shares, but not the number of shares issued as of the end of the year.

2. Every capital increase or treasury stock transaction should consider calculating the weighted average number of shares during the circulation period.

3. The capital injection from the surplus or the capital reserve to increase its capital should retroactive adjustment calculate its earnings per share in the past year or the past six months in proportion of capital increase; no need to consider the period of capital increase.

4.If the preferred shares are non-convertible cumulative preferred stock, the dividends of the year, whether they're issued or not, should be deducted from the net profit after tax, or be added to the net loss after tax. If the preferred shares are non-cumulative and have net profit after tax, the dividends should be deducted from the net profit after tax; no need for adjustment if they have loss.

Note 6: When calculating the cash flow analysis careful attention should be paid to the following items:

1.Net cash flow from operating activities means the net income in the net cash flow table.

2.Capital expenditure means investment spending per year.

3. Inventory would only be counted when the closing balance of prepaid rent is bigger than the beginning one. If the inventory in the end of the year has decreased, it should be shown as zero.

4. Cash dividend includes common stock and preferred shares.

5. Gross property, plant and equipment is the total amount of net of property, plant and equipment accumulated depreciation

Note7: Issuers should differentiate every fixed and variable operating cost and operating expense by their natures. If estimation or subjective judgement is involved, be aware of its rationality and consistency.

Note 8: The Company's shares without par value or a par value other than NT$10 are calculated based on interests ratio attributable to the owner of the parent company in the balance sheet, instead of pre-tax net profit to paid-in capital ratio.

(II) Financial analysis - parent company-only financial statements

Item		Financial analysis in the five most recent years (Note 1)				
	Year	2019	2020	2021	2022	2023
Financial structure (%)	Debt to asset ratio	80.35	85.81	82.31	87.24	66.88
	Long term capital to property, plant and equipment ratio	1,014.1	5,513.41	6,375.10	7,064.61	7,840.20
Solvency	Current ratio (%)	192.66	139.16	146.89	134.87	159.44
	Quick ratio (%)	32.87	29.01	28.47	20.29	53.86
	Interest coverage ratio (times)	3.14	1.40	5.55	1.33	14.19
Management capacity	Receivable turnover rate (times)	10.75	24.22	33.82	2.76	29.81
	Average cash recovery day	33.95	15.07	10.79	132.24	12.24
	Inventory turnover rate (times)	0.08	0.14	0.27	0.05	0.66
	Payable turnover rate (times)	1.81	2.92	5.63	1.35	15.82
	Days sales outstanding	4,562.5	2,607.14	1,351.85	7,300.00	553.03
	Property, plant and equipment turnover rate (times)	0.94	4.28	40.62	10.19	133.79
	Total asset turnover rate (times)	0.06	0.12	0.26	0.05	0.69
Profitability	Return on Assets (%)	3.72	1.44	5.52	1.52	18.78
	Return on Equity (%)	10.22	2.21	28.46	2.46	78.85
	Pre-tax net profit to paid-in capital ratio (%)	23.46	4.72	52.01	4.56	207.10
	Net profit margin (%)	38.94	2.97	17.31	6.61	25.17
	Earnings per share(NT$)	1.77	0.30	4.26	0.35	17.08
Cash Flow	Cash flow ratio (%)	(Note 2)	(Note 2)	0.45	(Note 2)	79.18
	Cash flow adequacy ratio (%)	(Note 2)	(Note 2)	28.45	(Note 2)	71.36
	Cash reinvestment ratio (%)	(Note 2)	(Note 2)	0.25	(Note 2)	114.34
Leverage	Operating leverage	(0.22)	1.60	1.11	1.93	1.02
	Financial leverage	0.45	1.89	1.06	2.14	1.02

Please explain the reasons of the financial ratio changes in the past two years. (Analysis may be omitted if the changes did not reach 20%) 1. The liabilities to assets ratio declined by 23% because of the decrease in the short-term loans in 2023. 2. The quick ratio increased by 165% because of the decrease in the short-term loans in 2023. 1. Interest coverage ratio increased by 967%: Because the 2021 net income before tax increased, the interest coverage ratio increased in double. 4. Accounts receivable turnover rate increased by 980%: This was due to increased business revenue in 2023. 5. Average cash recovery day decreased by 91%: Because the receivable turnover rate increased in 2023, the average cash recovery day decreased. 6. Inventory turnover rate increased by 1220%: Because the operational costs of goods increased in 2023. 7. Payable turnover rate increased by 1072%: Because the operational costs of goods increased in 2023, the payable turnover rate increased. 8. Sales outstanding days decreased by 92%: Because the inventory turnover rate increased in 2023, the sales outstanding days decreased. 9. Property, plant and equipment turnover rate increased by 1213%, because the operating revenue increased in 2023. 10. Total asset turnover ratio declined by 1280%, because the operating revenue decreased in 2023. 11. Return on assets increased by 1136%: Due to a decrease in 2023 net profit after tax. 12. Equity return rate increased by 3105%: Due to a increase in 2023 net profit after tax. 13. Pre-tax net profit to paid-in capital ratio decreased by 4442%: Due to a decrease in 2023 net profit after tax. 14. Net profit margin increased by 281%: Due to a decrease in 2023 net profit after tax. 15. The earnings per share increased by 4780%: Due to a decrease in 2023 net profit after tax. 16. Operating leverage increased by 47% due to the increase in operating revenue in 2023 and the decrease in the proportion of fixed cost. 17. Financial leverage decreased by 52%: Because the operating profit increased in 2023.

Note 1: The information above was certified by accountants.

Note 2: The ratio in the cash flows is not calculated when the net cash flows from the operating activities are negative.

Note 3: Formulae for financial analysis calculation are as follows:

1.Financial structure

(1)Debt to asset ratio =total liabilities / total assets

(2)Long term capital to property, plant and equipment ratio = (total equity + non-current liabilities) / net property, plant and equipment

2.Solvency

(1)Current ratio = current assets / current liabilities

(2) Quick ratio = (current assets - inventory - prepaid expenses) / current liabilities

(3)Interest coverage ratio = net profit before income tax and interest expense / interest expense in the current period

3.Operating capacity

(1) Receivable (including accounts receivable and notes receivable due to business) turnover rate = net sales / average receivables for each period (including accounts receivable and notes receivable due to business)

(2)Average cash recovery date = 365 / receivables turnover rate

(3)Inventory turnover rate = sales cost / average inventory

(4)Payable (including accounts payable and notes payable due to business) turnover rate = cost of sales / average balance payable on each period (including accounts payable and notes payable due to business)

(5)Days sales outstanding = 365 / inventory turnover rate

(6)Property, plant and equipment turnover rate = net sales/net average property, plant and equipment value

(7)Total asset turnover rate = net sales / average total assets

4.Profitability

(1) Return on assets = [after tax profit and loss + interest expense × (1 - tax rate)] / average total assets

(2) Return on equity = after tax profit and loss / average equity

(3) Net profit rate = after tax profit and loss / net sales

(4) Earnings per share = (profit or loss attributable to parent company owner - special dividend) / weighted average number of issued shares (Note 4)

5.Cash flow

(1) Cash flow ratio = net cash flow from operating activities / current liabilities.

(2) Cash flow adequacy ratio = net cash flow from operating activities in the last five years / (capital expenditure + inventory increase + cash dividend) in the last five years

(3) Cash reinvestment ratio = (net cash flow from operating activities - cash dividends) / (gross property, plant and equipment + long term investment + other non-current assets + working capital) (Note 5)

6.Leverage

(1) Operating leverage = (net operating income - changing operating costs and expenses) / operating profit (Note 6)

(2) Financial leverage = operating profit / (operating profit - interest expense)

Note 4: Calculation formula for earnings per share above should pay careful attention to followed points:

1.Based on weighted average number of ordinary shares, but not the number of shares issued as of the end of the year.

2. Every capital increase or treasury stock transaction should consider calculating the weighted average number of shares during the circulation period.

3. The capital injection from the surplus or the capital reserve to increase its capital should retroactive adjustment calculate its earnings per share in the past year or the past six months in proportion of capital increase; no need to consider the period of capital increase.

4.If the preferred shares are non-convertible cumulative preferred stock, the dividends of the year, whether they're issued or not, should be deducted from the net profit after tax, or be added to the net loss after tax. If the preferred shares are non-cumulative and have net profit after tax, the dividends should be deducted from the net profit after tax; no need for adjustment if they have loss.

Note 5: Paying careful attention to the cash flow analysis as followed points:

1.Net cash flow from operating activities means the net income in the net cash flow table.

2.Capital expenditure means investment spending per year.

3. Inventory would only be counted when the closing balance of prepaid rent is bigger than the beginning one. If the inventory in the end of the year has decreased, it should be shown as zero.

4. Cash dividend includes common stock and preferred shares.

5. Gross property, plant and equipment is the total amount of net of property, plant and equipment accumulated depreciation

Note 6: Issuer should differentiate every fixed and variable operating cost and operating expense by their natures. If estimation or subjective judgement is involved, be aware of its rationality and consistency.

Note 7: The Company's shares without par value or a par value other than NT$10 are calculated based on interests ratio attributable to the owner of the parent company in the balance sheet, instead of pre-tax net profit to paid-in capital ratio.

3. Audit Committee’s review report on the latest financial report

RUN LONG CONSTRUCTION CO., LTD.
Audit Committee’s Review Report

The Board of Directors has submitted the Company's 2023 business report, financial statements (including consolidated financial statements) and the proposal for earnings distribution; among these, the financial statements (including consolidated financial statements) have been audited by Yi-lien Han and Kuo-Yang Tseng of KPMG and the audit report has been issued. The said business report, financial statements and the proposal for earnings distribution have been audited by the Audit Committee, with no discrepancy found. Accordingto relevant requirements of the Securities and Exchange Act and the Company Law,we hereby submit this report.

To:

2024 Annual General Meeting of Run Long construction Co., Ltd.

Audit Committee Convener: Li Wen-Cheng

March 26, 2024

4. For the financial statements of the most recent year, CPAs' Audit Report, balance sheet including two-year comparison, statement of comprehensive income, statement of changes in equity, cash flow statement, and notes and attached tables: Please refer to Pages 191 to 250.
5. Parent company-only financial statements audited by CPAs of the most recent year. However, the detailed tables of the key accounting items are excluded: Please refer to Pages 251 to 308.
6. If the Company and its affiliates have experienced financial difficulties in the most recent fiscal year and up to the date of publication of the annual report, the annual report shall explain how said difficulties affect the Company's financial situation: None.

VII. Review and Analysis of Financial Status and Business Results and Risk Issues

1. Financial Status

Unit: NT$ thousand

Item \ Year	2022	2023	Differences	
			Amount	%
Current assets	43,930,387	40,001,737	(3,928,650)	(8.94)
Property, plant and equipment	232,087	229,634	(2,453)	(1.06)
Intangible assets	16,218	16,934	716	4.41
Other assets	4,636,079	2,290,455	(2,345,624)	(50.59)
Total assets	48,814,771	42,538,760	(6,276,011)	(12.86)
Current liabilities	32,568,146	24,715,390	(7,852,756)	(24.11)
Non-current liabilities	10,223,298	4,312,747	(5,910,551)	(57.81)
Non-current liabilities	42,791,444	29,028,137	(13,763,307)	(32.16)
Interests attributable to parent company owner	6,023,327	13,510,623	7,487,296	124.30
Share Capital	4,510,261	4,510,261	0	0.00
Capital surplus	22,601	23,854	1,253	5.54
Retained earnings	1,359,891	8,790,821	7,430,930	546.44
Other interests	130,574	185,687	55,113	42.21
Treasury stock	0	0	0	0
Previous equity under joint control	0	0	0	0
Non controlling interests	0	0	0	0
Total equity	6,023,327	13,510,623	7,487,296	124.30

(I) Main reasons for significant changes in assets, liabilities and equity in the two most recent years and their impacts:

1. Other assets: This was due to a decrease in restricted financial assets due to a decrease in secured borrowings.
2. Current liabilities: Incurred by the decrease in short-term loans and contractual liabilities.
3. Non-current liabilities: This was due to the transfer of corporate bonds issued in 2019 to current liabilities.
4. Retained earnings: Due to a substantial decrease in 2023 net profit after tax.
5. Other rights and interests: due to the decrease in the unrealized appraisal benefits of equity instrument investments measured at fair value.
6. Equity: Due to a substantial increase in 2023 net profit after tax.

(II) Future responding plans shall be specified if the impacts are material: The aforesaid changes do not impact the Company’s finance materially.

2. Financial Performance

(I) Comparative analysis table of financial performance

Unit: NT$ thousand

Item \ Year	2022	2023	Differences	
			Amount	%
Operating revenue	2,485,724	30,683,941	28,198,217	1,134.41
Gross profit from operations	812,617	11,281,096	10,468,479	1,288.24
Operating income	219,556	9,477,253	9,257,697	4,216.55
Non-operating income and expenses	13,513	(117,412)	(130,925)	(968.88)
Income from continuing operations before income tax	233,069	9,359,841	9,126,772	3,915.91
Continuing operations Net income	156,636	7,701,546	7,544,910	4,816.84
Income of suspended business unit	0	0	0	0
Net income	156,636	7,701,546	7,544,910	4,816.84
Other comprehensive profits and losses (Net losses after tax)	(25,152)	55,113	80,265	(319.12)
Total comprehensive income	131,484	7,756,659	7,625,175	5,799.32
Net profit attributable to parent company owner	156,636	7,701,546	7,544,910	4,816.84
Net profit attributable to Previous equity under joint control	0	0	0	0
Net income attributable to non-controlling Equity	Not applicable.	Not applicable.	Not applicable.	Not applicable.
Total comprehensive income attributable to owners of the parent company	131,484	7,756,659	7,625,175	5,799.32
Total comprehensive income attributable to Previous equity under joint control	0	0	0	0
Total comprehensive income attributable to non-controlling interests	Not applicable.	Not applicable.	Not applicable.	Not applicable.
EPS (NT$)	0.35	17.08	16.73	4,780.00

Main reasons for any material changes in operating revenues, operating income, or income before tax in the two most recent fiscal years:

1. Operating income: Mainly due to an increase in construction revenue recognized from new projects completed in 2023.
2. Operating gross profit: Please refer to (2) analysis of changes in operating gross profit.
3. Operating income (loss): Mainly because the construction revenue increased significantly in 2023.
4. Non-operating income and expenses: This was due to increased interest expenses in 2023.
5. Net profit before tax: Mainly from drastic increase of the construction revenue in 2023.
6. Net profit of current period: Mainly from drastic increase of the construction revenue in 2023.
7. Other comprehensive gains and losses for the current period: due to the unrealized appraisal benefits of equity instrument investments measured at fair value through other comprehensive gains and losses recognized in 2023.
8. Earnings per share: Mainly from drastic increase of the construction revenue in 2023.

(II) Analysis of changes in operating gross profit

(Expressed in Thousands of New Taiwan Dollar)

Item	Before and after increase decrease change amount	Reason for difference
Operating gross profit	10,468,479	The business revenue significantly increased, so the gross profit increased relatively.

(III) Sales forecast and the basis, and possible impact on the Company’s future financial status and the contingency plan

1. Construction business

Run Long has been actively launching projects in major metropolitan areas across northern, central, and southern Taiwan. In 2023, it continued to sell properties in Keelung “Shihengbin (Xingye District),” “Dream City,” New Taipei “Jing’an Wenhui,” Taichung “VVS1,” and launched Tainan “Run Long Park Hyatt.”

In 2024, in addition to actively liquidating remaining properties, the company’s project direction will focus on first-time buyers and home replacement markets. At present, Taoyuan's "Windsor Castle" is selling well, and it is expected that the construction of the project is still Taipei "Xinyi. Fujing" and Taichung Xitun Wenshang and other cases.

In 2024, completions Keelung “Dream City,” with ongoing projects including New Taipei “ Jing’an Wenhui,” Taipei "Xinyi. Fujing" Taoyuan's "Windsor Castle" Taichung “VVS1,” “Shicheng Aiyue,” and Tainan “Run Long Park Hyatt.” The Company will continue to acquire construction lands for future project planning and sales.

2. Construction/engineering business of the subsidiary, Jhin Jyun Construction

Jhin Jyun Construction mainly contracts development projects from affiliates, and secures the construction quality, progress, and safety through standardized construction management, to establish the Group’s reputation of high quality.

Jin Jyun Construction should operate more steadily to ensure expected profitability from ongoing construction projects and maintain adequate cash flow, which is crucial. Efforts will also be made to secure more diversified financing channels and low-interest funding for flexible corporate use. Enhancing the execution of construction budgets and project plans, tightly controlling construction costs, and continuing to promote educational training policies to actively cultivate professional talents, strengthen the company’s overall strength and ongoing momentum, further enhance the management of safety, health, and environmental protection, and establish a healthier and more harmonious working environment.

3. Cash flow

(I) Cash flow analysis in the most recent year

Item \ Year	2022	2023	% of increase (decrease)
Cash flow ratio	-	75.35%	-
Cash flow adequacy ratio	-	70.91%	-
Cash reinvestment ratio	-	117.21%	-
Reasons for increase/decrease proportion analysis: In 2023, there be a large number of completed projects, so the net cash inflow from operating activities increase.			

(II) Analysis of cash flow in the coming year

Unit: NT$ thousand

Beginning cash balance (A)	Net cash flow from operating activities throughout the year (B)	Estimated yearly net cash outflow (C)	Anticipated cash surplus (deficit) amount A+B-C	Remedies for cash deficits	
				Investment plan	Financial plans
4,199,162	(9,676,420)	(7,983,579)	2,506,321	—	—

1. Analysis of cash flow changes for the year:
   It is expected that more investment in construction project and the purchase of land in the next year, so net cash outflow will be incurred.
2. Remedies for illiquidity: There will be no shortage or deficit of cash in the next year.

4. Impact of major capital expenditure on the financial status in the most recent year

(I) Utilization of major capital expenditures and source of funds: None.

(II) Expected effects: None.

5. Reinvestments in the most recent year

(I) Re-investment policy in the most recent year, the main reason for its profit or loss, the improvement plan and investment plan in the next year:

Unit: NT$ thousand

Investor	Investee	Investment gains/losses recognized in 2023	Re-investment policy	Main reason of profit or loss	Improvement plans
The Company	Jin Jyun Construction	168,977	The Company's reinvestment policy currently focuses on the upstream and downstream construction related industries, seeking to increase reinvestment income	The gross profit margin of the invested company is stable, and there is no loss in 2023.	Focus on the steady operation of existing businesses and actively strive for new projects

(II) Investment plan in the next year: Based on future operational needs, prudently evaluate relevant industries with stable profitability as investment targets.

6. Risks in the most recent fiscal year and up to the date of publication of the annual report

(I) The impact of interest and exchange rate changes and inflation on the Company's profit and loss and future countermeasures

1. The short-term and long-term borrowings of the Company and its subsidiaries are debts with floating interest rates. Therefore, changes in market interest rates will cause the effective interest rates of short-term and long-term borrowings to change accordingly, which will cause future cash flow fluctuations; When the interest rate increases or decreases by 0.5% with all other variables remaining unchanged, the interest expenses of the consolidated company in the year of 2023 and 2022 will increase by NT$46,970 thousand and NT$114,738 thousand, taking into account the net profit after interest capitalization, it will decrease or increase by NT$14,814 thousand and NT$29,603 thousand.
2. The main operating income and expenditures and capital expenditures of the Company and its subsidiaries are mostly denominated in New Taiwan dollar, so exchange rate changes have no significant impact on the Company's profit and loss.
3. The Company and its subsidiaries continue to monitor changes in prices and raw material prices, maintain good interaction with customers and suppliers, and adopt appropriate procurement strategies to reduce inflation risks.

(II) Policies of engagement in high-risk and highly leveraged investments, loans to others, endorsements and guarantees and derivative trading, main reasons for profit or loss and future countermeasures

The Company and its subsidiaries focus on their major businesses and have not conducted high-risk and highly leveraged investments in the most recent year.

The Company and its subsidiaries provides necessary endorsements and guarantees to subsidiaries/parent company when required by the business.

The Company and its subsidiaries do not conduct derivative trading.

The Company has the “Operational Procedures for Loaning of Funds to Others”, the “Operational Procedures for Endorsement and Guarantee”, and the “Handling Procedures of Acquiring or Disposing Assets” for compliance. The subsidiaries are supervised and required to establish related operational procedures and observe such procedures.

(III) Future R&D projects and estimated R&D expenses:

The Company and its subsidiaries, due to the nature of their industry, do not apply to R&D investments.

(IV) The impact of important domestic and overseas policy and regulation changes on the financial status of the Company and countermeasures

1. The following newly released, amended and revised standards and interpretations have been recognized by the Financial Supervisory Commission, and start to be applicable from 2024:
   - Amendment to International Accounting Standard No. 1 “Classification of Liabilities as Current or Non-current”
   - Amendment to International Accounting Standard No. 1 “Non-current Liabilities with Covenants”
   - Amendments to International Accounting Standard No. 7 and International Financial Reporting Standard No. 7 “Supplier Financing Arrangements”
   - Amendment to International Financial Reporting Standard No. 16 “Lease Liabilities in Sale and Leaseback Transactions”

   The consolidated company has assessed that the application of the aforesaid amendments will not create material changes in the consolidated financial statements.
2. The government continues to introduce real estate control policies, following the Housing and Land Act 2.0 and the amendments to the Equalization of Land Rights Act , the Executive Yuan passed the “Differential Housing Tax Rate 2.0 Scheme” (commonly known as “Hoarding House Tax 2.0”) on July 6, 2023. This involves changing the registration of residential houses from by each city and county to nationwide. Owners of more than four residential units, where the units are not self-occupied, will be taxed at rates ranging from 2% to 4.8%, effective from July 1, 2024, with official levies starting in May 2025. The longer the Company holds unsold properties, the higher the tax burden on property ownership will be.

(V) The impact of technological and industrial changes on the financial status of the Company and countermeasures:

1. The Company continuously monitors technological changes and developments in the industry and keeps abreast of market trends and peer information. Facing a variety of information security attacks, it adopts a defense-in-depth architecture, differentiating multiple security zones, each equipped with firewalls, and setting up Intrusion Prevention

Systems (IPS), Web Application Firewalls (WAF), and other cybersecurity devices to defend against hacker attacks. Additionally, core information system backup drills and company-wide social engineering drills are conducted to ensure the security of information infrastructure and network cybersecurity protection, safeguarding sensitive company data and personal information.

2. In 2023, the Company has not discovered any major internet attacks and events, negative influences that have harmed or may harm the Company's business and operation, and not been involved in any law cases or monitoring investigation.

(VI) The impact of corporate image changes on the Company's crisis management and countermeasures

The Company and its subsidiaries insist on the operating principles of steadiness, pragmatism, innovation and evolution, and have a good corporate image. So many outstanding talents are attracted to serve the Company and build the strength of the management team. The Company also regularly provides feedback on the operating results to investors. There is nothing jeopardizing the corporate image, nor are there risks of corporate crises.

(VII) Expected benefits and possible risks of mergers and acquisitions and countermeasures

The Company and its subsidiaries have not had mergers and acquisitions during the most recent year and up to the date of publication of the annual report.

(VIII) Expected benefits and possible risks of plant expansion, and countermeasures

The Company and its subsidiaries have not had plant expansions during the most recent year and up to the date of publication of the annual report.

(IX) The impact of concentration of purchases or sales and countermeasures

1. Construction business

Real estate sales business is for general customers, so there is no concentration of sales. The purchases are mainly the amounts of purchases from outsourcing to well-known level A construction companies, and the number of purchase transactions is small with significant payable amounts, so there will likely not be a concentration of purchases.

2. Construction/engineering business of the subsidiary Jin Jyun Construction:

The major businesses are project contracting, and there is no concentration of purchases (material purchases and construction contractors) and sales (customers of contracted projects).

(X) The impact of mass share transfers or changes of directors, supervisors or shareholders holding more than 10% of the Company's shares, the risks and countermeasures

During the most recent year and up to the date of publication of the annual report, there were no mass share transfers or changes of directors or shareholders holding more than 10% of the Company's shares.

(XI) The impact of changes of management on the Company, the risks and countermeasures

During the most recent year and up to the date of publication of the annual report, there were no changes of management in the Company or its subsidiaries.

(XII) Lawsuits and non-contentious cases

1. Material litigation, non-litigation or administrative litigation with its judgment already made or pending in the most recent year and up to the date of the publication of the annual report, the result of which may have a significant impact on the shareholders' equity or the price of the Company's shares: None.
2. Material litigation, non-litigation or administrative litigation with its judgment already made or pending in the most recent years and up to the date of the publication of the annual report related to the Company's directors, president, actual person in charge, shareholders holding more than 10% of the Company's shares or affiliates, the result of which may have a significant impact on the shareholders' equity or the price of the Company's shares:

   With respect to the allegation made by the buyers of Kuobin Da Yuan against Tsai, Chung-Ping, the Chairperson of the Company, Taiwan Taipei District Prosecutors Office punished Tsai, Chung-Ping and other persons without suing on December 21, 2016. After the Petitioner applied for reconsideration and Taiwan High Prosecutors Office revoked the punishment without suing, the prosecutors filed public prosecution against Tsai, Chung-Ping for his general crimes of fraud on January 5, 2023. Now, this case has been transferred to the Taipei District Court for hearing, and according to the Company's evaluation, the aforementioned event has not imposed material impacts upon financial businesses.

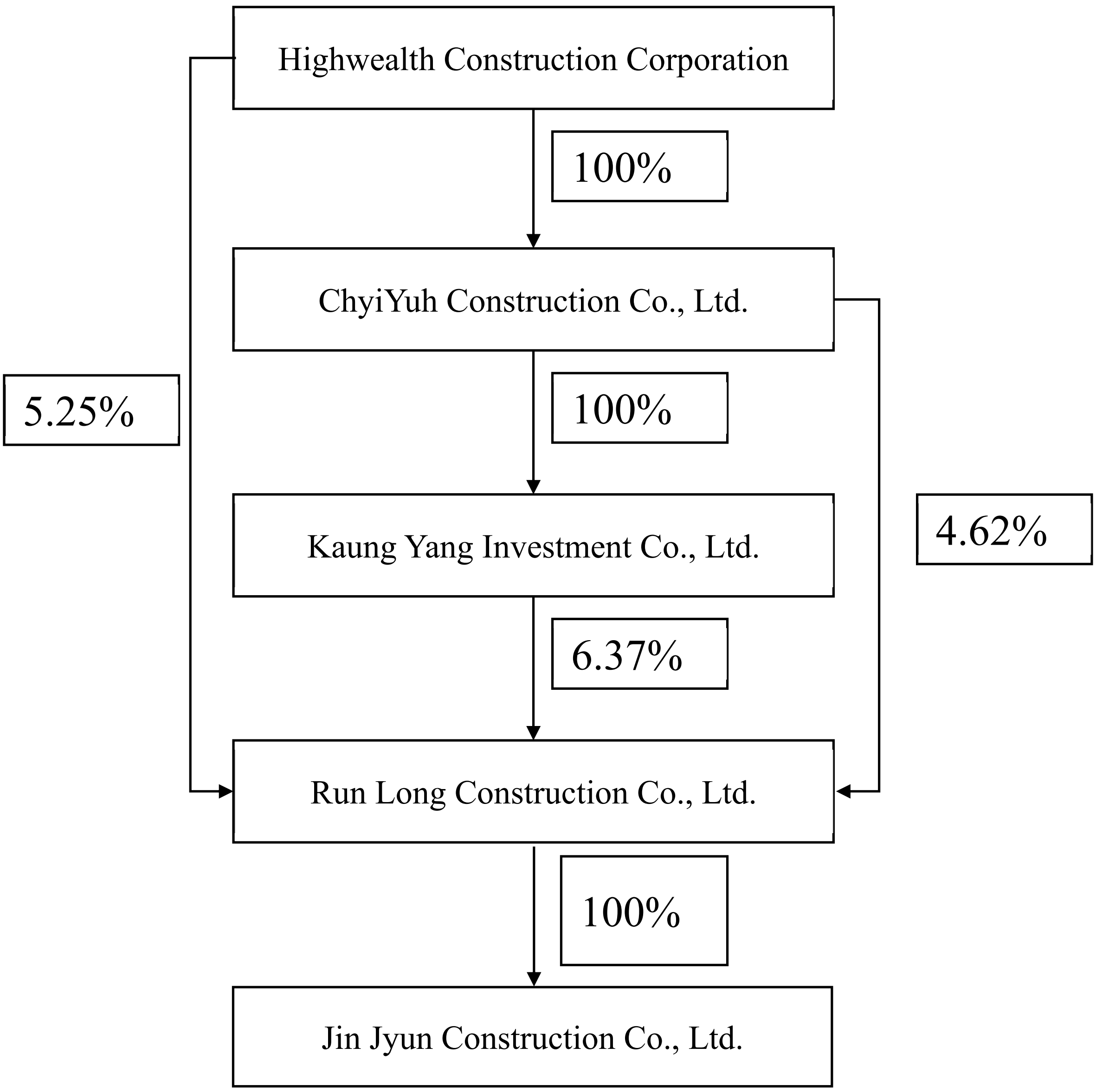
(XIII) Other important risks and countermeasures: None.

7. Other important matters: None

VIII. Special Notes

1. Information about the Company's Affiliates

(I) Organization Chart of Affiliates



(II) Consolidated business reports of affiliated enterprises

1. Basic data of affiliates

Unit: NT$ thousand

Company Name	Date of establishment	Address	Paid-in capital	Major business
Control Company Run Long Construction Co., Ltd.	1977.01.10	8F., No. 267, Lequn 2nd Rd, Zhongshan District, Taipei City	4,510,261	Development, sales and leasing of real estate
Subsidiary Jin Jyun Construction Co., Ltd.	2012.11.01	9F., No. 267, Lequn 2nd Rd, Zhongshan District, Taipei City	1,700,000	Construction, housing and building development, lease, sale business.

2. Information about common shareholders of entities presumed to have a controlling and subordinate relationship: None.
3. All affiliated companies' operating business cover industries such as:
   ①Construction industry
   ②Part of the construction work of Run Long Construction Co., Ltd. is contracted to Jin Jyun Construction Co., Ltd.

4. Information about the directors, supervisors and general managers of the affiliates:

Company Name	Title	Name or Representative	Number of shares held	
			Share Number	Shareholding ratio
Control Company Run Long Construction Co., Ltd.	Chairperson	Kaung Yang Investment Co., Ltd. Representative: Chiu Pingtse	28,759,103	6.37%
	Director	Da-Li Investment Co., Ltd Representative: Lin Weichum	17,663,965	3.92%
	Director	Kaung Yang Investment Co., Ltd. Representative: Chen Kuoyen	28,759,103	6.37%
	Director	Kaung Yang Investment Co., Ltd. Representative: Cheng Chaiowen	28,759,103	6.37%
	Independent Director	Yen Yunchi	0	0%
	Independent Director	Li Wencheng	0	0%
	Independent Director	Chen Yungchang	0	0%
Subsidiary Jin Jyun Construction Co., Ltd.	Chairperson	Run Long Construction Co., Ltd. Representative: Lu Xiren	170,000,000	100%
	Director	Run Long Construction Co., Ltd. Representative: Lin Chihlung	170,000,000	100%
	Director	Run Long Construction Co., Ltd. Representative: Chiu Pingtse	170,000,000	100%

5.Overview of the operations of the affiliates:

Unit: NT$ thousand

Affiliate	Capital	Total assets	Non-current liabilities	Net worth	Operating revenue	Net operating income (loss)	Net income (after tax)	Earnings per share (after tax/NT$)
Controlling company Run Long Construction Co., Ltd.	4,510,261	40,800,707	27,290,084	13,510,623	30,592,919	9,307,740	7,701,546	17.08
Affiliates Jin Jyun Construction Co., Ltd.	1,700,000	4,233,342	2,378,669	1,854,673	4,872,631	65,535	65,128	0.61

(III) Consolidated financial statements of affiliates:

The entities the Company is required to include in the consolidated financial statements of affiliates for 2023 (from January 1, 2023, to December 31, 2023) under the “Criteria Governing the Preparation of Affiliation Reports, Consolidated Business Reports and Reports and Consolidated Financial Statements of Affiliated Enterprises” are the same as those included in the consolidated financial statements of the parent company prepared in conformity with the International Accounting Standards (IAS) No. 27 approved by the Financial Supervisory Commission. In addition, the information required to be disclosed in the combined financial statements of affiliates is included in the consolidated financial statements of the parent company. Consequently, the consolidated financial statements of affiliates are not prepared separately.

(IV) Relationship Report

Statement

The Company's 2023 Relation Report (from January 1, 2023, to December 31, 2023) has been prepared pursuant to the "Criteria Governing Preparation of Affiliation Reports, Consolidated Business Reports and Consolidated Financial Statements of Affiliated Enterprises", and the disclosed information is materially consistent with the related information disclosed in the notes of financial statements of the abovementioned period.

Very truly yours,

The name of the company：
RUN LONG CONSTRUCTION CO., LTD.

Person in Charge：Chiu, Ping-Tse

March 13, 2024

安侯建業聯合會計師事務所
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CPAs' Review Opinion on the Affiliation Report

To:RUN LONG CONSTRUCTION CO., LTD.,

The Affiliation Reportfor 2023 of Run Long Construction Co., Ltd. has been reviewed by the accountant in accordance with the provisions of Ministry of Finance Securities & Futures Commission Letter No. Taiwan-Finance-Securities-(6)-04448 issued on November 30, 1999. This review work, is based on whether the Affiliation Report for 2023 of Run Long Construction Co., Ltd. is prepared in accordance with the Criteria Governing Preparation of Affiliation Reports, Consolidated Business Reports and Consolidated Financial Statements of Affiliated Enterprises, and whether the disclosed information is not materially inconsistent with the information disclosed in the notes to the financial statements of the period audited by the accountant on March 13, 2024, with the review opinions issued.

According to the review result of the accountant, no violation has been found in the preparation of the above affiliation report to the provisions of the Criteria Governing Preparation of Affiliation Reports, Consolidated Business Reports and Consolidated Financial Statements of Affiliated Enterprises, and no material discrepancy has been found between the information disclosed in the foregoing affiliation report and the information disclosed in the notes to the financial statements of the same period.

KPMG Taiwan

Certified Public Accountant	:
Financial Supervisory Commission Order No	Financial Management Certificate Shen Zi No. 1090332798 Financial Management Certificate 6 words No. 0940129108

March 13, 2024

1. Overview of the relationship between the controlling company and subordinate companies

Name of the controlling company	Reason for controlling	Shareholding and share pledging of the controlling company			Director, supervisor, managerial officers appointed by controlling company	
		Shares	Shareholding ratio	Shares pledged	Job Title	Name
Highwealth Construction	100% shares of ChyiYuh Construction Co., Ltd.	439,200,000	100%	-	Representative of Legal Person Director (Chairperson) ChyiYuh Construction Co., Ltd.	Cheng Chunmin
					Representative of Legal Person Director (Director) ChyiYuh Construction Co., Ltd.	Hsiung, Meng-Chi
					Representative of Legal Person Director (Director) ChyiYuh Construction Co., Ltd.	Fan Huajun
ChyiYuh Construction Co., Ltd.	100% shares of Kauang Yang Investment Co., Ltd.	29,900,000	100%	-	Representative of Legal Person Director (Chairperson) Kaung Yang Investment Co., Ltd.	Cheng Chunmin
Kaung Yang Investment Co., Ltd.	Parent company of the Company	28,759,103	6.37%	3,000,000	Representative of Legal Person Director (Director) of the Company	Chiu, Ping-Tse
					Representative of Legal Person Director (Director) of the Company	Chen, Kuo-Yen
					Representative of Legal Person Director (Director) of the Company	Cheng Chiao-Wen

2. Purchase (sale) of goods

Unit: NT$ thousand

Status of transactions with he controlling company				Terms of transactions with he controlling company		General transaction terms		Reason of difference	Notes/accounts receivables (payables)		Overdue accounts receivables			Remarks
Purchase (sale)	Amount	Percentage to the total purchase (sale)	Gross margin	Unit price (NT$)	Payment Terms	Unit price (NT$)	Payment Terms		Balance	Percentage to total notes/accounts receivables (payables)	Amount	Actions Taken	Allowance for non-performing loans	
Purchase	10,076	0.12%	—	—	With common equivalent	Equivalent	With common equivalent	—	—	—	—	—	—	—

3. Property transaction: None.

4. Financing: None.

5. Asset leasing:

Unit: NT$ thousand

Lease counterparty	Transaction Type (Leasing / Leased)	Underlying property		Lease term	Lease type	Basis of rent	Receipt (payment) method	Compared to general rent level	Total rent for the period	Receipt and payment status for the period	Other agreements
		Name	Location								
Kaung Yang Investment Co., Ltd.	Leasing	Building	8F-6, No. 267, Lequn 2nd Rd, Zhongshan District, Taipei City	Jul. 01, 2022, to Jun. 30, 2023 Jul. 1, 2023, to Jun. 30, 2024	Operating lease	Determined by referring the local market level	Monthly receipt	Equivalent	57	57	None
Highwealth Construction Corporation	Leased	Building	20F., No. 1507-2, Yucheng Rd., Gushan Dist., Kaohsiung City	Aug. 1, 2022, to Jul. 31, 2023 Aug. 1, 2023, to Jul. 31, 2024	Operating lease	Determined by referring the local market level	Monthly payment	Equivalent	57	57	None
Highwealth Construction Corporation	Leased	Building	Block A, Plot 90, Huiguo Section, Xitun District, Taichung City	Jan. 1, 2023, to Apr. 30, 2023	Operating lease	Determined by referring the local market level	Monthly payment	Equivalent	1,372	1,372	None
ChyiYuh Construction Co., Ltd.	Leased	Building	9F., No. 267, Lequn 2nd Rd, Zhongshan District, Taipei City	Jan. 1, 2023, to Dec. 31, 2023	Operating lease	Determined by referring the local market level	Monthly payment	Equivalent	1,739	1,739	None

6. Other key transactions:

(1) The merged company paid ChyiYuh Construction Co., Ltd. management consulting fees and sales activity fees totaling NT$11,563 thousand.

(2) The merging company and ChyiYuh Construction Co., Ltd. paid a deposit of NT$215 thousand as a result of the signing of the lease contract.

(3) The Company entered a joint-construction agreement with Highwealth Construction Co., Ltd, and paid a refundable deposit for NT$100,000 thousand and refundable deposit notes for NT$200,000 thousand.

7. Endorsement/guarantee: None.

8. Other matters materially affecting finance and business: None.

2. Where the Company has carried out a private placement of securities during the most recent fiscal year and up to the date of publication of the annual report, disclose the date on which the placement was approved by the Board of Directors or by a shareholders meeting, the amount thus approved, the basis for and reasonableness of the pricing, the manner in which the specified persons were selected, the reasons why the private placement method was necessary, the targets of the private placement, their qualifications, subscription amounts, subscription price, relationship with the Company, participation in the operations of the Company, actual subscription (or conversion) price, the difference between the actual subscription (or conversion) price and the reference price, the effect of the private placement on shareholders' equity, and, for the period from receipt of payment in full to the completion of the related capital allocation plan, the status of use of the capital raised through the private placement of securities, the implementation progress of the plan, and the realization of the benefits of the plan: None.
3. Holding or disposal of the Company's shares by affiliates in the most recent year and up to the date of publication of the annual report: None.
4. Other Necessary Supplementary Notes: none.
5. Occurrence of any of the situations listed in Article 36, paragraph 3, subparagraph 2 of the Securities and Exchange Act which might materially affect shareholders' equity or the price of the Company's securities during the most recent fiscal year and up to the date of publication of the annual report: None.

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Independent Auditors' Report

To the Board of Directors of Run Long Construction Co., Ltd.:

Opinion

We have audited the consolidated financial statements of Run Long Construction Co., Ltd. and its subsidiaries ("the Group"), which comprise the consolidated balance sheets as of December 31, 2023 and 2022, the consolidated statements of comprehensive income, changes in equity and cash flows for the years then ended and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as of December 31, 2023 and 2022, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and with the International Financial Reporting Standards ("IFRSs"), International Accounting Standards ("IASs"), Interpretations developed by the International Financial Reporting Interpretations Committee ("IFRIC") or the former Standing Interpretations Committee ("SIC") endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the year ended December 31, 2023. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

1. Appropriateness of the timing of revenue recognition from building and land sales

   Please refer to note 4(n), and 6(s) of the consolidated financial statements for the accounting policy on revenue recognition and the details of revenue.

Description of key audit matter

The real estate industry, in which the Group is into, is recognized its sales revenue upon the transfer of ownership of the real estate and the actual delivery of the housing unit. Since there is a large number of sales of premises in the construction industry, in order to confirm the validity of the timing of the sales revenue recognition, the Group needs to examine the transfer of ownership and delivery housing data for all of transaction to recognize the sales revenue, which usually involves tremendous manual efforts. Therefore, the recognition of sales revenue is one of the most important evaluation in performing our audit procedures.

Auditing procedures performed

Our principal audit procedures included the following:

- We test the effectiveness of the design and implementing the internal control system of sales revenue.
- Perform substantive tests, sample inspections of sales contracts and real estate ownership transfer documents, and check sales data and general ledger details.
- Test the samples of sales transaction before and after the end of the year to ensure the correctness of sales revenue.

2. Inventory valuation

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

Description of key audit matter

The inventory of Group is an important asset for operations, and its amount accounts for 59% of the total assets; the inventory evaluation is handled in accordance with the International Accounting Standards Bulletin No. 2, if the net realizable value evaluation is inappropriate, it will cause false expression in financial reports. Therefore, the inventory evaluation test is one of the important evaluation items for the accountant to perform the Group's financial report audit.

Auditing procedures performed

Our principal audit procedures included the following: We understand the Group’s operating and accounting procedures for inventory valuation; Obtain the Group management’s data of inventory valuation; verify and inspect market value of the afore mentioned information. The net realizable value can be assessed in the following ways: through reviewing the recent selling price of the premises, by inquiring the selling price of premises nearby from the “Actual Selling Price of Real Estate” website, or by obtaining project investment analysis tables, inspecting and recalculating the net realizable value of inventory to ensure if it is adequate.

Other Matter

Run Long Construction Co., Ltd. has additionally prepared its parent-company-only financial statements as of and for the years ended December 31, 2023 and 2022, on which we have issued an unmodified opinion.

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

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

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

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

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's 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 consolidated financial statements.

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

1. Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.

5. Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

6. Obtain sufficient and appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

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

The engagement partners on the audit resulting in this independent auditors' report are Han, Yi-Lien and Tseng, Kuo-Yang.

KPMG

Taipei, Taiwan (Republic of China)
March 13, 2024

Notes to Readers

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

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

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

RUN LONG CONSTRUCTION CO., LTD. AND SUBSIDIARIES

Consolidated Balance Sheets

December 31, 2023 and 2022

(Expressed in Thousands of New Taiwan Dollars)

	Assets	December 31, 2023 Amount	%	December 31, 2022 Amount	%
	Current assets:				
1100	Cash and cash equivalents (note 6(a))	$ 4,199,162	10	2,252,570	5
1120	Current financial assets at fair value through other comprehensive income (notes 6(b) and 8)	643,717	2	582,804	1
1140	Current contract assets (note 6(s))	27,465	-	49,113	-
1150	Notes receivable, net (notes 6(c) and 8)	629,541	1	194,620	-
1170	Accounts receivable, net (note 6(c))	97,909	-	1,162,477	3
1200	Other receivables (note 7)	1,904	-	760	-
1320	Inventories (for construction business), net (notes 6(d), 7 and 8)	25,079,562	59	35,583,333	73
1410	Prepayments (note 7)	55,577	-	569,190	1
1476	Other current financial assets (notes 6(h), 7 and 8)	8,288,142	20	1,910,752	4
1479	Other current assets, others	48,804	-	60,697	-
1480	Current assets recognized as incremental costs to obtain contract with customers (note 6(h))	929,954	2	1,564,071	3
		40,001,737	94	43,930,387	90
	Non-current assets:				
1600	Property, plant and equipment (notes 6(e) and 8)	229,634	1	232,087	1
1755	Right-of-use assets (note 6(f))	79,469	-	101,396	-
1760	Investment property, net (notes 6(g) and 8)	1,054,818	2	909,214	2
1780	Intangible assets	16,934	-	16,218	-
1840	Deferred tax assets (note 6(p))	14,461	-	8,603	-
1984	Other non-current financial assets, others (notes 6(h) and 8)	1,092,216	3	3,567,375	7
1990	Other non-current assets, others	49,491	-	49,491	-
		2,537,023	6	4,884,384	10
	Total assets	**$ 42,538,760**	**100**	**48,814,771**	**100**

	Liabilities and Equity	December 31, 2023 Amount	%	December 31, 2022 Amount	%
	Current liabilities:				
2100	Short-term borrowings (note 6(i))	$ 9,098,688	21	22,624,135	46
2110	Short-term notes and bills payable (note 6(i))	1,623,524	4	851,321	2
2130	Current contract liabilities (notes 6(s), 7 and 9)	2,536,109	6	5,654,456	12
2170	Accounts payable	2,954,759	7	2,217,481	5
2180	Accounts payable to related parties (note 7)	3,114	-	62,374	-
2200	Other payables (note 7)	843,805	2	665,785	1
2230	Current tax liabilities (note 6(p))	1,419,784	3	20,247	-
2250	Current provisions (notes 6(m) and (o))	80,656	-	50,544	-
2280	Current lease liabilities (note 6(l))	33,977	-	29,104	-
2321	Bonds payable, current portion or putable bonds (note 6(k))	5,871,596	14	-	-
2322	Long-term borrowings, current portion (note 6(j))	25,938	-	25,525	-
2399	Other current liabilities, others	223,440	1	367,174	1
		24,715,390	58	32,568,146	67
	Non-Current liabilities:				
2530	Bonds payable (note 6(k))	3,996,868	9	9,855,015	20
2541	Long-term borrowings (note 6(j))	267,576	1	293,399	1
2570	Deferred tax liabilities (note 6(p))	2,844	-	2,844	-
2580	Non-current lease liabilities (note 6(l))	45,459	-	72,040	-
		4,312,747	10	10,223,298	21
	Total liabilities	29,028,137	68	42,791,444	88
	Equity (note 6(q)):				
3110	Ordinary share	4,510,261	11	4,510,261	9
3200	Capital surplus	23,854	-	22,601	-
3300	Retained earnings	8,790,821	21	1,359,891	3
3400	Other equity interest	185,687	-	130,574	-
	Total equity	13,510,623	32	6,023,327	12
	Total liabilities and equity	**$ 42,538,760**	**100**	**48,814,771**	**100**

See accompanying notes to consolidated financial statements.

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

RUN LONG CONSTRUCTION CO., LTD. AND SUBSIDIARIES

Consolidated Statements of Comprehensive Income

For the years ended December 31, 2023 and 2022

(Expressed in Thousands of New Taiwan Dollars , Except for Earnings Per Common Share)

		2023		2022	
		Amount	%	Amount	%
	Operating Revenues (notes 6(n), (s) and 7):				
4511	Construction revenue	$ 30,574,496	100	2,353,101	95
4521	Engineering service revenue	91,022	-	116,644	5
4800	Other operating revenue	18,423	-	15,979	-
		30,683,941	100	2,485,724	100
5000	**Operating costs (note 7)**	19,402,845	63	1,673,107	67
	Gross profit from operations	11,281,096	37	812,617	33
	Operating expenses:				
6100	Selling expenses (notes 6(h), (t) and 7)	1,447,617	5	248,082	10
6200	Administrative expenses (note 6(t))	356,226	1	344,979	14
		1,803,843	6	593,061	24
	Operating income	9,477,253	31	219,556	9
	Non-operating income and expenses (notes 6(u) and 7):				
7100	Interest income	50,944	-	10,730	-
7010	Other income	17,741	-	62,366	3
7020	Other gains and losses	39,424	-	99,759	3
7050	Finance costs	(225,521)	(1)	(159,342)	(6)
	Total non-operating income and expenses	(117,412)	(1)	13,513	-
	Profit from continuing operations before tax	9,359,841	30	233,069	9
7950	**Less: Income tax expenses (note 6(p))**	1,658,295	5	76,433	3
	Profit	7,701,546	25	156,636	6
8300	**Other comprehensive income:**				
8310	**Components of other comprehensive income that will not be reclassified to profit or loss**				
8316	Unrealized gains from (losses on) investments in equity instruments measured at fair value through other comprehensive income	55,113	-	(25,152)	(1)
8300	**Other comprehensive income (net after tax)**	55,113	-	(25,152)	(1)
8500	**Total comprehensive income**	**$ 7,756,659**	**25**	**131,484**	**5**
	Earnings per share (note 6(r))				
9750	Basic earnings per share (NT dollars)	**$ 17.08**		**0.35**	
9850	Diluted earnings per share (NT dollars)	**$ 17.07**		**0.35**	

See accompanying notes to consolidated financial statements.

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

RUN LONG CONSTRUCTION CO., LTD. AND SUBSIDIARIES

Consolidated Statements of Changes in Equity

For the years ended December 31, 2023 and 2022

(Expressed in Thousands of New Taiwan Dollars)

	Equity attributable to owners of parent						
	Share capital		Retained earnings			Total other equity interest	
	Ordinary shares	Capital surplus	Legal reserve	Unappropriated retained earnings	Total retained earnings	Unrealized gains (losses) on financial assets measured at fair value through other comprehensive income	Total equity
Balance on January 1, 2022	$ 3,921,966	21,376	901,275	1,674,668	2,575,943	155,726	6,675,011
Profit	-	-	-	156,636	156,636	-	156,636
Other comprehensive income	-	-	-	-	-	(25,152)	(25,152)
Total comprehensive income	-	-	-	156,636	156,636	(25,152)	131,484
Appropriation and distribution of retained earnings:							
Legal reserve appropriated	-	-	167,184	(167,184)	-	-	-
Cash dividends of ordinary share	-	-	-	(784,393)	(784,393)	-	(784,393)
Stock dividends of ordinary share	588,295	-	-	(588,295)	(588,295)	-	-
Due to donated assets received	-	1,225	-	-	-	-	1,225
Balance on December 31, 2022	4,510,261	22,601	1,068,459	291,432	1,359,891	130,574	6,023,327
Profit	-	-	-	7,701,546	7,701,546	-	7,701,546
Other comprehensive income	-	-	-	-	-	55,113	55,113
Total comprehensive income	-	-	-	7,701,546	7,701,546	55,113	7,756,659
Appropriation and distribution of retained earnings:							
Legal reserve appropriated	-	-	15,663	(15,663)	-	-	-
Cash dividends of ordinary share	-	-	-	(270,616)	(270,616)	-	(270,616)
Other changes in capital surplus	-	1,253	-	-	-	-	1,253
Balance on December 31, 2023	**$ 4,510,261**	**23,854**	**1,084,122**	**7,706,699**	**8,790,821**	**185,687**	**13,510,623**

See accompanying notes to consolidated financial statements.

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

RUN LONG CONSTRUCTION CO., LTD. AND SUBSIDIARIES

Consolidated Statements of Cash Flows

For the years ended December 31, 2023 and 2022

(Expressed in Thousands of New Taiwan Dollars)

		2023	2022
Cash flows from (used in) operating activities:			
Profit before tax	$	9,359,841	233,069
Adjustments:			
Adjustments to reconcile profit (loss):			
Depreciation		53,625	45,479
Amortization		4,776	3,522
Interest expense		225,521	159,342
Interest income		(50,944)	(10,730)
Dividend income		(7,231)	(52,666)
Gain on disposal of property, plant and equipment		(767)	(7)
Gain on disposal of investment properties		-	(10,960)
Gain on lease modifications		(2)	(8)
Total adjustments to reconcile profit (loss)		224,978	133,972
Changes in operating assets and liabilities:			
Decrease (increase) in contract assets		21,648	(14,154)
Decrease (increase) in notes receivable		(434,921)	168,865
Decrease (increase) in accounts receivable		1,064,568	(1,041,332)
Decrease in accounts receivable due from related parties		-	96,679
Decrease (increase) in other receivables		(111)	26,745
Decrease (increase) in inventories (construction)		10,830,856	(8,064,514)
Decrease (increase) in prepayments		529,831	(292,386)
Decrease (increase) in other current assets		11,893	(11,926)
Increase in other financial assets—current		(1,003,902)	(300,385)
Decrease (increase) in assets recognized as incremental costs to obtain contract with customers		634,117	(629,867)
Decrease (increase) in other financial assets—non-current		(209)	4,431
Increase (decrease) in contract liabilities		(3,118,347)	2,386,347
Decrease in notes payable		-	(3,720)
Increase (decrease) in accounts payable		737,278	(87,280)
Decrease in accounts payable to related parties		(59,260)	(119,404)
Increase (decrease) in other payables		203,260	(110,052)
Increase in provisions		30,112	3,753
Increase (decrease) in other current liabilities		(143,734)	241,538
Total adjustments		9,528,057	(7,612,690)
Cash inflow (outflow) generated from operations		18,887,898	(7,379,621)
Income taxes paid		(264,616)	(389,033)
Net cash flows from (used in) operating activities		18,623,282	(7,768,654)

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

RUN LONG CONSTRUCTION CO., LTD. AND SUBSIDIARIES

Consolidated Statements of Cash Flows (CONT'D)

For the years ended December 31, 2023 and 2022

(Expressed in Thousands of New Taiwan Dollars)

	2023	2022
Cash flows from investing activities:		
Acquisition of financial assets at fair value through other comprehensive income	(5,800)	-
Acquisition of property, plant and equipment	(4,811)	(3,090)
Proceeds from disposal of property, plant and equipment	1,143	7
Acquisition of intangible assets	(5,492)	(5,360)
Proceeds from disposal of investment properties	-	39,507
Interest received	49,660	10,431
Dividends received	7,231	52,666
Net cash flows from investing activities	41,931	94,161
Cash flows from (used in) financing activities:		
Increase in short-term borrowings	7,053,000	15,893,516
Decrease in short-term borrowings	(20,581,216)	(7,347,800)
Increase in short-term notes and bills payable	11,402,900	4,972,300
Decrease in short-term notes and bills payable	(10,627,600)	(5,358,500)
Proceeds from issuing bonds	-	2,000,000
Repayments of bonds	-	(2,000,000)
Repayments of long-term borrowings	(25,410)	(25,558)
Payment of lease liabilities	(29,691)	(27,010)
Other financial assets—current	(2,637,161)	2,172,052
Other financial assets—non-current	(260,708)	(1,157,874)
Cash dividends paid	(270,616)	(784,393)
Interest paid	(742,119)	(588,052)
Net cash flows from (used in) financing activities	(16,718,621)	7,748,681
Net increase in cash and cash equivalents	1,946,592	74,188
Cash and cash equivalents at beginning of period	2,252,570	2,178,382
Cash and cash equivalents at end of period	**$ 4,199,162**	**2,252,570**

See accompanying notes to consolidated financial statements.

(1) Company history

Run Long Construction Co., Ltd. (the "Company") was incorporated in January 1977 as a company limited by shares under the Company Act of the Republic of China (R.O.C.). The Company's registered address is 8F., No. 267, Lequn 2nd Rd., Zhongshan Dist., Taipei City 104, Taiwan (R.O.C.). On August 3, 1994, the Company's shares were listed on the Taiwan Stock Exchange (TWSE). The consolidated financial statements of the Company as of and for the year ended December 31, 2023 comprise the Company and its subsidiaries (together referred to as the "Group" and individually as "Group entities"). The Group primarily engages in the business of construction, sales, leasing of residential and commercial buildings. Please refer to note 14 for the Group's main business activities.

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

The accompanying consolidated financial statements were authorized for issue by the Board of Directors on March 13, 2024.

(3) New standards, amendments and interpretations adopted:

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

The Group has initially adopted the following new amendments, which do not have a significant impact on its consolidated financial statements, from January 1, 2023:

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

The Group has initially adopted the new amendment, which do not have a significant impact on its consolidated financial statements, from May 23, 2023:

- Amendments to IAS 12 "International Tax Reform—Pillar Two Model Rules"

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

The Group assesses that the adoption of the following new amendments, effective for annual period beginning on January 1, 2024, would not have a significant impact on its consolidated financial statements:

- Amendments to IAS 1 "Classification of Liabilities as Current or Non-current"
- Amendments to IAS 1 "Non-current Liabilities with Covenants"
- Amendments to IAS 7 and IFRS 7 "Supplier Finance Arrangements"

- Amendments to IFRS 16 “Lease Liability in a Sale and Leaseback”

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

The Group does not expect the following new and amended standards, which have yet to be endorsed by the FSC, to have a significant impact on its consolidated financial statements:

- Amendments to IFRS 10 and IAS 28 “Sale or Contribution of Assets Between an Investor and Its Associate or Joint Venture”
- IFRS 17 “ Insurance Contracts” and amendments to IFRS 17 “ Insurance Contracts”
- Amendments to IFRS 17 “Initial Application of IFRS 17 and IFRS 9 – Comparative Information”
- Amendments to IAS21 “Lack of Exchangeability”

(4) Summary of material accounting policies:

The following significant accounting policies have been applied consistently to all periods presented in the consolidated financial statements except for that mentioned in note 3.

(a) Statement of compliance

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

(b) Basis of preparation

(i) Basis of measurement

The consolidated financial statements have been prepared on the historical cost basis except for the following significant accounts.

1) Financial instruments measured at fair value through other comprehensive income are measured at fair value;

(ii) Functional and presentation currency

The functional currency of each Group entities is determined based on the primary economic environment in which the entities operate. The Group’s consolidated financial statements are presented in New Taiwan Dollar (NTD), which is the Company’s functional currency. All the financial information presented in New Taiwan Dollar has been rounded to the nearest thousands.

(Continued)

(c) Basis of consolidation

(i) Principles for preparing consolidated financial statements

The consolidated financial statements comprise the Company and its subsidiaries. Subsidiaries are entities controlled by the Group. The Group 'controls' an entity when it is exposed to, 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.

The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases. Intragroup balances and transactions, and any unrealized income and expenses arising from Intragroup transactions are eliminated in preparing the consolidated financial statements The Group attributes the profit or loss and each component of other comprehensive income to the owners of the parent and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance.

The Group prepares consolidated financial statements using uniform accounting policies for like transactions and other events in similar circumstances.

Changes in the Group's ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received will be recognized directly in equity, and the Group will attribute it to the owners of the parent.

(ii) List of subsidiaries in the consolidated financial statements:

			Shareholding		
Name of investor	**Subsidiaries**	**Principal activity**	**December 31, 2023**	**December 31, 2022**	**Description**
The Company	Jin Jyun Construction Co., Ltd.	Construction industry, residence and building lease construction	100.00 %	100.00 %	

(iii) List of subsidiaries which are not included in the consolidated financial statements: None.

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

An asset is classified as current under one of the following criteria, and all other assets are classified as noncurrent:

(i) It is expected to be realized, or intended to be sold or consumed, in the normal operating cycle;

(ii) It is held primarily for the purpose of trading;

(iii) It is expected to be realized within twelve months after the reporting period; or

(iv) The asset is cash or a cash equivalent (as defined in IAS 7) unless the asset is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

(Continued)

A liability is classified as current under one of the following criteria, and all other liabilities are classified as noncurrent:

(i) It is expected to be settled in the normal operating cycle;

(ii) It is held primarily for the purpose of trading;

(iii) It is due to be settled within twelve months after the reporting period; or

(iv) The Group does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting period. Terms of a liability that could, at the option of the counterparty, result in its settlement by issuing equity instruments do not affect its classification.

(e) Cash and cash equivalents

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

(f) Financial instruments

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

(i) Financial assets

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

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

1) Financial assets measured at amortized cost

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

· it is held within a business model whose objective is to hold assets to collect contractual cash flows; and

· its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

(Continued)

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

2) Fair value through other comprehensive income (FVOCI)

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

· it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and

· its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

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

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

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

Dividend income is recognized in profit or loss on the date on which the Group's right to receive payment is established.

3) Business model assessment

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

4) Impairment of financial assets

The Group recognizes loss allowances for expected credit losses (ECL) on financial assets measured at amortized cost (including cash and cash equivalents, amortized costs, notes and accounts receivable, other receivable, guarantee deposit paid and other financial assets), debt investments measured at FVOCI and contract assets.

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

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

(Continued)

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

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

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

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

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

- significant financial difficulty of the borrower or issuer;
- a breach of contract such as a default or being more than 90 days past due;
- the lender of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession that the lender would not otherwise consider;
- it is probable that the borrower will enter bankruptcy or other financial reorganization; or
- the disappearance of an active market for a security because of financial difficulties.

Loss allowances for financial assets measured at amortized cost are deducted from the gross carrying amount of the assets. For debt securities at FVOCI, the loss allowance is recognized in other comprehensive income instead of reducing the carrying amount of the asset.

The gross carrying amount of a financial asset is written off either partially or in full to the extent that there is no realistic prospect of recovery. For corporate customers, the Group individually makes an assessment with respect to the timing and amount of write-off based on whether there is a reasonable expectation of recovery. The Group expects no significant recovery from the amount written off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's procedures for recovery of amounts due.

(Continued)

5) Derecognition of financial assets

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

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

(ii) Financial liabilities and equity instruments

1) Classification of debt or equity

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

2) Equity instrument

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

3) Financial liabilities

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

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

4) Derecognition of financial liabilities

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

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

(Continued)

5) Offsetting of financial assets and liabilities

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

(g) Inventory

Inventories are measured at the lower of cost and net realizable value. The cost of inventories includes expenditure incurred in acquiring the inventories in bringing them to their existing location and condition, and capitalized borrowing costs.

Net realizable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses. The methods of determining the net realizable values are as follows:

(i) Construction site

Net realizable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses, or estimated by recent market value (development analytical method or comparison method).

(ii) Construction in progress

Net realizable value is the estimated selling price (prevailina market condition) less the estimated costs and selling expenses needed to complete.

(iii) Real estate held for sale

Net realizable value is the estimated selling price (current market condition) in the ordinary course of business, less the estimated selling costs and expenses needed to sell the estate.

(h) Investment property

Investment property is property held either to earn rental income or for capital appreciation or for both, but not for sale in the ordinary course of business, use in the production or supply of goods or services, or for administrative purposes. Investment property is measured at cost on initial recognition, and subsequently at cost, less accumulated depreciation and accumulated impairment losses. Depreciation expense is calculated based on the depreciation method, useful life, and residual value which are the same as those adopted for property, plant and equipment.

Any gain or loss on disposal of an investment property (calculated as the difference between the net proceeds from disposal and the carrying amount) is recognized in profit or loss.

Rental income from investment property is recognized as other revenue on a straight-line basis over the term of the lease. Lease incentives granted are recognized as an integral part of the total rental income, over the term of the lease.

(Continued)

(i) Property, plant and equipment

(i) Recognition and measurement

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

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

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

(ii) Subsequent cost

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

(iii) Depreciation

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

Land is not depreciated.

The estimated useful lives of property, plant and equipment for current and comparative periods are as follows:

1) Buildings	3～50 years
2) Equipment	3～5 years
3) Transportation and office equipment	3～5 years
4) Other equipment	3～15 years

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

(j) Lease

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

(i) As a leasee

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

(Continued)

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

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

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

1) Fixed payments; including in-substance fixed payments;

2) Variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;

3) Amounts expected to be payable under a residual value guarantee; and

4) Payments for purchase or termination options that are reasonably certain to be exercised.

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

1) There is a change in future lease payments arising from the change in an index or rate; or

2) There is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee; or

3) There is a change of its assessment on whether it will exercise an option to purchase the underlying assets; or

4) There is a change of its assessment of lease period on whether it will exercise an extension or termination option; or

5) There is any lease modifications

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

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

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

(Continued)

The Group has elected not to recognize right-of-use assets and lease liabilities for short-term leases of office equipment that have a lease term of 12 months or less and leases of low-value assets. The Group recognizes the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

For sale-and-leaseback transactions, the Group applies the requirements for determining when a performance obligation is satisfied in IFRS15 to determine whether the transfer of an asset is accounted for as a sale of the asset. If the transfer of an asset satisfies the requirement of IFRS15 to be accounted for as a sale of the asset, the Group derecognizes the transferred asset, then measures the right-of-use asset arising from the leaseback at the proportion of the previous carrying amount of the asset that relates to the right of use retained. Accordingly, the Group recognizes only the amount of any gain or loss that relates to the rights transferred to the buyer-lessor. For leaseback transaction, the Group applies the lessee accounting policy. If the transfer of an asset does not satisfy the requirement of IFRS15 to be accounted for as a sale of the asset, the Group continues to recognize the transferred asset and recognizes the financial liability equal to the transfer proceeds.

(ii) As a leasor

When the Group acts as a lessor, it determines at lease commencement whether each lease is a finance lease or an operating lease. To classify each lease, the Group makes an overall assessment of whether the lease transfers to the lessee substantially all of the risks and rewards of ownership incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then the lease is an operating lease. As part of this assessment, the Group considers certain indicators such as whether the lease is for the major part of the economic life of the asset.

When the Group is an intermediate lessor, it assesses the lease classification of a sub-lease with reference to the right-of-use asset arising from the head lease, not with reference to the underlying asset. If a head lease is a short-term lease to which the Group applies the exemption described above, then it classifies the sub-lease as an operating lease.

If an arrangement contains lease and non-lease components, the Group applies IFRS15 to allocate the consideration in the contract.

The Group recognizes a finance lease receivable at an amount equal to its net investment in the lease. Initial direct costs, such as lessors to negotiate and arrange a lease, are included in the measurement of the net investment. The lessor recognizes the interest income over the lease term based on a pattern reflecting a constant periodic rate of return on the net investment in the lease. The Group recognizes lease payments received under operating leases as income on a straight-line basis over the lease term as part of ‘lease income’.

(k) Intangible assets

(i) Recognition and measurement

Goodwill arising on the acquisition of subsidiaries is measured at cost, less accumulated impairment losses.

Expenditure on research activities is recognized in profit or loss as incurred.

(Continued)

Development expenditure is capitalized only if the expenditure can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable flow into the Group and intends to the Group, and has sufficient resources to, complete development and to use or sell the asset. Otherwise, it is recognized in profit or loss as incurred. Subsequent to initial recognition, development expenditure is measured at cost, less accumulated amortization and any accumulated impairment losses.

Other intangible assets that are acquired by the Group and have finite useful lives are measured at cost less accumulated amortization and any accumulated impairment losses.

(ii) Subsequent expenditure

Subsequent expenditure is capitalized only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on internally generated goodwill and brands, is recognized in profit or loss as incurred.

(iii) Amortization

Amortization is calculated over the cost of the asset, less its residual value, and is recognized in profit or loss on a straight-line basis over the estimated useful lives of intangible assets, other than goodwill, from the date that they are available for use.

1) Patent and trademark	10 years
2) Computer software	1～3 years

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

(l) Impairment of non-financial assets

At each reporting date, the Group reviews the carrying amounts of its non-financial assets (other than inventories, contract assets, and deferred tax assets) to determine whether there is any indication of impairment. If any such indication exists, then the asset’ s recoverable amount is estimated. Goodwill is tested annually for impairment.

For impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGUs. Goodwill arising from a business combination is allocated to CGUs or groups of CGUs that are expected to benefit from the synergies of the combination.

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

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

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

(Continued)

An impairment loss in respect of goodwill is not reversed. For other assets, an impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

(m) Provisions

A provision is recognized if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects the current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognized as finance cost.

Warranties

A provision for warranties is recognized by expected warranty expense in warranty period of construction. When warranty expense occurs, it would be written off the warranty provision which was recognized before, or warranty expense would be recognized as expense in the current period.

(n) Revenue

(i) Revenue from contracts with customers

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

1) Land development and sale of real estate

The Group develops and sells residential properties and usually sales properties in advance during construction. Revenue is recognized when control over the properties has been transferred to the customer. The properties have generally no alternative use for the Group due to contractual restrictions. Therefore, revenue is recognized at a point in time either when the legal title has passed to the customer or at the date on the property has actually transferred to the customer.

The revenue is measured at the transaction price agreed under the contract. For sale of readily available house, in most cases, the consideration is due when legal title of a property has been transferred. While deferred payment terms may be agreed in rare circumstances, the transaction price is adjusted for the effects of a significant financing component if the agreement are including a significant financing component. For pre selling properties, the consideration is usually received by installment during the period from contract inception until the transfer of properties to the customer. If the contract includes a significant financing component, the transaction price will be adjusted for the effects of the time value of money during the period, using the specific borrowing rate of the construction project.

2) Construction contracts

The Group enters into contracts to build residential properties, commercial buildings and public constructions. Because its customer controls the asset as it is constructed, the Group recognizes revenue over time on the basis of the construction costs incurred to date as a proportion of the total estimated costs of the contract. The consideration promised in the contract includes fixed and variable amounts. The customer pays the fixed amount based on a payment schedule. For some variable considerations (for example, a penalty payment calculated based on delay days) the Group recognizes revenue only to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognized will not occur. If the Group has recognized revenue, but not issued a bill, then the entitlement to consideration is recognized as a contract asset. The contract asset is transferred to receivables when the entitlement to payment becomes unconditional.

If the Group cannot reasonably measure its progress towards complete satisfaction of the performance obligation of a construction contract, the Group shall recognize revenue only to the extent of the costs expected to be recovered.

A provision for onerous contracts is recognized when the Group expects the unavoidable costs of performing the obligations under a construction contract exceed the economic benefits expected to be received under the contract.

Estimates of revenues, costs or extent of progress toward completion are revised if circumstances change. Any resulting increases or decreases in estimated revenues or costs are reflected in profit or loss in the period in which the circumstances that give rise to the revision become known by management.

For residential properties, and commercial buildings, the Group offers a standard warranty to provide assurance that they comply with agreed upon specifications and has recognized warranty provisions for this obligation.

3) Financing components

The Group assesses whether the financial factors are significant at the contract level in accordance with IFRS15 Application Guidance - The Real Estate Industry, wherein the calculations can be made on a case-by-case basis. After the Group has taken into account the industry characteristics and market borrowing rates, it determines that the financial factors are considered material when they account for more than 5% of the total contract price. The Group expects that (i) the financing components are not substantiative to individual contract or (ii) the period between the transfer of the promised goods or services to the customer and payment by the customer does not exceed one year. As a consequence, the Group does not adjust any of the transaction prices for the time value of money.

(Continued)

(ii) Contract costs

1) Incremental costs of obtaining a contract

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

(o) Employee benefits

(i) Defined contribution plans

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

(ii) Short-term employee benefits

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

(p) Income Taxes

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

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

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

(i) Temporary differences on the initial recognition of assets and liabilities in a transaction that is not a business combination and at the time of the transaction (i) affects neither accounting nor taxable profits (losses) and (ii) does not give rise to equal taxable and deductible temporary differences;

(ii) Temporary differences related to investments in subsidiaries, associates and joint arrangements to the extent that the Group is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and

(iii) taxable temporary differences arising on the initial recognition of goodwill.

(Continued)

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

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

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

(i) the Group has a legally enforceable right to set off current tax assets against current tax liabilities; and

(ii) the deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority on either

1) the same taxable entity; or

2) different taxable entities which intend to settle current tax assets and liabilities on a net basis, or to realize the assets and liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

(q) Earnings per share

The Company disclose the Company's basic and diluted earnings per share attributable to ordinary shareholders of the Company. Basic earnings per share is calculated as the profit attributable to the ordinary shareholders of the Company divided by the weighted average number of ordinary shares outstanding. Diluted earnings per share is calculated as the profit attributable to ordinary shareholders of the Company divided by the weighted average number of ordinary shares outstanding after adjustment for the effects of all potential dilutive ordinary shares, such as remuneration of employee stock options.

(r) Operating segments

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

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

In preparation these consolidated financial statements, management has made judgments, estimates, and assumptions that affect the application of the accounting policies and the reported amount of assets, liabilities, income, and expenses. Actual results may differ from these estimates.

(Continued)

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

Information about judgments made in applying accounting policies that have significant effects on the amounts recognized in the consolidated financial statements is as follows: None.

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the next financial year is as follows.

(a) Valuation of inentories

Inventories are measured at the lower of cost and net realizable value. The Group's evaluate the selling price in the market is below the cost, and write off the cost of inventory to net realizable value. The estimation of net realizable value is based on current market conditions . Please refer note 6(d) for inventory valuation.

Valuation process

The Group's accounting policies and disclosures included financial and non-financial assets and liaiblities measured at fair value. The Group's financial instrument valuation group conducts independent verification on fair value by using data sources that are independent, reliable, and representative of exercise prices. This financial instrument valuation group also periodically adjusts valuation models, conducts back testing, renews input data for valuation models, and makes all other necessary fair value adjustments to assure the rationality of fair value. The fair value measurement of investment property is based on the website of Department of Land Administration and estate agency's website or the close deal in similar district.

Different levels of the fair value hierarchy to be used in determining the fair value of financial instruments are as follows:

- Level 1: quoted prices (unadjusted) in active markets for identifiable assets or liabilities.
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: inputs for the assets or liabilities that are not based on observable market data.

The transfers policy between levels of the fair value hierarchy.

If there is any movement of financial instruments measured at fair value between level 1, level 2 and level 3, the Group recognizes the movement at the reporting date. For assumptions used in measuring fair value. Please refer notes as follows:

(a) Note 6(g) Investment property.

(b) Note 6(v) Financial instruments.

(6) Explanation of significant accounts:

(a) Cash and cash equivalents

	December 31, 2023	December 31, 2022
Cash on hand and petty cash	$ 1,165	587
Demand Deposits (including foreign currency)	4,167,987	2,251,973
Check Deposits	10	10
Time deposits	30,000	-
Cash and cash equivalents	**$ 4,199,162**	**2,252,570**

Please refer to note 6(v) for the disclosure of the Group's financial assets and liabilities interest risk and sensitivity analysis.

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

	December 31, 2023	December 31, 2022
Equity investments at fair value through other comprehensive income:		
Stocks listed on domestic market	**$ 643,717**	**582,804**

(i) The Group designated the investments shown above as equity investment at fair value through other comprehensive income because these equity securities represent those investments that the Group intends to hold for long-term for strategic purposes and not hold for sale.

During the years ended December 31, 2023 and 2022, the dividends of $7,231 thousand and $52,666 thousand, respectively, related to equity investments at fair value through other comprehensive income, were recognized;

(ii) There were no disposals of strategic investments and transfers of any cumulative gain or loss within equity relating to these investments as of December 31, 2023 and 2022.

(iii) For credit risk (including the impairment of the debt investment) and market risk, please refer to note 6(v).

(iv) The financial assets at fair value through other comprehensive income of the Group had been pledged as collateral. Please refer to note 8.

(c) Note and account receivables, net (including related parties)

	December 31, 2023	December 31, 2022
Note receivable	$ 629,541	194,620
Trade receivables–measured as amortized cost	97,909	1,162,477
Total	**$ 727,450**	**1,357,097**

(Continued)

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

	December 31, 2023		
	Gross carrying amount	**Weighted-average loss rate**	**Loss allowance Provision**
Current	$ **727,450**	-	-

	December 31, 2022		
	Gross carrying amount	**Weighted-average loss rate**	**Loss allowance Provision**
Current	$ **1,357,097**	-	-

For the years ended December 31, 2023 and 2022, there are no expected credit losses recognized or reversed.

As of December 31, 2023 and 2022, note receivables had been pledged as collateral; please refer to note 8.

(d) Inventories

	December 31, 2023	**December 31, 2022**
Land held for construction sites	$ 701,934	701,934
Construction in progress	22,344,932	33,050,714
Properties and land held for sale	2,032,696	1,830,685
Total	$ **25,079,562**	**35,583,333**

For the years ended December 31, 2023 and 2022, there were no write-offs or reversals of inventories.

For the years ended December 31, 2023 and 2022, the cost of inventory recognized as cost of goods sold and expense were $19,300,701 thousand and $1,552,485 thousand, respectively.

For the years ended December 31, 2023 and 2022, the Group changed the usage of partial asset, and reclassified properties and land held for sale to investment property according to definition of investment property. Please refer to Note 6(g).

For the years ended December 31, 2023 and 2022, construction in progress of the Group are calculated using a capitalization rate 2.39% and 2.07%, respectively. For the amount of capitalized interest, please refer to note 6(u).

As of December 31, 2023 and 2022 the inventories of the Group had been pledged as collateral, please refer to note 8.

(Continued)

(e) Property, plant and equipment

The cost, depreciation, and impairment of the property, plant and equipment of the Group for the years ended December 31, 2023 and 2022, were as follows:

		Land (Including improvement)	Buildings and construction	Machinery and equipment	Other equipment (Inclding transportation, office, leased improvements and other equipment)	Construction in progress	Total
Cost:							
Balance on January 1, 2023	$	213,883	49,628	1,699	51,916	-	317,126
Additions		-	305	-	1,786	2,720	4,811
Disposals		-	-	-	(916)	-	(916)
Balance on December 31, 2023	**$**	**213,883**	**49,933**	**1,699**	**52,786**	**2,720**	**321,021**
Balance on January 1, 2022	$	213,883	49,628	1,699	49,710	-	314,920
Additions		-	-	-	3,090	-	3,090
Disposals		-	-	-	(884)	-	(884)
Balance on December 31, 2022	**$**	**213,883**	**49,628**	**1,699**	**51,916**	**-**	**317,126**
Depreciation and Impairment:							
Balance on January 1, 2023	$	5,560	45,593	1,027	32,859	-	85,039
Depreciation		143	1,332	247	5,166	-	6,888
Disposals		-	-	-	(540)	-	(540)
Balance on December 31, 2023	**$**	**5,703**	**46,925**	**1,274**	**37,485**	**-**	**91,387**
Balance on January 1, 2022	$	4,990	43,996	602	28,089	-	77,677
Depreciation		570	1,597	425	5,654	-	8,246
Disposals		-	-	-	(884)	-	(884)
Balance on December 31, 2022	**$**	**5,560**	**45,593**	**1,027**	**32,859**	**-**	**85,039**
Carrying amounts:							
Balance on December 31, 2023	**$**	**208,180**	**3,008**	**425**	**15,301**	**2,720**	**229,634**
Balance on December 31, 2022	**$**	**208,323**	**4,035**	**672**	**19,057**	**-**	**232,087**

As of December 31, 2023 and 2022, the above-mentioned property, plant and equipment of the Group were not pledged as collateral.

(f) Right-of-use assets

The Group leases assets including land and buildings. Information about leases for which the Group as a lessee was presented below:

		Land	Buildings	Total
Cost:				
Balance on January 1, 2023	$	3,479	152,503	155,982
Additions		7,948	-	7,948
Lease modification		81	-	81
Balance on December 31, 2023	**$**	**11,508**	**152,503**	**164,011**

(Continued)

		Land	Buildings	Total
Balance on January 1, 2022	$	3,552	152,503	156,055
Transfer to investment property		(73)	-	(73)
Balance on December 31, 2022	$	**3,479**	**152,503**	**155,982**
Depreciation and impairment losses:				
Balance on January 1, 2023	$	594	53,992	54,586
Depreciation		2,228	27,728	29,956
Balance on December 31, 2023	$	**2,822**	**81,720**	**84,542**
Balance on January 1, 2022	$	427	26,264	26,691
Depreciation		182	27,728	27,910
Transfer to investment property		(15)	-	(15)
Balance on December 31, 2022	$	**594**	**53,992**	**54,586**
Carrying amounts:				
Balance on December 31, 2023	$	**8,686**	**70,783**	**79,469**
Balance on December 31, 2022	$	**2,885**	**98,511**	**101,396**

(g) Investment Property

The information of investment properties of the Group were as follows:

		Land and improvement	Buildings and construction	Right-of-use assets-Land	Total
Cost:					
Balance on January 1, 2023	$	501,764	434,920	73	936,757
Transfer from inventory		100,899	61,530	-	162,429
Disposals		-	-	(69)	(69)
Lease modification		-	-	11	11
Others		-	-	(15)	(15)
Balance on December 31, 2023	$	**602,663**	**496,450**	**-**	**1,099,113**
Balance on January 1, 2022	$	423,691	349,785	-	773,476
Transfer from inventory		90,615	101,352	-	191,967
Transfer from right-of-use assets		-	-	73	73
Disposals		(12,542)	(16,217)	-	(28,759)
Balance on December 31, 2022	$	**501,764**	**434,920**	**73**	**936,757**

(Continued)

	Land and improvement	Buildings and construction	Right-of-use assets-Land	Total
Depreciation and Impairment:				
Balance on January 1, 2023	$ -	27,525	18	27,543
Depreciation	-	16,770	11	16,781
Disposals	-	-	(14)	(14)
Others	-	-	(15)	(15)
Balance on December 31, 2023	**$ -**	**44,295**	**-**	**44,295**
Balance on January 1, 2022	$ -	18,417	-	18,417
Transfer from right-of-use assets	-	-	15	15
Depreciation	-	9,320	3	9,323
Disposals	-	(212)	-	(212)
Balance on December 31, 2022	**$ -**	**27,525**	**18**	**27,543**
Carrying amounts:				
Balance on December 31, 2023	**$ 602,663**	**452,155**	**-**	**1,054,818**
Balance on December 31, 2022	**$ 501,764**	**407,395**	**55**	**909,214**
Fair value:				
Balance on December 31, 2023				**$ 1,390,945**
Balance on December 31, 2022				**$ 1,141,412**

The investment property includes the Group's own assets and right-of-use assets held in recognition of lease rights and office buildings and parking lots leased to third parties under operating leases. Please refer to note 6(n) for more information.

The fair value measurement of investment property is based on the website of Department of Land Administation and estate agencys website or the close deal in similar district. The fair value measurement of investment property has been categorized as a level 3 fair value based on the imputs to the valuation techique used.

As of December 31, 2023 and 2022, the Group’s investment property had been pledged as collateral , please refer to note 8.

(h) Other financial assets and incremental costs of obtaining a contract

	December 31, 2023	December 31, 2022
Other current and non-current financial assets	$ 9,380,358	5,478,127
Current incremental costs of obtaining a contract	929,954	1,564,071
Total	**$ 10,310,312**	**7,042,198**

(Continued)

(i) Other financial assets

Other financial assets include certificate of deposit as collateral, trust account for presale of properties, reserve account for borrowing, endoresement and peformance guarantee, reserve account for bonds and construction deposit.

(ii) Incremental costs of obtaining a contract

The Group expects that incremental commission fees paid to intermediaries, and the bonus for the internal sales department are recoverable. The Group has therefore capitalized them as contract costs. Capitalized commission fees are amortized when the related revenues are recognized. For the years ended December 31, 2023 and 2022, the Group recognized $1,280,222 thousand and $110,217 thousand of selling expense.

(i) Short-term borrowings, notes and bills payable

The details of short-term borrowings, notes and bills payable of the Group were as follows:

	December 31, 2023			
	Currency	**Range of interest rate**	**Maturity**	**Amount**
Secured bank loans	TWD	2.01%~3.02%	2024~2027	$ 8,511,688
Unsecured bank loans	TWD	2.25%~2.65%	2024~2027	587,000
Short-term notes and bills payable	TWD	1.52%~2.74%	2024	1,623,524
Total				**$ 10,722,212**

	December 31, 2022			
	Currency	**Range of interest rate**	**Maturity**	**Amount**
Secured bank loans	TWD	2.11%~3.40%	2023~2027	$ 21,334,135
Unsecured bank loans	TWD	1.93%~2.53%	2023~2027	1,290,000
Short-term notes and bills payable	TWD	2.29%~2.49%	2023	851,321
Total				**$ 23,475,456**

(i) The issue of bank loan and repayment

For the years ended December 31, 2023 and 2022, the incremental amounts were $18,455,900 thousand and $20,865,816 thousand, respectively; the repayment amounts were $31,208,816 thousand and $12,706,300 thousand, respectively.

(ii) Collateral for bank loans

The Group had pledged as collateral for bank loans, please refer to note 8.

(j) Long-term borrowings/Long-term borrowings, current portion

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

	December 31, 2023			
	Currency	**Range of interest rate**	**Maturity**	**Amount**
Secured bank loans	TWD	2.29%	2034	$ 293,514
Less: current portion				(25,938)
Total				**$ 267,576**

	December 31, 2022			
	Currency	**Range of interest rate**	**Maturity**	**Amount**
Secured bank loans	TWD	2.04%	2034	$ 318,924
Less: current portion				(25,525)
Total				**$ 293,399**

(i) The issue of bank loan and repayment

For the years ended December 31, 2023 and 2022, the incremental amounts were no addition; the repayment amounts were $25,410 thousand and $25,558 thousand, respectively.

(ii) Collateral for bank loans

The Group had pledged as collateral for bank loans, please refer to note 8.

(k) Bonds payable/Bonds payable current portion or putable bonds

The details of the Group’s bonds payable were as follows:

	December 31, 2023	**December 31, 2022**
Secured ordinary bonds	$ 9,900,000	9,900,000
Discount on bonds payable－unamortized amount	(31,536)	(44,985)
Ending balance: bonds payable	**$ 9,868,464**	**9,855,015**
Secured ordinary corporate bond－current	$ 5,871,596	-
Secured ordinary corporate bond－non-current	3,996,868	9,855,015
Total	**$ 9,868,464**	**9,855,015**

(i) The Group has not issued, repurchased or repaid corporate bonds payable in advance in 2023. The Group issued a secured ordinary corporate bond for 5 years at the amount of $2,000,000 thousand, with an interest rate of 0.85%, in April 2022.

(ii) The Group issued a secured ordinary corporate bond amounting to $2,000,000 thousand, and $5,900,000 thousand with an interest rate of 0.57% and 0.78%～0.85% in November 2021 and 2019, respectively. The secured ordinary corporate bonds were issued for 5 years.

(Continued)

(iii) For the details of collateral of secured ordingary carporate bond, please refer to note 8.

(l) Lease liabilities

The carrying amount of lease liabilities were as follows：

	December 31, 2023	December 31, 2022
Current	$ 33,977	29,104
Non-current	$ 45,459	72,040

For the maturity analysis, please refer to note 6(v).

The amounts recognized in profit or loss were as follows:

	For the years ended December 31	
	2023	2022
Interest on lease liabilities	$ 1,696	2,145
Expenses relating to short-term leases	$ 14,140	15,197

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

	For the years ended December 31	
	2023	2022
Total cash outflow for leases	$ 45,527	44,352

(i) Real estate lease

The Group sold and leased back its office buildings, and leased land for parking lot. The leases run for a period of 1.5-20 years. The Group also leases out its office equipment, reception center and outdoor advertising. These leases are short-term and leases of low-value items. The Group has elected not to recognize right-of-use assets and lease liabilities for these leases.

(m) Provisions

	Warranty
Balance on January 1, 2023	$ 43,015
Provisions made during the year	38,687
Provisions reversed during the year	(9,394)
Balance on December 31, 2023	$ 72,308
Balance on January 1, 2022	$ 43,197
Provisions made during the year	6,785
Provisions used at current period	(6,967)
Balance on December 31, 2022	$ 43,015

(Continued)

For the years ended December 31, 2023 and 2022, the Group's warranty provision is related to construction contract. The warranty measured by the historical record, the Group expects most of the liabilities will realize within 1-3 years after construction completion.

(n) Operating lease

The Group leases out its investment property. The Group has classified these leases as operating leases, because it does not transfer substantially all of the risks and rewards incidental to the ownership of the assets. Please refer to note 6(g) sets out information about the operating leases of investment property.

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

		December 31, 2023	December 31, 2022
Less than one year	$	23,828	17,981
One to two years		21,452	12,049
Two to three years		16,480	9,029
Three to four years		15,663	4,131
Four to five years		13,852	4,131
More than five years		-	3,034
Total undiscounted lease payments	$	91,275	50,355

For the years ended December 31, 2023 and 2022, the Group's rental income from investment properties were $18,423 thousand and $15,979 thousand, respectively.

(o) Employee benefits

(i) Defined benefit plans

The Group's employee benefit liabilities were as follows:

		December 31, 2023	December 31, 2022
Short-term paid leave liability	$	8,348	7,529

(ii) Defined contribution plans

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

The pension costs incurred from the contributions to the Bureau of the Labor Insurance amounted to $12,644 thousand and $9,193 thousand for the years ended December 31, 2023 and 2022, respectively.

(Continued)

(p) Income tax

(i) The components of income tax expense for the years ended December 31, 2023 and 2022 were as follows:

	For the years ended December 31	
	2023	**2022**
Current tax expense		
Current period	$ 1,438,357	27,130
Land value increment tax	225,630	39,487
Adjustment for prior periods	166	3,182
Additional surtax on unappropriated earnings	-	6,598
	1,664,153	76,397
Deferred tax expense		
Origination and reversal of temporary differences	(5,858)	36
Tax expense	**$ 1,658,295**	**76,433**

The reconciliation of income tax expense and profit before tax for the years ended December 31, 2023 and 2022 are as follows:

	For the years ended December 31	
	2023	**2022**
Profit before tax	$ 9,359,841	233,069
Income tax expense at domestic statutory tax rate	1,871,968	46,614
Book –tax difference between revenue recognition time	(16,117)	-
Book –tax difference between deferred interest expense	(6,558)	(20,901)
Land tax exempt income	(274,182)	(63,284)
Book –tax difference between deferred sales commission	(27,501)	14,535
Adjustment for prior periods	166	3,182
Land value increment tax	225,630	39,487
Dividend income	(1,446)	(10,533)
Additional surtax on unappropriated earnings	-	6,598
Others	(113,665)	60,735
	$ 1,658,295	**76,433**

(Continued)

(ii) Recognized deferred tax assets and liabilities

Changes in the amount of deferred tax assets and liabilities for for the years ended December 31, 2023 and 2022 were as follows:

		Warranty
Deferred tax assets:		
Balance on January 1, 2023	$	8,603
Debit income statement		5,858
Balance on December 31, 2023	**$**	**14,461**
Balance on January 1, 2022	$	8,639
Credit income statement		(36)
Balance on December 31, 2022	**$**	**8,603**

		Provision for land value increment tax
Deferred tax liabilities:		
Balance on January 1, 2023	$	2,844
Balance on December 31, 2023	**$**	**2,844**
Balance on January 1, 2022	$	2,844
Balance on December 31, 2022	**$**	**2,844**

(iii) Assessment of tax

The Company’ s and its subsidiaries income tax had been examined by the tax authorities till the year 2021.

(q) Capital and other equity

As of December 31, 2023 and 2022, the total value of authorized ordinary shares both were $8,000,000 thousand, with par value of $10 per share. The paid-in capital both were $451,026 thousand.

(i) Ordinary shares

A resolution was passed during the general meeting of shareholders held on June 9, 2022, for the issuance of 150 new shares per one thousand shares, using retained earnings, with an amount totaling $588,295 thousand. The Company has received the approval from the Financial Supervisory Commission for the above-mentioned capital increase on August 1, 2022. Also, a resolution was passed during the board meeting, to set October 2, 2022, as the base date for the stock allotment.The relevant statutory registration procedures have since been completed.

(Continued)

(ii) Capital surplus

The components of the capital surplus were as follows:

		December 31, 2023	December 31, 2022
Premium on issuance of capital stock	$	12,021	12,021
Others		11,833	10,580
	$	**23,854**	**22,601**

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

(iii) Retained earnings

In accordance with the Company’s Articles of Incorporation, stipulates that Company’s net earnings should first be used to offset the prior years’ deficits, if any, before paying any income taxes. Of the remaining balance, 10% is to be appropriated as legal reserve, and then any remaining profit together with any undistributed retained earnings shall be distributed according to the distribution plan proposed by the Board of Directors and submitted to the stockholders’ meeting for approval.

Before the distribution of dividends, the Company shall first take into consideration its operating environment, industry developments, and the long-term interests of stockholders, as well as its programs to maintain operating efficiency and meet its capital expenditure budget and financial goals in determining the stock or cash dividends to be paid. When distributing dividends, the Company determines the stock or cash dividends to be paid. The limit of dividend distribution is maintained between 10% and 100% of current-year earnings distribution. The cash dividends shall not be below 10% of total dividends.

As the Company distributes all or part of dividends, or legal reserve, or cpaital with cash, the Company should hold a Board meeting to pass the resolution by more than half of the directors present at the Board meeting, which meeting requires a quorum of two thirds of all the directors present. The resolution should be submitted to the Shareholder’s meeting.

1) Legal reserve

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

(Continued)

2) Special reserve

In accordance with the FSC, a portion of current-period earnings and undistributed prior-period earnings shall be reclassified as special earnings reserve during earnings distribution. The amount to be reclassified should equal the current-period total net reduction of other shareholders' equity. Similarly, a portion of unappropriated earnings prior-period earnings shall be reclassified as special earnings reserve (and does not qualify for earnings distribution) to account for cumulative changes to other shareholders' equity pertaining to prior periods. Amounts of subsequent reversals pertaining to the net reduction of other shareholders' equity shall qualify for additional distributions.

3) Earnings distribution

Earnings distribution for the years ended December 31, 2022 and 2021 were decided by the resolution adopted, at the general meeting of shareholders held on June 13, 2023 and June 9, 2022, and the dividends distribution were as follows:

	For the years ended December 31			
	2022		2021	
	Amount per share (dollars)	Amount	Amount per share (dollars)	Amount
Dividends distributed to ordinary shareholders:				
Cash	$ 0.60	270,616	2.00	784,393
Shares	-	-	1.50	588,295
Total		$ 270,616		1,372,688

(iv) Other equity items (net after tax)

	Unrealized gains (losses) from financial assets measured at fair value through other comprehensive income
Balance on January 1, 2023	$ 130,574
Unrealized gains (losses) from financial assets measured at fair value through other comprehensive income	55,113
Balance onDecember 31, 2023	$ 185,687
Balance on January 1, 2022	$ 155,726
Unrealized gains (losses) from financial assets measured at fair value through other comprehensive income	(25,152)
Balance on December 31, 2022	$ 130,574

(Continued)

(r) Earnings per share

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

(i) Basic earnings per share

	For the years ended December 31	
	2023	**2022**
1) Profit attributable to ordinary shareholders of the Company	$ **7,701,546**	**156,636**
2) Weighted-average number of ordinary shares	**451,026**	**451,026**

(ii) Diluted earnings per share

	For the years ended December 31	
	2023	**2022**
1) Profit attributable to ordinary shareholders of the Company (diluted)	$ **7,701,546**	**156,636**
2) Weighted-average number of ordinary shares (basic)	451,026	451,026
Effect of restricted employee shares unvested	261	156
Weighted-average number of ordinary shares (diluted)	**451,287**	**451,182**

(s) Revenue from contracts with customers

(i) Disaggregation of revenue

	For the year ended December 31, 2023		
	Sales of real estate department	**Construction contractor department**	**Total**
Primary geographical markets:			
Taiwan	$ **30,592,919**	**91,022**	**30,683,941**
Major products/services lines:			
Sales revenue (sales of real estate)	$ 30,574,496	-	30,574,496
Construction contractor	-	91,022	91,022
Other revenue	18,423	-	18,423
	$ **30,592,919**	**91,022**	**30,683,941**
Timing of revenue recognition:			
Revenue transferred over time	$ 18,423	91,022	109,445
Products and services transferred at a point in time	30,574,496	-	30,574,496
Total	$ **30,592,919**	**91,022**	**30,683,941**

(Continued)

	For the year ended December 31, 2022		
	Sales of real estate department	**Construction contractor department**	**Total**
Primary geographical markets:			
Taiwan	$ 2,369,080	116,644	2,485,724
Major products/services lines:			
Sales revenue (sales of real estate)	$ 2,353,101	-	2,353,101
Construction contractor	-	116,644	116,644
Other revenue	15,979	-	15,979
	$ 2,369,080	116,644	2,485,724
Timing of revenue recognition:			
Revenue transferred over time	15,979	116,644	132,623
Products and services transferred at a point in time	2,353,101	-	2,353,101
Total	$ 2,369,080	116,644	2,485,724

(ii) Contract balances

	December 31, 2023	**December 31, 2022**	**January 1, 2022**
Contract assets－Construction	$ 27,465	49,113	34,959
Less: Allowance for impairment	-	-	-
Total	$ 27,465	49,113	34,959
Contract liabilities－Construction	$ -	1	-
Contract liabilities－Sales of real estate	2,535,438	5,654,170	3,267,845
Contract liabilities－Advance receipt	671	285	264
Total	$ 2,536,109	5,654,456	3,268,109

For details on accounts receivable and allowance for impairment, please refer to note 6(c).

The amount of revenue recognized for the years ended December 31, 2023 and 2022 that was included in the contract liability－ Sales of real estate balance at the beginning of the period were $4,535,557 thousand and $236,221 thousand, respectively.

The major change in the balance of contract assets and liabilities is the difference between the time frame in the performance obligation to be satisfied and the payment to be received. There were no other significant changes for the years ended December 31, 2023 and 2022.

(Continued)

(t) Employee and directors' remuneration

In accordance with the articles of incorporation the Company should contribute no less than 0.1% of the profit as employee remuneration and less than 1% as directors' remuneration when there is profit for the year. However, if the Company has accumulated deficits, the profit should be reserved to offset the deficit. The recipients of shares and cash may include the employees of the Company's affiliated companies who meet certain conditions.

For the years ended December 31, 2023 and 2022, the Company estimated its employee remuneration amounting to $25,000 thousand and $4,000 thousand, respectively, and directors' remuneration amounting to $10,000 thousand and $1,500 thousand, respectively. The estimated amounts mentioned above are calculated based on the net profit before tax, excluding the remuneration to employees, directors of each period, multiplied by the percentage of remuneration to employees, directors as specified in the Company's articles. If there is difference between the estimated amount and actual distribution of next year, the Company recognizes it in profit and loss of the next year, as a change in accounting estimates. If a resolution is made by the meeting of Board of Directors to distribute employee remuneration by shares, the number of shares to be distributed will be calculated based on the closing price of the Company's ordinary shares, one day before the date of the meeting of Board of Directors. These remunerations were expensed under operating expenses for the years end 2023 and 2022. Related information would be available at the Market Observation Post System website. The amounts, as stated in the consolidated financial statements, are identical to those of the actual distributions for 2023 and 2022.

(u) Non-operating income and expense

(i) Interest income

The details of interest income for the years ended December 31, 2023 and 2022 were as follows:

	For the years ended December 31	
	2023	**2022**
Interest income from construction refundable deposit	$ 251	133
Interest income from bank deposit and bills	50,683	10,597
Others	10	-
	$ 50,944	**10,730**

(ii) Other income

The details of other income for the years ended December 31, 2023 and 2022 were as follows:

	For the years ended December 31	
	2023	**2022**
Dividend income	$ 7,231	52,666
Rent income	10,510	9,700
	$ 17,741	**62,366**

(Continued)

(iii) Other gains and losses

The details of other gains and losses for the years ended December 31, 2023 and 2022 were as follows:

	For the years ended December 31	
	2023	**2022**
Gain on disposal of investment property	$ -	10,960
Gain on disposal of property, plant and equipment	767	7
Gain on lease modification	2	8
Foreign exchange income	3	933
Other income	39,032	90,440
Other expenses	(380)	(2,589)
	$ 39,424	**99,759**

(iv) Finance costs

The details of finance cost for the years ended December 31, 2023 and 2022 were as follows:

	For the years ended December 31	
	2023	**2022**
Interest expense		
Bank loans and collateral	$ 506,178	409,322
Guarantee fees	15,731	2,885
Interest on corporate bond (including fees)	191,430	203,232
Other financial expenses	1,696	2,145
Less: capitalized interest	(489,514)	(458,242)
	$ 225,521	**159,342**

(v) Financial instruments

(i) Credit risk

1) Credit risk exposure

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

2) Concentration of credit risk

The most of acounts receivable of the Group are from sales of real estate department and construction contractor department. Receivables generated from construction contractor department are mostly from companies in the Group or listed companies, which are considered to have good credit. Thus, the Group evaluates there is no significant credit risk.

(Continued)

Receivables generated from sales of real estate department are mostly from individuals, and the payments are usually completed with transferring, check, or loans form the bank, which are considered to have low credit risk and no past-due condition. Thus, the Group evaluates there is no need to recognize loss allowance provision.

(ii) Liquidity risk

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

	Carrying amount	Contractual cash flows	Within 1 year	1-3 years	3-5 years	Over 5 years
December 31, 2023						
Non derivative financial liabilities:						
Secured bank loans	$ 8,805,202	9,258,752	3,002,023	5,087,064	1,002,326	167,339
Unsecured bank loans	587,000	607,539	427,181	8,689	171,669	-
Short-term notes and bills payable	1,623,524	1,627,000	1,627,000	-	-	-
Ordinary corporate bonds (including current portion)	9,868,464	10,051,020	5,977,220	2,056,800	2,017,000	-
Notes payable, accounts payable and other payables	3,801,678	3,801,678	3,801,678	-	-	-
Lease liabilities	79,436	81,491	34,076	46,555	137	723
	$ 24,765,304	**25,427,480**	**14,869,178**	**7,199,108**	**3,191,132**	**168,062**
December 31, 2022						
Non derivative financial liabilities:						
Secured bank loans	$ 21,653,059	22,614,044	10,144,703	8,664,165	3,606,703	198,473
Unsecured bank loans	1,290,000	1,312,915	1,244,624	3,186	65,105	-
Short-term notes and bills payable	851,321	851,700	851,700	-	-	-
Ordinary corporate bonds	9,855,015	10,128,240	77,220	6,005,620	4,045,400	-
Notes payable, accounts payable and other payables	2,945,640	2,945,640	2,945,640	-	-	-
Lease liabilities	101,144	104,730	29,162	58,325	16,519	724
	$ 36,696,179	**37,957,269**	**15,293,049**	**14,731,296**	**7,733,727**	**199,197**

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

(iii) Market risk

1) Interest rate analysis

Please refer to the notes on liquidity risk management and interest rate exposure of the Group’s financial assets and liabilities.

The following sensitivity analysis is based on the exposure to the interest rate risk of derivative and non derivative financial instruments on the reporting date. Regarding assets with variable interest rates, the analysis is based on the assumption that the amount of assets outstanding at the reporting date was outstanding throughout the year. The rate of change is expressed as the interest rate increases or decreases by 0.5% when reporting to management internally, which also represents the Group management's assessment of the reasonably possible interest rate change.

If the interest rate had increased / decreased by 0.5% basis points, the Group’s interest expenses would have increased / decreased by $46,970 thousand and $114,738 thousand, respectively, for the years ended December 31, 2023 and 2022, with all other variable factors remaining constant. Taking into account that capitalized interest of profit may decrease or increase by $14,814 thousand and $29,603 thousand, respectively. This is mainly due to the Group’s borrowing at variable rates.

2) Other market price risk

For the years ended December 31, 2023 and 2022, the sensitivity analyses for the changes in the securities price at the reporting date were performed using the same basis for the profit and loss as illustrated below:

	For the years ended December 31	
	2023	**2022**
Price of securities at reporting date	**Other comprehensive income after tax**	**Other comprehensive income after tax**
Increasing 10%	**$ 64,372**	**58,280**
Decreasing 10%	**$ (64,372)**	**(58,280)**

(iv) Information of fair value

1) Valuation techniques for financial instruments measured at fair value

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

(Continued)

	December 31, 2023				
		Fair Value			
	Book Value	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial assets at fair value through other comprehensive income					
Stocks listed on domestic markets	$ 643,717	643,717	-	-	643,717
Financial assets measured at amortized cost					
Cash and cash equivalents	$ 4,199,162	-	-	-	-
Notes and accounts receivable	727,450	-	-	-	-
Other receivables	1,904	-	-	-	-
Other financial assets－current	8,288,142	-	-	-	-
Other financial assets－non-current	1,092,216	-	-	-	-
Subtotal	14,308,874	-	-	-	-
Total	**$ 14,952,591**	**643,717**	**-**	**-**	**643,717**
Financial liabilities measured at amortized cost					
Short-term loans	$ 9,098,688	-	-	-	-
Short-term notes and bills payable	1,623,524	-	-	-	-
Notes payable, accounts payable and other payables	3,801,678	-	-	-	-
Lease liabilities	79,436	-	-	-	-
Corporate bonds payable (including current portion)	9,868,464	-	-	-	-
Long-term loans (including current portion)	293,514	-	-	-	-
Total	**$ 24,765,304**	**-**	**-**	**-**	**-**

	December 31, 2022				
		Fair Value			
	Book Value	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial assets at fair value through other comprehensive income					
Stocks listed on domestic markets	$ 582,804	582,804	-	-	582,804
Financial assets measured at amortized cost					
Cash and cash equivalents	$ 2,252,570	-	-	-	-
Notes and accounts receivable	1,357,097	-	-	-	-
Other receivables	760	-	-	-	-
Other financial assets－current	1,910,752	-	-	-	-
Other financial assets－non-current	3,567,375	-	-	-	-
Subtotal	9,088,554	-	-	-	-
Total	**$ 9,671,358**	**582,804**	**-**	**-**	**582,804**

(Continued)

	December 31, 2022				
		Fair Value			
	Book Value	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial liabilities measured at amortized cost					
Short-term loans	$ 22,624,135	-	-	-	-
Short-term notes and bills payable	851,321	-	-	-	-
Notes payable, accounts payable and other payables	2,945,640	-	-	-	-
Lease liabilities	101,144	-	-	-	-
Corporate bonds payable (including current portion)	9,855,015	-	-	-	-
Long-term loans (including current portion)	318,924	-	-	-	-
Total	**$ 36,696,179**	**-**	**-**	**-**	**-**

2) Valuation techniques for financial instruments measured at fair value

a) Non-derivative financial instruments

A financial instrument is regarded as being quoted in an active market if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency and those prices represent actual and regularly occurring market transactions on an arm's-length basis. Whether transactions are taking place ‘regularly’ is a matter of judgment and depends on the facts and circumstances of the market for the instrument.

Quoted market prices may not be indicative of the fair value of an instrument if the activity in the market is infrequent, the market is not well-established, only small volumes are traded, or bid-ask spreads are very wide. Determining whether a market is active involves judgment.

Fair values and extents of financial instruments quoted in active markets are listed as follows:

i) Fair value of listed stocks and corporate bonds are determined by market prices, for they are issued with standard terms and conditions, and are quoted in active markets.

b) Derivative financial instruments

Measurement of the fair value of derivative instruments is based on the valuation techniques generally accepted by market participants such as the discounted cash flow or option pricing models. Fair value of forward currency is usually determined by the forward currency exchange rate. Structured Interest Rate Derivatives financial instruments are base on appropriate option pricing models (such as the Black – Scholes model) or other evaluation methods.

The discounted cash flow method is used to estimate the fair value. The main assumptions are considering the probability of occurrence base on the surplus before the tax, interest, depreciation and amortization to estimate the price to be paid, and are estimated as the present value after discounting, whose discount rate is adjusted base on the risk.

(Continued)

3) Transfers between levels

Stock held by the Group quoted in an active market is sorted to Level 1. There is no difference regarding valuation techniques for the years ended December 31, 2023 and 2022. There is no transfer between levels measured at fair value for the years ended December 31, 2023 and 2022.

(w) Financial risk management

(i) Overview

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

1) Credit risk

2) Liquidity risk

3) Market risk

The following likewise discusses the Group's exposure information, objectives, policies and processes for measuring and managing the above mentioned risks.

(ii) Structure of risk management

The Group's risk management policies are established to identify and analyze the risks faced by the Group, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities. The Group, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

(iii) Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's receivables from customers and investments in debt securities.

1) Trade and other receivable

The Group's credit risk is affected by its clients. Accounts receivable generated by selling real estate has a lower credit risk since the payment is completed by the masses with transferring, check, or loans from the bank. Receivables generated from construction contractor department are mostly from companies in the Group or listed companies, which are considered to have low credit risk.

The Group discloses the estimation of accounts receivables' and other receivables' loss with allowance for bad debt impairment loss account. Allowance for bad debt impairment loss account is composed with specific losses and batch of unrecognized losses components. Unrecognized losses components are determined by historically statistical data from similar financial assets.

(Continued)

2) Investments

The exposure to credit risk for the bank deposits, fixed income investments, and other financial instruments is measured and monitored by the Group's finance department. The Group only deals with banks, other external parties, corporate organizations, government agencies and financial institutions with good credit rating. The Group does not expect any counterparty above fails to meet its obligations hence there is no significant credit risk arising from these counterparties.

3) Guarantees

The Group's policy is to provide financial guarantees to subsidiaries that directly or indirectly hold more than 50% of voting shares and companies with business relations. At December 31, 2023, the situation about the Group provided guarantees to wholly owned subsidiaries, please refer to note 13(a).

(iv) Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group's approach to managing liquidity is to ensure, as far as possible, that it always has sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

(v) Market risk

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

(x) Capital management

The Group's objectives for managing capital to safeguard the capacity to continue to operate, to continue to provide a return on shareholders, to maintain the interest of other related parties, and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may adjust the dividend payment to the shareholders, or issue new shares.

The Group and other entities in the same industry use the debt-to-equity ratio to manage capital. This ratio is the total net debt divided by the total capital. The net debt from the balance sheet is derived from the total liabilities less cash and cash equivalents. The total capital and equity include share capital, capital surplus, retained earnings, and other equity plus net debt.

(Continued)

As of 2023, the Group's capital management strategy is consistent with the prior year as of 2022. The gearing ratio is maintained so as to ensure financing at reasonable cost. The Group's debt-to-equity ratio as of December 31, 2023 and 2022, were as follows:

	December 31, 2023	December 31, 2022
Total liabilities	$ 29,028,137	42,791,444
Less: cash and cash equivalents	(4,199,162)	(2,252,570)
Net debt	24,828,975	40,538,874
Total Equity	13,510,623	6,023,327
Total capital and equity	**$ 38,339,598**	**46,562,201**
Debt-to-equity ratio	**65%**	**87%**

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

The Group's investing and financing activities which did not affect the current cash flow in the years ended December 31, 2023 and 2022, were as follows:

(i) By the lease to get the right-of-use asset, please refer to notes 6(f).

(7) Related-party transactions:

(a) Parent company and ultimate controlling company

On December 31, 2023 and 2022, Guang Yang Investment Co., Ltd. (Guang Yang) is the parent company of the Group and both owns 6.37% of all shares outstanding of the Company. Chyi Yuh Construction Co., Ltd. is the parent company of Guang Yang. Highwealth Construction Corp. is the ultimate controlling party of the Group and has issued the Consolidated Financial Statements available for Public Use.

(b) Names and relationship with related party

The followings are entities that have had transactions with related party during the periods covered in the consolidated financial statements.

Name of related party	Relationship with the Group
Guang Yang Investment Co., Ltd.	Parent company of the Group
Chyi Yuh Construction Co., Ltd.	Parent company of Guang Yang Investment Co., Ltd.
Highwealth Construction Corp. (Highwealth)	Ultimate controlling company of the Group
Well Rich International Co., Ltd.	Same ultimate controlling company with the Group
Bo Yuan Construction Co., Ltd. (Bo Yuan)	〃
Ju Feng Hotel Management Consultant Co., Ltd. (Ju Feng)	〃
Highwealth Real Estate Co., Ltd.	〃

(Continued)

Name of related party	Relationship with the Group
Da Li Investment Co., Ltd.	Corporate director of the Group
Goyu Construction Co., Ltd	The entity is a joint venture under the parent company of the Group
Fang ○○ architectual firm	Key management personnel of the Group who is in charge of the architectural firm
○○, Ye	Relatives by blood within the second degree of relationship of key management personnel of the Company
○○, Ciou	Relatives by blood within the second degree of relationship of key management personnel of the Company

(c) Significant transactions with related parties

(i) Operating revenues

For the years ended December 31, 2023 and 2022, the Group entered into separate sales agreements with different related parties for the disposal of its real estates, at the amounts of $32,077 thousand and $32,078 thousand (VAT included) in accordance with the employee purchase policy, resulting in the amounts of $31,256 thousand and zero to be recognized as sales revenue, as well as the advance real estate receipts of zero and $4,588 thousand, respectively, as contract liabilities, with the approval of its board. There were no difference between the conditions for related parties stated in the contract mentioned and those of non-related parties.

(ii) Purchase

1) The amounts of purchases from contract construction by the Group from related parties were as follows:

	Purchase (charged)	
	For the years ended December 31	
	2023	2022
Parent company:		
Chyi Yuh	$ -	174,989
Other related parties		
Bo Yuan	46,807	373
Other related parties	1,210	10,902
	$ 48,017	186,264

There were no significant differences of the price and conditions for related parties and ordinary contract mentioned above.

The above transaction is the purchase agreement entered into by the Group with its other related party, Bo Yuan, who the Group purchase a building permit from at the price of $48,852 thousand (VAT included).

2) The Group commissioned related parties to administer construction properties. Administration fees were as follows:

	Expense paid For the years ended December 31 2023	2022
Parent company:		
Highwealth	$ 10,076	-
Other related parties		
Highwealth Real Estate	559	6,548
	$ 10,635	**6,548**

(iii) Receivables from related parties

The receivables from related parties were as follows:

Accounted items	**Categories**	**December 31, 2023**	**December 31, 2022**
Other receivables	Parent company－Chyi Yuh	**$ 449**	**-**

(iv) Payables to related parties

The payables to related parties were as follows:

Accounted items	**Categories**	**December 31, 2023**	**December 31, 2022**
Accounts payable	Parent company－Chyi Yuh	$ -	55,927
〃	Other related parties－Well Rich	2,887	3,467
〃	Other related parties	227	2,980
Other payables	Parent company	18	75
〃	Other related parties－Ju Feng	19,468	7,712
〃	Other related parties	591	222
		$ 23,191	**70,383**

(Continued)

(v) Leases

The leases between the Group and related parties were as follows:

1) Rent income

	Guarantee deposits		Rent income For the years ended December 31	
	December 31, 2023	December 31, 2022	2023	2022
Parent company	$ -	-	57	57
Other related parties：				
Bo Yuan	1,378	1,378	7,902	7,902
Other related parties	200	-	994	41
	$ 1,578	1,378	8,953	8,000

2) Rent expense

	Refundable deposits		Rent expense For the years ended December 31	
	December 31, 2023	December 31, 2022	2023	2022
Parent company:				
Highwealth	$ -	-	1,429	4,677
Chyi Yuh	215	215	1,739	1,739
Other related parties:				
Bo Yuan	140	140	777	777
	$ 355	355	3,945	7,193

(vi) Others

1) As of December 31, 2023 and 2022, the Group’s contracts with related parties for construction cooperation were as follows:

Property	Land owner /Investor	Type	Portion	Construction deposits
December 31, 2023				
Shr Jeng Ai Yue (Huei An section)	Parent company －Highwealth	Redistribution under cooperative construction	57%	Refundable deposits $ 100,000 Refundable notes $ 200,000
December 31, 2022				
Shr Jeng Ai Yue (Huei An section)	Parent company －Highwealth	Redistribution under cooperative construction	57%	Refundable deposit $ 100,000 Refundable notes $ 200,000

2) As of December 31, 2023 and 2022, the Group received guarantee notes from Chyi Yuh were zero and $70,218 thousand for the construction contracts, respectively.

(Continued)

3) As of December 31, 2023 and 2022, the Group issued guarantee notes to Highwealth for the contracting project at the amounts of zero and $64,351 thousand, respectively.

4) The Group commissioned related parties to sell real estate and administer the construction sites. Related consulting fees and commission and sales expense were as follows:

	Expense paid	
	For the years ended December 31	
	2023	2022
Parent company:		
Chyi Yuh	$ 11,563	11,429
Other related parties:		
Ju Feng	33,572	18,117
Other related parties	4,492	3,492
	$ 49,627	33,038

(d) Key management personnel compensation

Key management personnel compensation comprised:

	For the years ended December 31	
	2023	2022
Short-term employee benefits	$ 39,300	20,280

(8) Pledged assets:

The carrying values of pledged assets were as follows:

Pledged assets	Object	December 31, 2023	December 31, 2022
Financial assets at FVOCI－current	Bank loans	$ 527,115	529,744
Notes receivable	Bank loans, short-term notes and bonds	627,831	190,830
Other financial assets－current and non-current	Trust account, performance gurantee, guarantees and endorsements, and bonds	8,392,288	4,961,671
Inventories (construction)	Bank loans, short-term notes and long-term borrowings	19,787,143	35,263,773
Investment property	Long-term borrowings, bank loans and short-term notes	1,052,151	909,159
		$ 30,386,528	41,855,177

As of December 31, 2023 and 2022, the book value of pledged assets providing undrawn guaranteed loan are $4,598,488 thousand and $282,171 thousand, respectively. As of December 31, 2023 and 2022 the Group provided notes receivable of presale cases $1,525,139 thousand, and $2,215,071 thousand, as collateral for the bank loan, respectively.

(Continued)

(9) Commitments and contingencies:

(a) Unrecognized contractual commitments

(i) Amount of signed contract and received amount from contracts for construction released, for properties sold in advance and sold after completion, were as follows:

	December 31, 2023	December 31, 2022
Amounts of signed contracts	$ 32,463,218	47,726,441
Received amount from contracts	$ 2,535,437	5,654,170
Outstanding checks received from presale cases	$ 2,782,497	2,543,260

(ii) As of December 31, 2023 and 2022, the refundable deposits paid and notes submitted, through cooperation with the land owners, amounted were $4,305,000 thousand and $645,000 thousand, respectively. For the partial above-mentioned joint construction projects, the Group will settle the amount on the date agreed by both parties.

(iii) As of December 31, 2023 and 2022, the contract price of administer services the Group provided to joint investors both were $14,286 thousand, the amounts received both were $11,429 thousand. for the partial above-mentioned joint construction projects, the Company will settle the amount on the date agreed by both parties.

(iv) Construction contract price signed by subsidiaries was as follows:

	December 31, 2023	December 31, 2022
Amount of signed contracts	$ 188,992	303,731
Received amount from contracts	$ 143,128	187,074
Guarantee notes issued (Note1)	$ 2,458	136,159

Note 1: Including the guarantee notes issued to the related party, at the amounts of zero and $64,351 thousand as of December 31, 2023 and 2022, respectively.

(10) Losses due to major disasters:None

(11) Subsequent events:None

(Continued)

(12) Other:

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

	For the years ended December 31					
	2023			2022		
By funtion By item	Operating Cost	Operating Expense	Total	Operating Cost	Operating Expense	Total
Employee benefits						
Salary	80,225	175,134	255,359	69,036	119,229	188,265
Labor and health insurance	8,593	15,944	24,537	7,406	14,076	21,482
Pension	3,000	9,644	12,644	3,369	5,824	9,193
Others	2,261	33,622	35,883	2,763	16,200	18,963
Depreciation	17,560	36,065	53,625	9,866	35,613	45,479
Amortization	-	4,776	4,776	-	3,522	3,522

(b) Other

Regarding the fraud allegations against TSAI, TSUNG-PIN, the former chairman of the Group, in connection with the Kuobin Dayuan case, the Taipei District Prosecutors Office decided not to prosecute TSAI,TSUNG-PIN and others on December 21, 2016. However, after the plaintiff requested a review and the Taiwan High Prosecutors Office revoked the non-prosecution decision, the prosecutor filed charges of ordinary fraud against TSAI, TSUNG-PIN on January 5, 2023.The case is now being tried by the Taipei District Court, and the Group assesses that the aforementioned event has no significant impact on the financial operations of the Group.

(Continued)

RUN LONG CONSTRUCTION CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(13) Other disclosures:

(a) Information on significant transactions:

The following is the information on significant transactions required by the “Regulations Governing the Preparation of Financial Reports by Securities Issuers” for the Group:

(i) Loans to other parties: None

(ii) Guarantees and endorsements for other parties:

(Amount in Thousands of New Taiwan Dollars, Unless specified Otherwise)

No.	Name of guarantor	Counter-party of guarantee and endorsement		Limitation on amount of guarantees and endorsements for a specific enterprise	Highest balance for guarantees and endorsements during the period	Balance of guarantees and endorsements as of reporting date	Actual usage amount during the period	Property pledged for guarantees and endorsements (Amount)	Ratio of accumulated amounts of guarantees and endorsements to net worth of the latest financial statements	Maximum amount for guarantees and endorsements	Parent company endorsements/ guarantees to third parties on behalf of subsidiary	Subsidiary endorsements/ guarantees to third parties on behalf of parent company	Endorsements/ guarantees to third parties on behalf of companies in Mainland China
		Name	Relationship with the Company										
0	The company	Jin Jyun Construction Co., Ltd.	2	2,702,125	100,000	100,000	-	-	0.74 %	6,755,312	Y	N	N
1	Jin Jyun Construction Co., Ltd.	The company	3	3,709,345	1,000,000	1,000,000	400,000	400,000	53.92 %	7,418,690	N	Y	N

Note 1: The numbering is as follows:

1) “0” represents the company

2) Investees are sequentially numbered from 1 by company

Note 2: The relationship between the guarantee and the guarantor are as follows:

1) Transactions between the companies.

2) The Company directly or indirectly holds more than 50% voting right.

3) When other companies directly or indirectly hold more than 50% voting rights of the Company.

4) The Company directly or indirectly holds more than 90% voting right.

5) A company that is mutually protected under contractual requirements based on the needs of the contractor.

6) A company that is endorsed by all the contributing shareholders in accordance with their shareholding ratio due to joint investment relationship.

7) Under the Consumer Protection Act, performance guarantees for pre-sale contracts for companies in the same industry.

Note 3: The Company endorsed the operation method for the total amount of guarantees and the limit for endorsement of a single enterprise:

1) The aggregate amount of endorsements and guarantees endorsed by the company and its subsidiaries shall not exceed 50% of the net value of the Company.

2) The aggregate amount of endorsements and guarantees endorsed by the company and its subsidiaries for a single enterprise shall not exceed 20% of the net value of the Company.

Note 4: Jin Jyun Construction Co., Ltd. endorsed the operation method for the total amount of guarantees and the limit for endorsement of a single enterprise:

1) The aggregate amount of endorsements and guarantees endorsed by the company shall not exceed 400% of the net value of the company.

2) The aggregate amount of endorsements and guarantees endorsed by the company for a single enterprise shall not exceed 200% of the net value of the company.

(Continued)

RUN LONG CONSTRUCTION CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(iii) Securities held as of December 31, 2023 (excluding investment in subsidiaries, associates and joint ventures):

(Amount in Thousands of New Taiwan Dollars, Unless specified Otherwise)

Name of holder	Category and name of security	Relationship with company	Account title	Ending balance				Highest Percentage of ownership (%)	Note
				Shares/Units (thousands)	Carrying value	Percentage of ownership (%)	Fair value		
The Company	Stock- Highwealth Construction Corp.	Ultimate Controlling company of the Company	Financial assets at fair value through other comprehensive income-current	16,052,801	643,717	0.85 %	643,717	0.85 %	

(iv) Individual securities acquired or disposed of with accumulated amount exceeding the lower of NT$300 million or 20% of the capital stock:

(In Thousands of New Taiwan Dollars)

Name of company	Category and name of security	Account name	Name of counter-party	Relationship with the company	Beginning Balance		Purchases		Sales				Ending Balance	
					Shares	Amount	Shares	Amount	Shares	Price	Cost	Gain (loss) on disposal	Shares	Amount
The Company	Stock-Jin Jyun Construction Co., Ltd.	Investments accounted for using equity method	Capital increase	Subsidiary of the Company	70,000,000	580,477	100,000,000	1,000,000	-	-	-	-	170,000,000	1,655,454

(v) Acquisition of individual real estate with amount exceeding the lower of NT$300 million or 20% of the capital stock:

(In Thousands of New Taiwan Dollars)

Name of company	Name of property	Transaction date	Transaction amount	Status of payment	Counter-party	Relationship with the Company	If the counter-party is a related party, disclose the previous transfer information				References for determining price	Purpose of acquisition and current condition	Others
							Owner	Relationship with the Company	Date of transfer	Amount			
The Company	Taichung city Xitun district Wen Shang section	June 30, 2023	2,265,650	Fully paid	○○, Yuan	Not related parties	-	-	-	-	Appraisal	Construction	

(vi) Disposal of individual real estate with amount exceeding the lower of NT$300 million or 20% of the capital stock: None

(vii) Related-party transactions for purchases and sales with amounts exceeding the lower of NT$100 million or 20% of the capital stock:

(In Thousands of New Taiwan Dollars)

Name of company	Related party	Nature of relationship	Transaction details				Transactions with terms different from others		Notes/Accounts receivable (payable)		Note
			Purchase/Sale	Amount	Percentage of total purchases/sales	Payment terms	Unit price	Payment terms	Ending balance	Percentage of total notes/accounts receivable (payable)	
The Company	Jin Jyun Construction Co., Ltd.	Subsidiary of the Company	Contractingproject management fee	4,614,536	54.49%		-	-	(588,393)	(43.00)%	Note 2, 3
Jin Jyun Construction Co., Ltd.	The Company	Parent company	Contracted project management responsibility	(4,781,609)	(98.13)%		-	-	588,393	97.63%	Note 1, 3

Note 1: The contracted company recognizes its construction revenue through percentage of completion method, and the amount of sales included.

Note 2: The contracting company records its import price through estimates of amount of purchase through number of trials.

Note 3: Reconciliated in the preparation of consolidated report.

(Continued)

(viii) Receivables from related parties with amounts exceeding the lower of NT$100 million or 20% of the capital stock:

(In Thousands of New Taiwan Dollars)

Name of company	Counter-party	Nature of relationship	Ending balance	Turnover rate	Overdue		Amounts received in subsequent period	Allowance for bad debts
					Amount	Action taken		
Jin Jyun Construction Co., Ltd.	The Company	Parent company	588,393	8.36	-	-	498,968	-

(ix) Trading in derivative instruments: None.

(x) Business relationships and significant intercompany transactions:

(In Thousands of New Taiwan Dollars)

No.	Name of company	Name of counter-party	Nature of relationship	Intercompany transactions			
				Account name	Amount	Trading terms	Percentage of the consolidated net revenue or total assets
0	The Company	Jin Jyun Construction Co., Ltd.	1	Accounts payable	588,393	Same with peer terms	1.38%
			1	Operating cost	4,781,609	Same with peer terms	15.58%
1	Jin Jyun Construction Co., Ltd.	The Company	2	Accounts receivable	588,393	Same with peer terms	1.38%
			2	Operating revenue	4,781,609	Same with peer terms	15.58%

Note 1: The numbering is as follows:

1) “0” represents the parent company

2) Subsidiaries are sequentially numbered from 1 by company

Note 2: Relation between related parties are as follows:

1) Parent company and its subsidiaries

2) Subsidiaries and its parent company

(b) Information on investees:

The following is the information on investees for the years ended December 31, 2023 (excluding information on investees in Mainland China):

(Amount in Thousands of New Taiwan Dollars, Unless specified Otherwise)

Name of investor	Name of investee	Location	Main businesses and products	Original investment amount		Balance as of December 31, 2023			Highest Percentage of wnership	Net income (losses) of investee	Share of profits/losses of investee	Note
				December 31, 2023	December 31, 2022	Shares (thousands)	Percentage of wnership	Carrying value				
Run Long Construction Co., Ltd.	Stock- Jin Jyun Construction Co., Ltd.	Taiwan	Construction, housing and building development rental services etc.	1,718,300	718,300	170,000,000	100.00 %	1,655,454	100.00 %	65,128	168,977	

Note: Reconciliated in the preparation of consolidated report.

(c) Information on investment in mainland China: None.

(d) Major shareholders:

Shareholder’s Name / Shareholding	Shares	Percentage
Ching Shr Ban Investment Co., Ltd.	44,419,740	9.84 %
Shing Ri Sheng Investment Co., Ltd.	33,074,642	7.33 %
Ruen Ying Investment Co., Ltd.	32,458,302	7.19 %
Guang Yang Investment Co., Ltd.	28,759,103	6.37 %
Wan Sheng Fa Investment Co., Ltd.	26,103,040	5.78 %
Feng Rau Investment Co., Ltd.	24,426,382	5.41 %
Highwealth Construction Corp.	23,698,288	5.25 %

(Continued)

(14) Segment information:

The Group used to engage in the business of construction, sales of residential and commercial buildings. Information about reportable segments and reconciliations of the Group for the years ended December 31, 2023 and 2022 were detailed below:

	Developing segment	Constructing segment	Reconciliation and elimination	Total
For the year ended December 31, 2023				
Revenue:				
Revenue from external customers	$ 30,592,919	91,022	-	30,683,941
Intersegment	-	4,781,609	(4,781,609)	-
Interest revenue	43,183	7,761	-	50,944
Total revenue	$ **30,636,102**	**4,880,392**	**(4,781,609)**	**30,734,885**
Interest expenses	$ **218,536**	**6,985**	**-**	**225,521**
Depreciation and amortization	$ **54,897**	**3,956**	**(452)**	**58,401**
Reportable segment profit or loss	$ **9,341,139**	**83,830**	**(65,128)**	**9,359,841**
Capital expenditure	$ **5,409**	**4,894**	**-**	**10,303**
Reportable segment assets	$ **40,800,707**	**4,233,342**	**(2,495,289)**	**42,538,760**
Reportable segment liabilities	$ **27,290,084**	**2,378,669**	**(640,616)**	**29,028,137**
For the year ended December 31, 2022				
Revenue:				
Revenue from external customers	$ 2,369,080	116,644	-	2,485,724
Intersegment	-	4,906,282	(4,906,282)	-
Interest revenue	9,308	1,422	-	10,730
Total revenue	$ **2,378,388**	**5,024,348**	**(4,906,282)**	**2,496,454**
Interest expenses	$ **156,869**	**2,473**	**-**	**159,342**
Depreciation and amortization	$ **45,843**	**3,269**	**(111)**	**49,001**
Reportable segment profit or loss	$ **205,718**	**131,195**	**(103,844)**	**233,069**
Capital expenditure	$ **4,869**	**3,581**	**-**	**8,450**
Reportable segment assets	$ **47,223,596**	**3,175,214**	**(1,584,039)**	**48,814,771**
Reportable segment liabilities	$ **41,200,269**	**2,291,669**	**(700,494)**	**42,791,444**

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Independent Auditors' Report

To the Board of Directors of Run Long Construction Co., Ltd.:

Opinion

We have audited the financial statements of Run Long Construction Co., Ltd.("the Company"), which comprise the balance sheets as of December 31, 2023 and 2022, the statements of comprehensive income, changes in equity and cash flows for the years then ended and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2023 and 2022, and its financial performance and its cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

Basis for Opinion

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

1. Appropriateness of the timing of revenue recognition from building and land sales

   Please refer to note 4(m), and 6(s) of the financial statements for the accounting policy on revenue recognition and the details of revenue.

   Description of key audit matter

   The real estate industry, in which the Company is into, is recognized its sales revenue upon the transfer of ownership of the real estate and the actual delivery of the housing unit. Since there is a large number of sales of premises in the construction industry, in order to confirm the validity of the timing of the sales revenue recognition, the Company needs to examine the transfer of ownership and delivery housing data for all of transaction to recognize the sales revenue, which usually involves tremendous manual efforts. Therefore, the recognition of sales revenue is one of the most important evaluation in performing our audit procedures.

Auditing procedures performed

Our principal audit procedures included the following:

- We test the effectiveness of the design and implementing the internal control system of sales revenue.
- Perform substantive tests, sample inspections of sales contracts and real estate ownership transfer documents, and check sales data and general ledger details.
- Test the samples of sales transaction before and after the end of the year to ensure the correctness of sales revenue.

2. Inventory valuation

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

Description of key audit matter

The inventory of Company is an important asset for operations, and its amount accounts for 59% of the total assets; the inventory evaluation is handled in accordance with the International Accounting Standards Bulletin No. 2, if the net realizable value evaluation is inappropriate, it will cause false expression in financial reports. Therefore, the inventory evaluation test is one of the important evaluation items for the accountant to perform the Company's financial report audit.

Auditing procedures performed

Our principal audit procedures included the following: We understand the Company’ s operating and accounting procedures for inventory valuation; Obtain the Company management’ s data of inventory valuation; verify and inspect market value of the afore mentioned information. The net realizable value can be assessed in the following ways: through reviewing the recent selling price of the premises, by inquiring the selling price of premises nearby from the “Actual Selling Price of Real Estate” website, or by obtaining project investment analysis tables, inspecting and recalculating the net realizable value of inventory to ensure if it is adequate.

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with 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 financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

1. Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.

5. Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

6. Obtain sufficient and appropriate audit evidence regarding the financial information of the investment in other entities accounted for using the equity method to express an opinion on this financial statements. We are responsible for the direction, supervision and performance of the audit. We remain solely responsible for our audit opinion.

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

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

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

The engagement partners on the audit resulting in this independent auditors' report are Han, Yi-Lien and Tseng, Kuo-Yang.

KPMG

Taipei, Taiwan (Republic of China)
March 13, 2024

Notes to Readers

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

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

(English Translation of Parent Company Only Financial Statements and Report Originally Issued in Chinese)

RUN LONG CONSTRUCTION CO., LTD.

Balance Sheets

December 31, 2023 and 2022

(Expressed in Thousands of New Taiwan Dollars)

		December 31, 2023		December 31, 2022	
	Assets	**Amount**	**%**	**Amount**	**%**
	Current assets:				
1100	Cash and cash equivalents (note 6(a))	$ 2,202,355	5	925,890	2
1120	Current financial assets at fair value through other comprehensive income (notes 6(b) and 8)	643,717	2	582,804	1
1150	Notes receivable, net (notes 6(c) and 8)	629,541	2	194,620	-
1170	Accounts receivable, net (note 6(c))	83,626	-	1,144,625	3
1200	Other receivables	1,066	-	587	-
1320	Inventories (for construction business) (notes 6(d), 7 and 8)	24,255,245	59	35,030,726	74
1410	Prepayments (note 7)	4,668	-	461,479	1
1476	Other current financial assets (notes 6(i), 7 and 8)	7,880,676	19	1,862,349	4
1479	Other current assets, others	4,831	-	12,871	-
1480	Current assets recognized as incremental costs to obtain contract with customers (note 6(i))	929,954	2	1,564,071	3
		36,635,679	89	41,780,022	88
	Non-current assets:				
1550	Investments accounted for using equity method (note 6(e))	1,655,454	4	580,477	1
1600	Property, plant and equipment (note 6(f))	227,333	1	229,972	1
1755	Right-of-use assets (note 6(g))	79,469	-	101,396	-
1760	Investment property, net (notes 6(h) and 8)	1,059,085	3	912,694	2
1780	Intangible assets	2,453	-	2,488	-
1984	Other non-current financial assets, others (notes 6(i), 7 and 8)	1,091,743	3	3,567,056	8
1990	Other non-current assets, others	49,491	-	49,491	-
		4,165,028	11	5,443,574	12
	Total assets	$ 40,800,707	100	47,223,596	100

		December 31, 2023		December 31, 2022	
	Liabilities and Equity	**Amount**	**%**	**Amount**	**%**
	Current liabilities:				
2100	Short-term borrowings (note 6(j))	$ 9,098,688	22	22,424,135	47
2110	Short-term notes and bills payable (note 6(j))	1,623,524	4	751,639	2
2130	Current contract liabilities (notes 6(s), 7 and 9)	2,536,109	6	5,654,455	12
2170	Accounts payable	776,847	2	490,099	1
2180	Total accounts payable to related parties (note 7)	591,507	1	616,519	1
2200	Other payables (note 7)	795,149	2	621,836	1
2230	Current tax liabilities	1,410,015	4	5,743	-
2251	Current provisions for employee benefits (note 6(o))	2,748	-	2,688	-
2280	Current lease liabilities (note 6(m))	33,977	-	29,104	-
2321	Bonds payable, current portion or putable bonds (note 6(l))	5,871,596	14	-	-
2322	Long-term borrowings, current portion (note 6(k))	25,938	-	25,525	-
2399	Other current liabilities, others	211,239	1	355,228	1
		22,977,337	56	30,976,971	65
	Non-Current liabilities:				
2530	Bonds payable (note 6(l))	3,996,868	10	9,855,015	21
2541	Long-term borrowings (note 6(k))	267,576	1	293,399	1
2570	Deferred tax liabilities (note 6(p))	2,844	-	2,844	-
2580	Non-current lease liabilities (note 6(m))	45,459	-	72,040	-
		4,312,747	11	10,223,298	22
	Total liabilities	27,290,084	67	41,200,269	87
	Equity (note 6(q)):				
3100	Ordinary shares	4,510,261	11	4,510,261	10
3200	Capital surplus	23,854	-	22,601	-
3300	Retained earnings	8,790,821	22	1,359,891	3
3400	Other equity interest	185,687	-	130,574	-
	Total equity	13,510,623	33	6,023,327	13
	Total liabilities and equity	$ 40,800,707	100	47,223,596	100

See accompanying notes to parent company only financial statements.

(English Translation of Parent Company Only Financial Statements Originally Issued in Chinese)

RUN LONG CONSTRUCTION CO., LTD.

Statements of Comprehensive Income

For the years ended December 31, 2023 and 2022

(Expressed in Thousands of New Taiwan Dollars , Except for Earnings Per Share)

		2023 Amount	2023 %	2022 Amount	2022 %
	Operating Revenues (notes 6(n) and (s)):				
4511	Construction revenue	$ 30,574,496	100	2,353,101	99
4800	Other operating revenue	18,423	-	15,979	1
		30,592,919	100	2,369,080	100
5000	**Operating costs** (note 7)	19,587,114	64	1,564,244	66
	Gross profit from operations	11,005,805	36	804,836	34
	Operating expenses:				
6100	Selling expenses (notes 6(i) and 7)	1,447,617	5	248,082	10
6200	Administrative expenses (notes 6(t) and 7)	250,448	1	263,462	11
		1,698,065	6	511,544	21
	Operating income	9,307,740	30	293,292	13
	Non-operating income and expenses: (notes 6(u) and 7)				
7100	Interest income	43,183	-	9,308	-
7010	Other income	17,870	-	62,366	3
7020	Other gains and losses	21,905	-	47,423	2
7050	Finance costs	(218,536)	(1)	(156,869)	(7)
7070	Share of profit (loss) of associates and joint ventures accounted for using equity method	168,977	1	(49,802)	(2)
		33,399	-	(87,574)	(4)
	Profit from continuing operations before tax	9,341,139	30	205,718	9
7950	**Less: Income tax expenses** (note 6(p))	1,639,593	5	49,082	2
	Profit	7,701,546	25	156,636	7
8300	**Other comprehensive income:**				
8310	**Components of other comprehensive income that will not be reclassified to profit or loss**				
8316	Unrealized gains from (loss on) investments in equity instruments measured at fair value through other comprehensive income	55,113	-	(25,152)	(1)
8300	**Other comprehensive income (net after tax)**	55,113	-	(25,152)	(1)
8500	**Total comprehensive income**	**$ 7,756,659**	**25**	**131,484**	**6**
	Earnings per share (note 6(r))				
9750	Basic earnings per share (NT dollars)	**$**	**17.08**		**0.35**
	Diluted earnings per share (NT dollars)	**$**	**17.07**		**0.35**

See accompanying notes to parent company only financial statements.

(English Translation of Parent Company Only Financial Statements Originally Issued in Chinese)

RUN LONG CONSTRUCTION CO., LTD.

Statements of Changes in Equity

For the years ended December 31, 2023 and 2022

(Expressed in Thousands of New Taiwan Dollars)

	Share capital		Retained earnings			Total other equity interest	
	Ordinary shares	Capital surplus	Legal reserve	Unappropriated retained earnings	Total retained earnings	Unrealized gains (losses) on financial assets measured at fair value through other comprehensive income	Total equity
Balance on January 1, 2022	$ 3,921,966	21,376	901,275	1,674,668	2,575,943	155,726	6,675,011
Profit	-	-	-	156,636	156,636	-	156,636
Other comprehensive income	-	-	-	-	-	(25,152)	(25,152)
Total comprehensive income	-	-	-	156,636	156,636	(25,152)	131,484
Appropriation and distribution of retained earnings:							
Legal reserve appropriated	-	-	167,184	(167,184)	-	-	-
Cash dividends of ordinary share	-	-	-	(784,393)	(784,393)	-	(784,393)
Stock dividends of ordinary share	588,295	-	-	(588,295)	(588,295)	-	-
Due to donated assets received	-	1,225	-	-	-	-	1,225
Balance on December 31, 2022	4,510,261	22,601	1,068,459	291,432	1,359,891	130,574	6,023,327
Profit	-	-	-	7,701,546	7,701,546	-	7,701,546
Other comprehensive income	-	-	-	-	-	55,113	55,113
Total comprehensive income	-	-	-	7,701,546	7,701,546	55,113	7,756,659
Appropriation and distribution of retained earnings:							
Legal reserve appropriated	-	-	15,663	(15,663)	-	-	-
Cash dividends of ordinary share	-	-	-	(270,616)	(270,616)	-	(270,616)
Other changes in capital surplus	-	1,253	-	-	-	-	1,253
Balance on December 31, 2023	**$ 4,510,261**	**23,854**	**1,084,122**	**7,706,699**	**8,790,821**	**185,687**	**13,510,623**

See accompanying notes to parent company only financial statements.

(English Translation of Parent Company Only Financial Statements Originally Issued in Chinese)

RUN LONG CONSTRUCTION CO., LTD.

Statements of Cash Flows

For the years ended December 31, 2023 and 2022

(Expressed in Thousands of New Taiwan Dollars)

		2023	2022
Cash flows from (used in) operating activities:			
Profit before tax	$	9,341,139	205,718
Adjustments:			
Adjustments to reconcile profit (loss):			
Depreciation		52,837	44,045
Amortization		2,060	1,798
Interest expense		218,536	156,869
Interest income		(43,183)	(9,308)
Dividend income		(7,231)	(52,666)
Share of profit (loss) of subsidiaries,associates and joint ventures accounted for using equity method		(168,977)	49,802
Gain on disposal of property, plant and equipment		(768)	(7)
Gain on disposal of investment properties		-	(10,960)
Gain on lease modifications		(2)	(8)
Total adjustments to reconcile profit (loss)		53,272	179,565
Changes in operating assets and liabilities:			
Changes in operating assets:			
Decrease (increase) in notes receivable		(434,921)	168,865
Decrease (increase) in accounts receivable		1,060,999	(1,133,169)
Decrease in other receivables		338	26,744
Decrease (increase) in inventories (construction)		11,101,327	(8,012,451)
Decrease (increase) in prepayments		473,029	(224,033)
Decrease (increase) in other current assets		8,040	(9,206)
Increase in other financial assets－current		(1,004,842)	(302,362)
Decrease (increase) in assets recognized as incremental costs to obtain contract with customers		634,117	(629,867)
Decrease (increase) in other financial assets—non-current		(55)	4,372
Total changes in operating assets		11,838,032	(10,111,107)
Changes in operating liabilities:			
Increase (decrease) in contract liabilities		(3,118,346)	2,386,346
Decrease in notes payable		-	(3,674)
Increase in accounts payable		286,748	26,484
Decrease in accounts payable to related parties		(25,012)	(117,834)
Increase (decrease) in other payables		198,425	(120,911)
Increase in provisions		60	161
Increase (decrease) in other current liabilities		(143,989)	242,917
Total changes in operating liabilities		(2,802,114)	2,413,489
Total changes in operating assets and liabilities		9,035,918	(7,697,618)
Total adjustments		9,089,190	(7,518,053)
Cash inflow (outflow) generated from operations		18,430,329	(7,312,335)
Income taxes paid		(235,321)	(370,426)
Net cash flows from (used in) operating activities		18,195,008	(7,682,761)

(English Translation of Parent Company Only Financial Statements Originally Issued in Chinese)

RUN LONG CONSTRUCTION CO., LTD.
Statements of Cash Flows (CONT'D)
For the years ended December 31, 2023 and 2022
(Expressed in Thousands of New Taiwan Dollars)

	2023	2022
Cash flows used in investing activities:		
Acquisition of financial assets at fair value through other comprehensive income	(5,800)	-
Acquisition of investments accounted for using equity method	(1,000,000)	(200,000)
Acquisition of property, plant and equipment	(3,384)	(2,054)
Proceeds from disposal of property, plant and equipment	1,143	7
Acquisition of intangible assets	(2,025)	(2,815)
Proceeds from disposal of investment properties	-	39,507
Interest received	42,118	9,171
Dividends received	101,231	124,666
Net cash flows used in investing activities	(866,717)	(31,518)
Cash flows from (used in) financing activities:		
Increase in short-term borrowings	6,853,000	15,093,516
Decrease in short-term borrowings	(20,181,216)	(6,547,800)
Increase in short-term notes and bills payable	11,102,900	4,772,300
Decrease in short-term notes and bills payable	(10,227,600)	(5,258,500)
Proceeds from issuing bonds	-	2,000,000
Repayments of bonds	-	(2,000,000)
Repayments of long-term borrowings	(25,410)	(25,558)
Other financial assets－current	(2,277,161)	1,682,052
Other financial assets－non-current	(260,708)	(1,117,874)
Payment of lease liabilities	(29,691)	(27,010)
Cash dividends paid	(270,616)	(784,393)
Interest paid	(735,324)	(585,344)
Net cash flows from (used in) financing activities	(16,051,826)	7,201,389
Net increase (decrease) in cash and cash equivalents	1,276,465	(512,890)
Cash and cash equivalents at beginning of period	925,890	1,438,780
Cash and cash equivalents at end of period	$ **2,202,355**	**925,890**

See accompanying notes to parent company only financial statements.

(1) Company history

Run Long Construction Co., Ltd. (the "Company") was incorporated in January 1977 as a company limited by shares under the Company Act of the Republic of China (R.O.C.). The Company's registered address is 8F., No. 267, Lequn 2nd Rd., Zhongshan Dist., Taipei City 104, Taiwan (R.O.C.). On August 3, 1994, the Company's shares were listed on the Taiwan Stock Exchange (TWSE). The Company primarily engages in the business of construction, sales, leasing of residential and commercial buildings.

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

The parent company only financial statements were authorized for issue by the Board of Directors on March 13, 2024.

(3) New standards, amendments and interpretations adopted:

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

The Company has initially adopted the following new amendments, which do not have a significant impact on its financial statements, from January 1, 2023:

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

The Company has initially adopted the new amendment, which do not have a significant impact on its financial statements, from May 23, 2023:

- Amendments to IAS 12 "International Tax Reform—Pillar Two Model Rules"

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

The Company assesses that the adoption of the following new amendments, effective for annual period beginning on January 1, 2024, would not have a significant impact on its financial statements:

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

(Continued)

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

The Company does not expect the following new and amended standards, which have yet to be endorsed by the FSC, to have a significant impact on its financial statements:

- Amendments to IFRS 10 and IAS 28 "Sale or Contribution of Assets Between an Investor and Its Associate or Joint Venture"
- IFRS 17 " Insurance Contracts" and amendments to IFRS 17 " Insurance Contracts"
- Amendments to IFRS 17 "Initial Application of IFRS 17 and IFRS 9 – Comparative Information"
- Amendments to IAS21 "Lack of Exchangeability"

(4) Summary of material accounting policies:

The following significant accounting policies have been applied consistently to all periods presented in the parent company only financial statements except for that mentioned in note 3.

(a) Statement of compliance

These partner company only financial statements have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers (hereinafter referred to as "the Regulations").

(b) Basis of preparation

(i) Basis of measurement

The accompanying parent company only financial statements have been prepared on the historical cost basis except for the following significant accounts.

1) Financial instruments measured at fair value through other comprehensive income are measured at fair value;

(ii) Functional and presentation currency

The functional currency of each Company entities is determined based on the primary economic environment in which the entities operate. The parent company only financial statements are presented in New Taiwan Dollars (NTD), which is the Company' s functional currency. All the financial information presented in New Taiwan Dollar has been rounded to the nearest thousands.

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

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

(i) It is expected to be realized, or intended to be sold or consumed, in the normal operating cycle;

(ii) It is held primarily for the purpose of trading;

(iii) It is expected to be realized within twelve months after the reporting period; or

(iv) The asset is cash or a cash equivalent (as defined in IAS 7) unless the asset is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

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

(i) It is expected to be settled in the normal operating cycle;

(ii) It is held primarily for the purpose of trading;

(iii) It is due to be settled within twelve months after the reporting period; or

(iv) The Company does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting period. Terms of a liability that could, at the option of the counterparty, result in its settlement by issuing equity instruments do not affect its classification.

(d) Cash and cash equivalents

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

(e) Financial instruments

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

(i) Financial assets

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

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

(Continued)

1) Financial assets measured at amortized cost

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

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

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

2) Fair value through other comprehensive income (FVOCI)

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

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

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

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

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

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

3) Business model assessment

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

(Continued)

4) Impairment of financial assets

The Company recognizes loss allowances for expected credit losses ("ECL") on financial assets measured at amortized cost (including cash and cash equivalents, amortized costs, notes and account receivables, other receivable, guarantee deposit paid and other financial assets), debt investments measured at FVOCI and contract assets.

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

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

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

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

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

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

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

· significant financial difficulty of the borrower or issuer;

· a breach of contract such as a default or being more than 90 days past due;

· the lender of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession that the lender would not otherwise consider;

· it is probable that the borrower will enter bankruptcy or other financial reorganization; or

· the disappearance of an active market for a security because of financial difficulties.

Loss allowances for financial assets measured at amortized cost are deducted from the gross carrying amount of the assets. For debt securities at FVOCI, the loss allowance is charge to profit or loss and is recognized in other comprehensive income instead of reducing the carrying amount of the asset.

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

5) Derecognition of financial assets

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

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

(ii) Financial liabilities and equity instruments

1) Classification of debt or equity

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

2) Equity instrument

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

3) Financial liabilities

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

(Continued)

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

4) Derecognition of financial liabilities

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

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

5) Offsetting of financial assets and liabilities

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

(f) Inventories

Inventories are measured at the lower of cost and net realizable value. The cost of inventories includes expenditure incurred in bringing them to their existing location and condition, and capitalized borrowing costs.

Net realizable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses. The methods of determining the net realizable value is estimated are as follows:

(i) Construction site

Net realizable value is by referring to the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses, or estimated by recent market value (development analytical method or comparison method).

(ii) Construction in progress

Net realizable value is the estimated selling price (prevailing market condition) less the estimated costs and selling expenses needed to complete.

(iii) Real estate held for sale

Net realizable value is the estimated selling price (prevailing market condition) in the ordinary course of business, less the estimated selling costs and expenses needed to sell the estate.

(Continued)

(g) Investing subsidiaries

In preparing the parent company only financial statements of the Company, investee company that controlled by the Company is accounted for under the equity method. Under equity method, profit for the year and other comprehensive income for the year reported in an entity's parent company only financial statement of comprehensive income, shall equal to profit for the year and other comprehensive income' attributable to owners of the parent reported in that entity's consolidated statement of comprehensive income. Total equity reported in an entity' s parent company only financial statement shall equal to equity attributable to owners of parent reported in that entity's consolidated financial statements.

The Company's changes in equity interests in subsidiaries that did not lead to loss of control, deemed as equity transactions between owners.

(h) Investment property

Investment property is property held either to earn rental income or for capital appreciation or for both, but not for sale in the ordinary course of business, use in the production or supply of goods or services, or for administrative purposes. Investment property is measured at cost on initial recognition, and subsequently at cost, less accumulated depreciation and accumulated impairment losses. Depreciation expense is calculated based on the depreciation method, useful life, and residual value which are the same as those adopted for property, plant and equipment.

Any gain or loss on disposal of an investment property (calculated as the difference between the net proceeds from disposal and the carrying amount) is recognized in profit or loss.

Rental income from investment property is recognized as other revenue on a straight-line basis over the term of the lease. Lease incentives granted are recognized as an integral part of the total rental income, over the term of the lease.

(i) Property, plant and equipment

(i) Recognition and measurement

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

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

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

(ii) Subsequent cost

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

(Continued)

(iii) Depreciation

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

Land is not depreciated.

The estimated useful lives of property, plant and equipment for current and comparative periods are as follows:

1) Buildings	3～50 years
2) Equipment	3～5 years
3) Transportation and office equipment	3～5 years
4) Other equipment	3～15 years

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

(j) Lease

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

(i) As a leasee

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

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

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

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

1) Fixed payments; including in-substance fixed payments;

2) Variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;

3) Amounts expected to be payable under a residual value guarantee; and

(Continued)

4) Payments for purchase or termination options that are reasonably certain to be exercised.

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

1) There is a change in future lease payments arising from the change in an index or rate; or

2) There is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee; or

3) There is a change of its assessment on whether it will exercise an option to purchase the underlying asset; or

4) There is a change of its assessment of lease period on whether it will exercise an extension or termination option; or

5) There is any lease modifications

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

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

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

The Company has elected not to recognize right-of-use assets and lease liabilities for short-term leases of office equipment that have a lease term of 12 months or less and leases of low-value assets. The Company recognizes the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

For sale-and-leaseback transactions, the Company applies the requirements for determining when a performance obligation is satisfied in IFRS15 to determine whether the transfer of an asset is accounted for as a sale of the asset. If the transfer of an asset satisfies the requirement of IFRS15 to be accounted for as a sale of the asset, the Company derecognizes the transferred asset, then measures the right-of-use asset arising from the leaseback at the proportion of the previous carrying amount of the asset that relates to the right of use retained. Accordingly, the Company recognizes only the amount of any gain or loss that relates to the rights transferred to the buyer-lessor. For leaseback transaction, the Company applies the lessee accounting policy. If the transfer of an asset does not satisfy the requirement of IFRS15 to be accounted for as a sale of the asset, the Company continues to recognize the transferred asset and recognizes the financial liability equal to the transfer proceeds.

(Continued)

(ii) As a leasor

When the Company acts as a lessor, it determines at lease commencement whether each lease is a finance lease or an operating lease. To classify each lease, the Company makes an overall assessment of whether the lease transfers to the lessee substantially all of the risks and rewards of ownership incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then the lease is an operating lease. As part of this assessment, the Company considers certain indicators such as whether the lease is for the major part of the economic life of the asset.

When the Company is an intermediate lessor, it accounts for its interests in the head lease and the the sub-lease separately assesses the lease classification of a sub-lease with reference to the right-of-use asset arising from the head lease, not with reference to the underlying asset. If a head lease is a short-term lease to which the Company applies the exemption described above, then it classifies the sub-lease as an operating lease.

If an arrangement contains lease and non-lease components, the Company applies IFRS15 to allocate the consideration in the contract.

The Company recognizes a finance lease receivable at an amount equal to its net investment in the lease. Initial direct costs, such as lessors to negotiate and arrange a lease, are included in the measurement of the net investment. The lessor recognizes the interest income over the lease term based on a pattern reflecting a constant periodic rate of return on the net investment in the lease. The Company recognizes lease payments received under leases as income on a straight-line basis over the lease term as part of ‘lease income’.

(k) Intangible assets

(i) Recognition and measurement

Goodwill arising on the acquisition of subsidiaries is measured at cost, less accumulated impairment losses.

Expenditure on research activities is recognized in profit or loss as incurred.

Development expenditure is capitalized only if the expenditure can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable flow into the Company and the Company intends to, and has sufficient resources to, complete development and to use or sell the asset. Otherwise, it is recognized in profit or loss as incurred. Subsequent to initial recognition, development expenditure is measured at cost, less accumulated amortization and any accumulated impairment losses.

Other intangible assets that are acquired by the Company and have finite useful lives are measured at cost less accumulated amortization and any accumulated impairment losses.

(ii) Subsequent expenditure

Subsequent expenditure is capitalized only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on internally generated goodwill and brands, is recognized in profit or loss as incurred.

(Continued)

(iii) Amortization

Amortization is calculated over the cost of the asset, less its residual value, and is recognized in profit or loss on a straight-line basis over the estimated useful lives of intangible assets, other than goodwill, from the date that they are available for use.

1) Patent and trademark	10 years
2) Computer software	1～3 years

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

(l) Impairment of non-financial assets

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

For impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGUs. Goodwill arising from a business combination is allocated to CGUs or groups of CGUs that are expected to benefit from the synergies of the combination.

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

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

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

An impairment loss in respect of goodwill is not reversed. For other assets, an impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

(m) Revenue

(i) Revenue from contracts with customers

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

1) Land development and sale of real estate

The Company develops and sells residential properties and usually sales properties in advance during construction. Revenue is recognized when control over the properties has been transferred to the customer. The properties have generally no alternative use for the Company due to contractual restrictions. Therefore, revenue is recognized at a point in time either when the legal title has passed to the customer or at the date on the property has actually transferred to the customer.

The revenue is measured at the transaction price agreed under the contract. For sale of readily available house, in most cases, the consideration is due when legal title of a property has been transferred. While deferred payment terms may be agreed in rare circumstances, the transaction price is adjusted for the effects of a significant financing component if the agreement are including a significant financing component. For preselling properties, the consideration is usually received by installment during the period from contract inception until the transfer of properties to the customer. If the contract includes a significant financing component, the transaction price will be adjusted for the effects of the time value of money during the period, using the specific borrowing rate of the construction project.

2) Financing components

The Company assesses whether the financial factors are significant at the contract level in accordance with IFRS15 Application Guidance - The Real Estate Industry, wherein the calculations can be made on a case-by-case basis. After the Company has taken into account the industry characteristics and market borrowing rates, it determines that the financial factors are considered material when they account for more than 5% of the total contract price. The Company expects that (i) the financing components are not substantiative to individual contract or (ii) the period between the transfer of the promised goods or services to the customer and payment by the customer does not exceed one year. As a consequence, the Company does not adjust any of the transaction prices for the time value of money.

(ii) Contract costs

1) Incremental costs of obtaining a contract

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

(n) Employee benefits

(i) Defined contribution plans

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

(Continued)

(ii) Short-term employee benefits

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

(o) Income Taxes

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

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

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

(i) Temporary differences on the initial recognition of assets and liabilities in a transaction that is not a business combination and at the time of the transaction (i) affects neither accounting nor taxable profits (losses) and (ii) does not give rise to equal taxable and deductible temporary differences;

(ii) Temporary differences related to investments in subsidiaries, associates and joint arrangements to the extent that the Company is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and

(iii) Taxable temporary differences arising on the initial recognition of goodwill.

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

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

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

(i) The Company has a legally enforceable right to set off current tax assets against current tax liabilities; and

(ii) The deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority on either

(Continued)

1) The same taxable entity; or

2) Different taxable entities which intend to settle current tax assets and liabilities on a net basis, or to realize the assets and liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

(p) Earnings per share

The Company disclose the Company's basic and diluted earnings per share attributable to ordinary shareholders of the Company. Basic earnings per share is calculated as the profit attributable to the ordinary shareholders of the Company divided by the weighted average number of ordinary shares outstanding. Diluted earnings per share is calculated as the profit attributable to ordinary shareholders of the Company divided by the weighted average number of ordinary shares outstanding after adjustment for the effects of all potential dilutive ordinary shares, such as remuneration of employee stock options.

(q) Operating segments

The Company has disclosed operating segments information in the consolidated financial statements. Therefore, the Company does not disclose operating segment information in the parent company only financial statements.

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

In preparing these financial statements, management has made judgments, estimates, and assumptions that affect the application of the accounting policies and the reported amount of assets, liabilities, income, and expenses. Actual results may differ from these estimates.

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

Information about judgements made in applying accounting policies that have significant effects on the amounts recognized in the parent only company financial statements is as follows: None.

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the next financial year is as follows.

(a) Valuation of inventories

Inventories are measured at the lower of cost and net realizable value, the Company's evaluate the selling price in the market is below the cost, and write off the cost of inventory to net realizable value. The estimation of net realizable value is based on current market conditions . Please refer note 6(d) for inventory valuation.

(Continued)

Valuation process

The Company's accounting policies and disclosures included financial and non-financial assets and liabilities measured at fair value. The Company’ s financial instrument valuation group conducts independent verification on fair value by using data sources that are independent, reliable, and representative of exercise prices. This financial instrument valuation group also periodically adjusts valuation models, conducts back testing, renews input data for valuation models, and makes all other necessary fair value adjustments to assure the rationality of fair value. The fair value measurement of investment property is based on the website of Department of Land Administration and estate agency’s website or the close deal in similar district.

Different levels of the fair value hierarchy to be used in determining the fair value of financial instruments are as follows:

- Level 1: quoted prices (unadjusted) in active markets for identifiable assets or liabilities.
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: inputs for the assets or liabilities that are not based on observable market data.

The transfers policy between levels of the fair value hierarchy

If there is any movement of financial instruments measured at fair value between level 1, level 2 and level 3, the Company recognizes the movement at the reporting date. For assumptions used in measuring fair value. Please refer notes as follows:

(a) Note 6(h) Investment property.

(b) Note 6(v) Financial instruments.

(6) Explanation of significant accounts:

(a) Cash and cash equivalents

	December 31, 2023	December 31, 2022
Cash on hand and petty cash	$ 410	337
Demand Deposits (including foreign currency)	2,201,945	925,553
Cash and cash equivalents	**$ 2,202,355**	**925,890**

Please refer to note 6(v) for the disclosure of the Company’s financial assets and liabilities interest risk and sensitivity analysis.

(Continued)

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

		December 31, 2023	December 31, 2022
Equity investments at fair value through other comprehensive income:			
Stocks listed on domestic market	$	**643,717**	**582,804**

(i) The Company designated the investments shown above as equity investment at fair value through other comprehensive income because these equity securities represent those investments that the Company intends to hold for long-term for strategic purposes and not hold for sale.

During the years ended December 31, 2023 and 2022, the dividends of $7,231 thousand and $52,666 thousand, respectively, related to equity investments at fair value through other comprehensive income, were recognized;

There were no disposals of strategic investments and transfers of any cumulative gain or loss within equity relating to these investments as of December 31, 2023 and 2022.

(ii) For credit risk (including the impairment of the debt investment) and market risk, please refer to note 6(v).

(iii) The financial assets at fair value through other comprehensive income of the Company had been pledged as collateral, please refer to note 8.

(c) Note and account receivables, net

		December 31, 2023	December 31, 2022
Note receivable	$	629,541	194,620
Trade receivables–measured as amortized cost		83,626	1,144,625
Total	$	**713,167**	**1,339,245**

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

	December 31, 2023		
	Gross carrying amount	Weighted-average loss rate	Loss allowance Provision
Current	$ **713,167**	-	-

	December 31, 2022		
	Gross carrying amount	**Weighted-average loss rate**	**Loss allowance Provision**
Current	$ **1,339,245**	-	-

For the years ended December 31, 2023 and 2022, there are no expected credit losses recognized or reversed.

As of December 31, 2023 and 2022, note receivables had been pledged as collateral; please refer to note 8.

(d) Inventories

	December 31, 2023	**December 31, 2022**
Land held for construction sites	$ 701,934	701,934
Construction in progress	21,509,151	32,497,213
Properties and land held for sale	2,044,160	1,831,579
Total	$ **24,255,245**	**35,030,726**

For the years ended December 31, 2023 and 2022, the cost of inventory recognized as cost of goods sold and expense were $19,569,881 thousand and $1,554,810 thousand, respectively. For the years ended December 31, 2023 and 2022, there were no write-offs or reversals of inventories.

For the years ended December 31, 2023 and 2022, the Company changed the usage of partial asset, and reclassified properties and land held for sale to investment property according to definition of investment property. Please refer to Note 6(h).

For the years ended December 31, 2023 and 2022, there were no write-offs or reversals of inventories.

For the years ended December 31, 2023 and 2022, construction in progress of the Company are calculated using a capitalization rate 2.39% and 2.07%, respectively. For the amount of capitalized interest, please refer to note 6(u).

As of December 31, 2023 and 2022 the inventories of the Company had been pledged as collateral, please refer to note 8.

(e) Investments accounted for using equity method

The investments accounted for using equity method of the Company for the year ended December 31, 2023 and 2022, were as follows:

	December 31, 2023	**December 31, 2022**
Subsidiaries	$ **1,655,454**	**580,477**

(i) Subsidiaries

Please refer to consolidated financial statement of 2023.

(f) Property, plant and equipment

The cost, depreciation, and impairment of the property, plant and equipment of the Company for the years ended December 31, 2023 and 2022, were as follows:

	Land (Including improvement)	Buildings and construction	Machinery and equipment	Other equipment (including transportation, office, leasehold improvements, and other equipment)	Construction in progress	Total
Cost:						
Balance on January 1, 2023	$ 213,883	49,628	1,699	44,510	-	309,720
Additions	-	305	-	359	2,720	3,384
Disposals	-	-	-	(900)	-	(900)
Balance on December 31, 2023	**$ 213,883**	**49,933**	**1,699**	**43,969**	**2,720**	**312,204**
Balance on January 1, 2022	$ 213,883	49,628	1,699	43,105	-	308,315
Additions	-	-	-	2,054	-	2,054
Disposals	-	-	-	(649)	-	(649)
Balance on December 31, 2022	**$ 213,883**	**49,628**	**1,699**	**44,510**	**-**	**309,720**
Depreciation and Impairment:						
Balance on January 1, 2023	$ 5,560	45,593	1,027	27,568	-	79,748
Depreciation	143	1,332	247	3,926	-	5,648
Disposals	-	-	-	(525)	-	(525)
Balance on December 31, 2023	**$ 5,703**	**46,925**	**1,274**	**30,969**	**-**	**84,871**
Balance on January 1, 2022	$ 4,990	43,996	602	24,108	-	73,696
Depreciation	570	1,597	425	4,109	-	6,701
Disposals	-	-	-	(649)	-	(649)
Balance on December 31, 2022	**$ 5,560**	**45,593**	**1,027**	**27,568**	**-**	**79,748**
Carrying amounts:						
Balance on December 31, 2023	**$ 208,180**	**3,008**	**425**	**13,000**	**2,720**	**227,333**
Balance on December 31, 2022	**$ 208,323**	**4,035**	**672**	**16,942**	**-**	**229,972**

For the years ended December 31, 2023 and 2022, the above-mentioned property, plant and equipment of the Company were not pledged as collateral.

(g) Right of use assets

The Company leases assets including land and buildings. Information about leases for which the Company as a lessee was presented below:

	Land	Buildings	Total
Cost:			
Balance on January 1, 2023	$ 3,479	152,503	155,982
Additions	7,948	-	7,948
Lease modification	81	-	81
Balance on December 31, 2023	**$ 11,508**	**152,503**	**164,011**

(Continued)

		Land	Buildings	Total
Balance on January 1, 2022	$	3,552	152,503	156,055
Transfer to investment property		(73)	-	(73)
Balance on December 31, 2022	$	**3,479**	**152,503**	**155,982**
Depreciation and impairment losses:				
Balance on January 1, 2023	$	594	53,992	54,586
Depreciation		2,228	27,728	29,956
Balance on December 31, 2023	$	**2,822**	**81,720**	**84,542**
Balance on January 1, 2022	$	427	26,264	26,691
Depreciation		182	27,728	27,910
Transfer to investment property		(15)	-	(15)
Balance on December 31, 2022	$	**594**	**53,992**	**54,586**
Carrying amounts:				
Balance on December 31, 2023	$	**8,686**	**70,783**	**79,469**
Balance on December 31, 2022	$	**2,885**	**98,511**	**101,396**

(h) Investment Property

The information of investment properties of the Company were as follows:

		Land and improvement	Buildings and construction	Right-of-use assets-Land	Total
Cost:					
Balance on January 1, 2023	$	501,764	438,511	73	940,348
Transfer from inventory		100,899	62,769	-	163,668
Lease modification		-	-	11	11
Disposals		-	-	(69)	(69)
Others		-	-	(15)	(15)
Balance on December 31, 2023	$	**602,663**	**501,280**	**-**	**1,103,943**
Balance on January 1, 2022	$	423,691	349,785	-	773,476
Transfer from inventory		90,615	104,943	-	195,558
Transfer from right-of-use assets		-	-	73	73
Disposals		(12,542)	(16,217)	-	(28,759)
Balance on December 31, 2022	$	**501,764**	**438,511**	**73**	**940,348**

(Continued)

	Land and improvement	Buildings and construction	Right-of-use assets-Land	Total
Depreciation and Impairment:				
Balance on January 1, 2023	$ -	27,636	18	27,654
Depreciation	-	17,222	11	17,233
Disposals	-	-	(14)	(14)
Others	-	-	(15)	(15)
Balance on December 31, 2023	**$ -**	**44,858**	**-**	**44,858**
Balance on January 1, 2022	$ -	18,417	-	18,417
Transfer from right-of-use assets	-	-	15	15
Depreciation	-	9,431	3	9,434
Disposals	-	(212)	-	(212)
Balance on December 31, 2022	**$ -**	**27,636**	**18**	**27,654**
Carrying amounts:				
Balance on December 31, 2023	**$ 602,663**	**456,422**	**-**	**1,059,085**
Balance on December 31, 2022	**$ 501,764**	**410,875**	**55**	**912,694**
Fair value:				
Balance on December 31, 2023				**$ 1,390,945**
Balance on December 31, 2022				**$ 1,141,412**

The investment property includes the Company's own assets and right-of-use assets held in recognition of lease rights, and office buildings and parking lots leased to third parties under operating leases. Please refer to note 6(n) for more information.

The fair value measurement of investment property by the Company is based on the website of Department of Land Administation and estate agencys website or the close deal in similar district. The fair value measurement of investment property has been categorized as a level 3 fair value based on the imputs to the valuation techique used.

As of December 31, 2023 and 2022, the Company’s investment property had been pledged as collateral, please refer to note 8.

(i) Other financial assets and incremental costs of obtaining a contract

	December 31, 2023	December 31, 2022
Other current and non-current financial assets	$ 8,972,419	5,429,405
Current incremental costs of obtaining a contract	929,954	1,564,071
Total	**$ 9,902,373**	**6,993,476**

(Continued)

(i) Other financial assets

Other financial assets include certificate of deposit as collateral, trust account for presale of properties, reserve account for borrowing, performance guarantee, reserve account for bonds and construction deposit.

(ii) Incremental costs of obtaining a contract

The Company expects that incremental commission fees paid to intermediaries, and the bonus for the internal sales department are recoverable. The Company has therefore capitalized them as contract costs. Capitalized commission fees are amortized when the related revenues are recognized. For the years ended December 31, 2023 and 2022, the Company recognized $1,280,222 thousand and $110,217 thousand of selling expenses.

(j) Short-term borrowings/notes and bills payable

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

	December 31, 2023			
	Currency	**Range of interest rate**	**Maturity**	**Amount**
Secured bank loans	TWD	2.01%~3.02%	2024~2027	$ 8,511,688
Unsecured bank loans	TWD	2.25%~2.65%	2024~2027	587,000
Short-term notes and bills payable	TWD	1.52%~2.74%	2024	1,623,524
Total				**$ 10,722,212**

	December 31, 2022			
	Currency	**Range of interest rate**	**Maturity**	**Amount**
Secured bank loans	TWD	2.11%~3.40%	2023~2027	$ 21,134,135
Unsecured bank loans	TWD	1.93%~2.53%	2023~2027	1,290,000
Short-term notes and bills payable	TWD	2.29%~2.32%	2023	751,639
Total				**$ 23,175,774**

(i) The issue of bank loan and repayment

For the years ended December 31, 2023 and 2022, the incremental amounts were $17,955,900 thousand and $19,865,816 thousand, respectively; the repayment amounts were $30,408,816 thousand and $11,806,300 thousand, respectively.

(ii) Collateral for bank loans

The Company had pledged as collateral for bank loans, please refer to note 8.

(Continued)

(k) Long-term borrowings/Long-term borrowings, current portion

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

	December 31, 2023			
	Currency	**Range of interest rate**	**Maturity**	**Amount**
Secured bank loans	TWD	2.29%	2034	$ 293,514
Less: current portion				(25,938)
Total				$ **267,576**

	December 31, 2022			
	Currency	**Range of interest rate**	**Maturity**	**Amount**
Secured bank loans	TWD	2.04%	2034	$ 318,924
Less: current portion				(25,525)
Total				$ **293,399**

(i) The issue of bank loan and repayment

For the years ended December 31, 2023 and 2022, the incremental amounts were no addition; the repayment amounts were $25,410 thousand and $25,558 thousand, respectively.

(ii) Collateral for bank loans

The Company had pledged as collateral for bank loans, please refer to note 8.

(l) Bonds payable/Bonds payable, current portion or putable bonds

The details of the Company's bonds payable were as follows:

	December 31, 2023	**December 31, 2022**
Secured ordinary bonds	$ 9,900,000	9,900,000
Discount on bonds payable－unamortized amount	(31,536)	(44,985)
Ending balance: bonds payable	$ **9,868,464**	**9,855,015**
Secured ordinary corporate bond－current	$ 5,871,596	-
Secured ordinary corporate bond－non-current	3,996,868	9,855,015
Total	$ **9,868,464**	**9,855,015**

(i) The Company has not issued, repurchased or repaid any corporate bonds payable in advance in 2023. The Company issued a secured ordinary corporate bond for 5 years at the amount of $2,000,000 thousand, with an interest rate of 0.85%, in April 2022.

(Continued)

(ii) The Company issued a secured ordinary corporate bond amounting to $2,000,000 thousand, and $5,900,000 thousand with an interest rate of 0.57% and 0.78%～0.85% in November 2021 and 2019, respectively. The secured ordinary corporate bonds were issued for 5 years.

(iii) For the details of collateral of secured ordinary corporate bond, please refer to note 8.

(m) Lease liabilities

The carrying amount of lease liabilities were as follows：

	December 31, 2023	December 31, 2022
Current	$ 33,977	29,104
Non-current	$ 45,459	72,040

For the maturity analysis, please refer to note 6(v).

The amounts recognized in profit or loss were as follows:

	For the years ended December 31	
	2023	2022
Interest on lease liabilities	$ 1,696	2,145
Expenses relating to short-term leases	$ 11,380	12,638

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

	For the years ended December 31	
	2023	2022
Total cash outflow for leases	$ 42,767	41,793

(i) Real estate lease

The Company sold and leased back its office buildings, and leased land for the parking lot and reception center. The leases run for a period of 1.5-20 years. The Company also leases out its office equipment, reception center and outdoor advertising. These leases are short-term and leases of low-value items. The Company has elected not to recognize its right-of-use assets and lease liabilities for these leases.

(n) Operating lease

The Company leases out its investment property. The Company has classified these leases as operating leases, because it does not transfer substantially all of the risks and rewards incidental to the ownership of the assets. Please refer to note 6(h) sets out information about the operating leases of investment property.

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

	December 31, 2023	December 31, 2022
Less than one year	$ 23,828	17,981
One to two years	21,452	12,049
Two to three years	16,480	9,029
Three to four years	15,663	4,131
Four to five years	13,852	4,131
More than five years	-	3,034
Total undiscounted lease payments	**$ 91,275**	**50,355**

For the years ended December 31, 2023 and 2022, the Company's rental income from investment properties were $18,423 thousand and $15,979 thousand, respectively.

(o) Employee benefits

(i) Defined benefit plans

The Company's employee benefit liabilities were as follows:

	December 31, 2023	December 31, 2022
Short-term paid leave liability	**$ 2,748**	**2,688**

(ii) Defined contribution plans

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

The pension costs incurred from the contributions to the Bureau of the Labor Insurance amounted to $6,165 thousand and $3,306 thousand for the years ended December 31, 2023 and 2022, respectively.

(Continued)

(p) Income tax

(i) Income tax expenses

The components of income tax expenses for the years ended December 31, 2023 and 2022 were as follows:

	For the years ended December 31	
	2023	**2022**
Current tax expense		
Current period	$ 1,414,135	-
Land value increment tax	225,630	39,487
Adjustment for prior periods	(172)	2,997
Additional surtax on unappropriated earnings	-	6,598
Income tax expense	**$ 1,639,593**	**49,082**

The reconciliation of income tax expense and profit before tax for the years ended December 31, 2023 and 2022 were follows:

	For the years ended December 31	
	2023	**2022**
Profit before tax	$ 9,341,139	205,718
Income tax expense at domestic statutory tax rate	1,868,228	41,144
Book –tax difference between revenue recognition time	(16,117)	-
Book –tax difference between deferred interest expense	(6,558)	(20,901)
Land tax exempt income	(274,182)	(63,284)
Adjustment for prior periods	(172)	2,997
Book –tax difference between deferred sales commission	(27,501)	14,535
Land value increment tax	225,630	39,487
Dividend income	(1,446)	(10,533)
Additional surtax on unappropriated earnings	-	6,598
Others	(128,289)	39,039
	$ 1,639,593	**49,082**

(ii) Recognized deferred tax assets and liabilities

Changes in the amount of deferred tax liabilities for the years ended December 31, 2023 and 2022 were as follows:

(Continued)

	Provision for land value increment tax
Deferred tax liabilities:	
Balance on January 1, 2023	$ 2,844
Balance on December 31, 2023	**$ 2,844**
Balance on January 1, 2022	$ 2,844
Balance on December 31, 2022	**$ 2,844**

(iii) Assessment of tax

The Company's income tax had been examined by the tax authorities till the year 2021.

(q) Capital and other equity

As of December 31, 2023 and 2022, the total value of authorized ordinary shares both were $8,000,000 thousand, with par value of $10 per share. The paid-in capital both were 451,026 thousand.

(i) Ordinary shares

A resolution was passed during the general meeting of shareholders held on June 9, 2022, for the issuance of 150 new shares per one thousand shares, using retained earnings, with an amount totaling $588,295 thousand. The Company has received the approval from the Financial Supervisory Commission for the above-mentioned capital increase on August 1, 2022. Also, a resolution was passed during the board meeting, to set October 2, 2022, as the base date for the stock allotment. The relevant statutory registration procedures have since been completed.

(ii) Capital surplus

The components of the capital surplus were as follows:

	December 31, 2023	December 31, 2022
Premium on issuance of capital stock	$ 12,021	12,021
Others	11,833	10,580
	$ 23,854	**22,601**

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

(Continued)

(iii) Retained earnings

In accordance with the Company's Articles of Incorporation, stipulates that Company's net earnings should first be used to offset the prior years' deficits, if any, before paying any income taxes. Of the remaining balance, 10% is to be appropriated as legal reserve, and then any remaining profit together with any undistributed retained earnings shall be distributed according to the distribution plan proposed by the Board of Directors and submitted to the stockholders' meeting for approval.

Before the distribution of dividends, the Company shall first take into consideration its operating environment, industry developments, and the long-term interests of stockholders, as well as its programs to maintain operating efficiency and meet its capital expenditure budget and financial goals in determining the stock or cash dividends to be paid. When distributing dividends, the Company determines the stock or cash dividends to be paid. The limit of dividend distribution is maintained between 10% and 100% of current-year earnings distribution. The cash dividends shall not be below 10% of total dividends.

As the Company distributes all or part of dividends, or legal reserve, or capital with cash, the Company should hold a Board meeting to pass the resolution by more than half of the directors present at the Board meeting, which meeting requires a quorum of two thirds of all the directors present. The resolution should be submitted to the Shareholder's meeting.

1) Legal reserve

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

2) Special reserve

In accordance with the FSC, a portion of current-period earnings and undistributed prior-period earnings shall be reclassified as special earnings reserve during earnings distribution. The amount to be reclassified should equal the current-period total net reduction of other shareholders' equity. Similarly, a portion of unappropriated earnings prior-period earnings shall be reclassified as special earnings reserve (and does not qualify for earnings distribution) to account for cumulative changes to other shareholders' equity pertaining to prior periods. Amounts of subsequent reversals pertaining to the net reduction of other shareholders' equity shall qualify for additional distributions.

(Continued)

3) Earnings distribution

Earnings distribution for the years ended December 31, 2022 and 2021 were decided by the resolution adopted, at the general meeting of shareholders held on June 13, 2023 and June 9, 2022, and the dividends distribution were as follows:

	For the years ended December 31			
	2022		2021	
	Amount per share (dollars)	Amount	Amount per share (dollars)	Amount
Dividends distributed to ordinary shareholders:				
Cash	$ 0.60	270,616	2.00	784,393
Shares	-	-	1.50	588,295
Total		$ 270,616		1,372,688

(iv) Other equity items (net after tax)

	Unrealized gains (losses) from financial assets measured at fair value through other comprehensive income
Balance on January 1, 2023	$ 130,574
Unrealized gains (losses) from financial assets measured at fair value through other comprehensive income	55,113
Balance on December 31, 2023	$ 185,687
Balance on January 1, 2022	$ 155,726
Unrealized gains (losses) from financial assets measured at fair value through other comprehensive income	(25,152)
Balance on December 31, 2022	$ 130,574

(r) Earnings per share

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

(i) Basic earnings per share

	For the years ended December 31	
	2023	2022
1) Profit attributable to ordinary shareholders of the Company	$ 7,701,546	156,636
2) Weighted-average number of ordinary shares	451,026	451,026

(Continued)

(ii) Diluted earnings per share

	For the years ended December 31	
	2023	**2022**
1) Profit attributable to ordinary shareholders of the Company (diluted)	**$ 7,701,546**	**156,636**
2) Weighted-average number of ordinary shares (basic)	451,026	451,026
Effect of restricted employee shares unvested	261	156
Weighted-average number of ordinary shares (diluted)	**451,287**	**451,182**

(s) Revenue from contracts with customers

(i) Disaggregation of revenue

	For the years ended December 31	
	2023	**2022**
Primary geographical markets:		
Taiwan	**$ 30,592,919**	**2,369,080**
Major products/services lines:		
Sales revenue (sales of real estate)	$ 30,574,496	2,353,101
Other revenue	18,423	15,979
	$ 30,592,919	**2,369,080**
Timing of revenue recognition:		
Revenue transferred over time	$ 18,423	15,979
Products and services transferred at a point in time	30,574,496	2,353,101
	$ 30,592,919	**2,369,080**

(ii) Contract balances

	December 31, 2023	**December 31, 2022**	**January 1, 2022**
Contract liabilities－Sales of real estate	$ 2,535,438	5,654,170	3,267,845
Contract liabilities－Advance receipt	671	285	264
Total	**$ 2,536,109**	**5,654,455**	**3,268,109**

For details on accounts receivable and allowance for impairment, please refer to note 6(c).

The amount of revenue recognized for the years ended December 31, 2023 and 2022 that was included in the contract liability－Sales of real estate balance at the beginning of the period were $4,535,557 thousand and $236,221 thousand, respectively.

(Continued)

The major change in the balance of contract assets and liabilities is the difference between the time frame in the performance obligation to be satisfied and the payment to be received. There were no other significant changes for the years ended December 31, 2023 and 2022.

(t) Employee and directors' remuneration

In accordance with the articles of incorporation the Company should contribute no less than 0.1% of the profit as employee remuneration and less than 1% as directors' remuneration when there is profit for the year. However, if the Company has accumulated deficits, the profit should be reserved to offset the deficit. The recipients of shares and cash may include the employees of the Company's affiliated companies who meet certain conditions.

For the years ended December 31, 2023 and 2022, the Company estimated its employee remuneration amounting to $25,000 thousand and $4,000 thousand, respectively, and directors' remuneration amounting to $10,000 thousand and $1,500 thousand, respectively. The estimated amounts mentioned above are calculated based on the net profit before tax, excluding the remuneration to employees, directors of each period, multiplied by the percentage of remuneration to employees, directors as specified in the Company's Articles. If there is difference between the estimated amount and actual distribution of next year, the Company recognizes it in profit and loss of the next year, as a change in accounting estimates. If a resolution is made by the meeting of Board of Directors to distribute employee remuneration by shares, the number of shares to be distributed will be calculated based on the closing price of the Company's ordinary shares, one day before the date of the meeting of Board of Directors. These remunerations were expensed under operating expenses for the years ended 2023 and 2022.

Related information would be available at the Market Observation Post System website. The amounts, as stated in the financial statements, are identical to those of the actual distributions for the years ended 2023 and 2022.

(u) Non-operating income and expenses

(i) Interest income

The details of interest income for the years ended December 31, 2023 and 2022 were as follows:

	For the years ended December 31	
	2023	**2022**
Interest income from construction refundable deposit	$ 248	131
Interest income from bank deposit and bills	42,925	9,177
Others	10	-
	$ 43,183	**9,308**

(ii) Other income

The details of other income for the years ended December 31, 2023 and 2022 were as follows:

	For the years ended December 31	
	2023	**2022**
Dividend income	$ 7,231	52,666
Rent income	10,639	9,700
	$ 17,870	**62,366**

(iii) Other gains and losses

The details of other gains and losses for the years ended December 31, 2023 and 2022 were as follows:

	For the years ended December 31	
	2023	**2022**
Foreign exchange gains	$ 3	931
Other income	21,513	38,106
Gain on lease modifications	2	8
Gain on disposals of investment properties	-	10,960
Gain on disposal of property, plant and equipment	768	7
Other expenses	(381)	(2,589)
	$ 21,905	**47,423**

(iv) Finance costs

The details of finance costs for the years ended December 31, 2023 and 2022 were as follows:

	For the years ended December 31	
	2023	**2022**
Interest expense		
Bank loans and collateral	$ 499,193	406,849
Guarantee fees	15,731	2,885
Interest on corporate bond (including fees)	191,430	203,232
Other financial expenses	1,696	2,145
Less: capitalized interest	(489,514)	(458,242)
	$ 218,536	**156,869**

(Continued)

(v) Financial instruments

(i) Credit risk

1) Credit risk exposure

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

2) Concentration of credit risk

The most of account receivables of the Company are from sales of real estate department. Receivables generated from sales of real estate department are mostly from individuals, and the payments are usually completed with transferring, check, or loans form the bank, which are considered to have low credit risk nd no past-due condition. Thus, the Company evaluates there is no need to recognize loss allowance provision.

(ii) Liquidity risk

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

	Carrying amount	Contractual cash flows	Within 1 year	1-3 years	3-5 years	Over 5 years
December 31, 2023						
Non derivative financial liabilities:						
Secured bank loans	$ 8,805,202	9,258,752	3,002,023	5,087,064	1,002,326	167,339
Unsecured bank loans	587,000	607,539	427,181	8,689	171,669	-
Short-term notes and bills payable	1,623,524	1,627,000	1,627,000	-	-	-
Ordinary corporate bonds (including current portion)	9,868,464	10,051,020	5,977,220	2,056,800	2,017,000	-
Notes payable, accounts payable and other payables	2,163,503	2,163,503	2,163,503	-	-	-
Lease liabilities	79,436	81,491	34,076	46,555	137	723
	$ 23,127,129	**23,789,305**	**13,231,003**	**7,199,108**	**3,191,132**	**168,062**
December 31, 2022						
Non derivative financial liabilities:						
Secured bank loans	$ 21,453,059	22,411,469	9,942,128	8,664,165	3,606,703	198,473
Unsecured bank loans	1,290,000	1,312,915	1,244,624	3,186	65,105	-
Short-term notes and bills payable	751,639	751,700	751,700	-	-	-
Ordinary corporate bonds	9,855,015	10,128,240	77,220	6,005,620	4,045,400	-
Notes payable, accounts payable and other payables	1,728,454	1,728,454	1,728,454	-	-	-
Lease liabilities	101,144	104,730	29,162	58,325	16,519	724
	$ 35,179,311	**36,437,508**	**13,773,288**	**14,731,296**	**7,733,727**	**199,197**

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

(iii) Market risk

1) Interest rate analysis

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

The following sensitivity analysis is based on the exposure to the interest rate risk of derivative and non derivative financial instruments on the reporting date. Regarding assets with variable interest rates, the analysis is based on the assumption that the amount of assets outstanding at the reporting date was outstanding throughout the year. The rate of change is expressed as the interest rate increases or decreases by 0.5% when reporting to management internally, which also represents the Company management's assessment of the reasonably possible interest rate change.

If the interest rate had increased / decreased by 0.5% basis points, the Company's interest expenses would have increased / decreased by $46,970 thousand and $113,738 thousand, respectively, for the years ended December 31, 2023 and 2022, with all other variable factors remaining constant. Taking into account that capitalized interest of profit may decrease or increase by $14,497 thousand and $29,006 thousand, respectively. This is mainly due to the Company's borrowing at variable rates.

2) Other market price risk

For the years ended December 31, 2023 and 2022, the sensitivity analyses for the changes in the securities price at the reporting date were performed using the same basis for the profit and loss as illustrated below:

	For the years ended December 31	
	2023	**2022**
Price of securities at reporting date	**Other comprehensive income after tax**	**Other comprehensive income after tax**
Increasing 10％	$ 64,372	58,280
Decreasing 10％	$ (64,372)	(58,280)

(iv) Information of fair value

1) Valuation techniques for financial instruments measured at fair value

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

(Continued)

	December 31, 2023				
		Fair Value			
	Book Value	Level 1	Level 2	Level 3	Total
Financial assets at fair value through other comprehensive income					
Stocks listed on domestic markets	$ 643,717	643,717	-	-	643,717
Financial assets measured at amortized cost					
Cash and cash equivalents	$ 2,202,355	-	-	-	-
Notes and accounts receivable	713,167	-	-	-	-
Other receivables	1,066	-	-	-	-
Other financial assets－current	7,880,676	-	-	-	-
Other financial assets－non-current	1,091,743	-	-	-	-
Subtotal	11,889,007	-	-	-	-
Total	**$ 12,532,724**	**643,717**	**-**	**-**	**643,717**
Financial liabilities measured at amortized cost					
Short-term loans	$ 9,098,688	-	-	-	-
Short-term notes and bills payable	1,623,524	-	-	-	-
Notes payable, accounts payable and other payables	2,163,503	-	-	-	-
Lease liabilities	79,436	-	-	-	-
Corporate bonds payable (including current portion)	9,868,464	-	-	-	-
Long-term loans (including current portion)	293,514	-	-	-	-
Total	**$ 23,127,129**	**-**	**-**	**-**	**-**

	December 31, 2022				
		Fair Value			
	Book Value	Level 1	Level 2	Level 3	Total
Financial assets at fair value through other comprehensive income					
Stocks listed on domestic markets	$ 582,804	582,804	-	-	582,804
Financial assets measured at amortized cost					
Cash and cash equivalents	$ 925,890	-	-	-	-
Notes and accounts receivable	1,339,245	-	-	-	-
Other receivables	587	-	-	-	-
Other financial assets－current	1,862,349	-	-	-	-
Other financial assets－non-current	3,567,056	-	-	-	-
Subtotal	7,695,127	-	-	-	-
Total	**$ 8,277,931**	**582,804**	**-**	**-**	**582,804**

(Continued)

	December 31, 2022				
		Fair Value			
	Book Value	Level 1	Level 2	Level 3	Total
Financial liabilities measured at amortized cost					
Short-term loans	$ 22,424,135	-	-	-	-
Short-term notes and bills payable	751,639	-	-	-	-
Notes payable, accounts payable and other payables	1,728,454	-	-	-	-
Lease liabilities	101,144	-	-	-	-
Corporate bonds payable	9,855,015	-	-	-	-
Long-term loans (including current portion)	318,924	-	-	-	-
Total	$ 35,179,311	-	-	-	-

2) Valuation techniques for financial instruments measured at fair value

a) Non-derivative financial instruments

A financial instrument is regarded as being quoted in an active market if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency and those prices represent actual and regularly occurring market transactions on an arm' s-length basis. Whether transactions are taking place 'regularly' is a matter of judgment and depends on the facts and circumstances of the market for the instrument.

Quoted market prices may not be indicative of the fair value of an instrument if the activity in the market is infrequent, the market is not well-established, only small volumes are traded, or bid-ask spreads are very wide. Determining whether a market is active involves judgment.

Fair values and extents of financial instruments quoted in active markets are listed as follows:

i) Fair value of listed stocks and corporate bonds are determined by market prices, for they are issued with standard terms and conditions, and are quoted in active markets.

b) Derivative financial instruments

Measurement of the fair value of derivative instruments is based on the valuation techniques generally accepted by market participants such as the discounted cash flow or option pricing models. Fair value of forward currency is usually determined by the forward currency exchange rate. Structured Interest Rate Derivatives financial instruments are base on appropriate option pricing models (such as the Black－Scholes model) or other evaluation methods.

The discounted cash flow method is used to estimate the fair value. The main assumptions are considering the probability of occurrence base on the surplus before the tax, interest, depreciation and amortization to estimate the price to be paid, and are estimated as the present value after discounting, whose discount rate is adjusted base on the risk.

3) Transfers between levels

Stock held by the Company quoted in an active market is sorted to Level 1. There is no difference regarding valuation techniques for the years ended December 31, 2023 and 2022. There is no transfer between levels measured at fair value for the years ended December 31, 2023 and 2022.

(w) Financial risk management

(i) Overview

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

1) Credit risk

2) Liquidity risk

3) Market risk

The following likewise discusses the Company’s exposure information, objectives, policies and processes for measuring and managing the above mentioned risks.

(ii) Structure of risk management

The Company’s risk management policies are established to identify and analyze the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company’s activities. The Company, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

(iii) Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company’s receivables from customers and investments in debt securities.

1) Account and other receivables

The Company’s credit risk is affected by its clients. Accounts receivable generated by selling real estate has a lower credit risk since the payment is completed by the masses with transferring, check, or loans form the bank.

(Continued)

The Company discloses the estimation of accounts receivables' and other receivables' loss with allowance for bad debt impairment loss account. Allowance for bad debt impairment loss account is composed with specific losses and batch of unrecognized losses components. Unrecognized losses components are determined by historically statistical data from similar financial assets.

2) Investments

The exposure to credit risk for the bank deposits, fixed income investments, and other financial instruments is measured and monitored by the Company's finance department. The Company only deals with banks, other external parties, corporate organizations, government agencies and financial institutions with good credit rating. The Company does not expect any counterparty above fails to meet its obligations hence there is no significant credit risk arising from these counterparties.

3) Guarantees

The Company's policy is to provide financial guarantees to subsidiaries that directly or indirectly hold more than 50% of voting shares and companies with business relations. At December 31, 2023 and 2022, the situation about the Company provided guarantees to wholly owned subsidiaries, please refer to note 7(c).

(iv) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it always has sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

(v) Market risk

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

(x) Capital management

The Company's objectives for managing capital to safeguard the capacity to continue to operate, to continue to provide a return on shareholders, to maintain the interest of other related parties, and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Company may adjust the dividend payment to the shareholders, or issue new shares.

The Company and other entities in the same industry use the debt-to-equity ratio to manage capital. This ratio is the total net debt divided by the total capital. The net debt from the balance sheet is derived from the total liabilities less cash and cash equivalents. The total capital and equity include share capital, capital surplus, retained earnings, and other equity plus net debt.

(Continued)

As of 2023, the Company's capital management strategy is consistent with the prior year as of 2022. The gearing ratio is maintained so as to ensure financing at reasonable cost. The Company's debt-to-equity ratio as of December 31, 2023 and 2022, were as follows:

	December 31, 2023	December 31, 2022
Total liabilities	$ 27,290,084	41,200,269
Less: cash and cash equivalents	(2,202,355)	(925,890)
Net debt	25,087,729	40,274,379
Total Equity	13,510,623	6,023,327
Total capital and equity	**$ 38,598,352**	**46,297,706**
Debt-to-equity ratio	**65%**	**87%**

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

The Company's investing and financing activities which did not affect the current cash flow in the years ended December 31, 2023 and 2022, were as follows:

(i) By the lease to get the right-of-use asset, please refer to notes 6(g).

(7) Related-party transactions:

(a) Parent company and ultimate controlling company

On December 31, 2023 and 2022, Guang Yang Investment Co., Ltd. (Guang Yang) is the parent company of the Company and both owns 6.37% of all shares outstanding of the Company. Chyi Yuh Construction Co., Ltd. is the parent company of Guang Yang. Highwealth Construction Corp. is the ultimate controlling party of the Company and has issued the Consolidated Financial Statements available for Public Use.

(b) Names and relationship with related party

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

Name of related party	Relationship with the Company
Guang Yang Investment Co., Ltd.	Parent company of the Company
Chyi Yuh Construction Co., Ltd.	Parent company of Guang Yang Investment Co., Ltd.
Highwealth Construction Corp. (Highwealth)	Ultimate controlling company of the Company
Well Rich International Co., Ltd.	Same ultimate controlling company with the Company
Bo Yuan Construction Co., Ltd. (Bo Yuan)	〃
Highwealth Real Estate Co., Ltd.	〃
Ju Feng Hotel Management Consultant Co., Ltd. (Ju Feng)	〃

(Continued)

Name of related party	Relationship with the Company
Jin Jyun Construction Co., Ltd	Subsidiary Company
Da Li Investment Co., Ltd.	Corporate director of the Company
Fang ○○ architectural firm	Key management personnel of the Company who is in charge of the architectural firm
○○, Ye	Relatives by blood within the second degree of relationship of key management personnel of the Company
○○, Ciou	Relatives by blood within the second degree of relationship of key management personnel of the Company

(c) Significant transactions with related parties

(i) Operating revenues

For the years ended December 31, 2023 and 2022, the Company entered into separate sales agreements with different related parties for the disposal of its real estates, at the amounts of $32,077 thousand and $32,078 thousand (VAT included) in accordance with the employee purchase policy, resulting in the amounts of $31,256 thousand and zero to be recognized as sales revenue, as well as the advance real estate receipts of zero and $4,588 thousand, respectively, as contract liabilities, with the approval of its board. There were no difference between the conditions for related parties stated in the contract mentioned and those of non-related parties.

(ii) Purchase

1) The amounts of purchases from contract construction by the Company from related parties were as follows:

	Purchase (charged)	
	For the years ended December 31	
	2023	2022
Parent company:		
Chyi Yuh	$ -	174,989
Subsidiary company:		
Jin Jyun	4,611,536	4,697,710
Other related parties		
Bo Yuan	46,807	152
Other related parties	1,210	7
	$ 4,659,553	4,872,858

There were no significant differences of the price and conditions for related parties and ordinary contract mentioned above.

The above transaction is the purchase agreement entered into by the Company with its other related party, Bo Yuan, who the Company purchase a building permit from at the price of $48,852 thousand (VAT included).

(Continued)

2) The Company commissioned related parties to administer construction properties. Administration fees were as follows:

		Expense paid For the years ended December 31	
		2023	2022
Parent company:			
Highwealth	$	10,076	-
Subsidiary company:			
Jin Jyun		3,000	2,750
Other related parties		559	6,548
	$	**13,635**	**9,298**

(iii) Payables to related parties

The payables to related parties were as follows:

Accounted items	Categories		December 31, 2023	December 31, 2022
Accounts payable	Parent company－Chyi Yuh	$	-	55,927
〃	Subsidiary company－Jin Jyun		588,393	555,304
〃	Other related parties		3,114	5,288
Other payables	Other related parties		19,910	7,848
		$	**611,417**	**624,367**

(iv) Guarantees

The Company provided guarantees to the subsidiary Jin Jyun Co., Ltd for bank financing. As of December 31, 2023, the guarantees balance was $100,000 thousands, and the amount spent was zero.

The subsidiary Jin Jyun Co., Ltd provided guarantees to the Company for bank financing. As of December 31, 2023 and 2022, the guarantees balance both were $1,000,000 thousand, and the amount spent were $400,000 thousand and zero, respectively.

(Continued)

(v) Leases

The leases between the Company and related parties were as follows:

1) Rent income

	Guarantee deposit		Rent income For the years ended December 31	
	December 31, 2023	**December 31, 2022**	**2023**	**2022**
Parent company	$ -	-	57	57
Subsidiaries:				
Jin Jyun	54	-	129	-
Other related parties:				
Bo Yuan	1,378	1,378	7,902	7,902
Other related parties	200	-	994	41
	$ 1,632	**1,378**	**9,082**	**8,000**

2) Rent expense

	Refundable deposits		Rent expense For the years ended December 31	
	December 31, 2023	**December 31, 2022**	**2023**	**2022**
Parent company －Highwealth	$ -	-	1,429	4,677
Other related parties －Bo Yuan	140	140	777	777
	$ 140	**140**	**2,206**	**5,454**

(vi) Others

1) As of December 31, 2023 and 2022, the Company’s contracts with related parties for construction cooperation were as follows:

Property	Land owner /Investor	Type	Portion	Refundable deposit
December 31, 2023				
Shr Jeng Ai Yue (Huei An Section)	Parent company －Highwealth	Redistribution under cooperative construction	57%	Refundable deposit $ 100,000 Refundable notes $ 200,000

(Continued)

Property	Land owner /Investor	Type	Portion	Refundable deposit
December 31, 2022				
Shr Jeng Ai Yue (Huei An Section)	Parent company －Highwealth	Redistribution under cooperative construction	57%	Refundable deposit $ 100,000 Refundable notes $ 200,000

2) The Company received guarantee notes were as follows:

	December 31, 2023	December 31, 2022
Parent company－Chyi Yuh	$ -	70,218
Subsidiary company－Jin Jyun	89,425	9,682
	$ 89,425	**79,900**

3) The Company commissioned related parties to sell real estate. Related consulting fees and commission and sales expense were as follows:

	Expense paid For the years ended December 31 2023	2022
Parent company	$ 134	-
Other related parties:		
Ju Feng	33,572	18,117
Well Rich International Co., Ltd.	4,055	2,188
Other related parties	89	1,081
	$ 37,850	**21,386**

(d) Key management personnel compensation

Key management personnel compensation comprised:

	For the years ended December 31 2023	2022
Short-term employee benefits	**$ 39,135**	**19,436**

(Continued)

(8) Pledged assets:

The carrying values of pledged assets were as follows:

Pledged assets	Object	December 31, 2023	December 31, 2022
Financial assets at FVOCI－current	Bank loans	$ 527,115	529,744
Notes receivable	Bank loans, short-term notes and bonds	627,831	190,830
Other financial assets	Trust account, performance bonds, bank loans and bonds	7,992,288	4,921,671
Inventories (construction)	Bank loans, short-term notes and long-term borrowings	19,150,518	34,716,095
Investment property	Long-term borrowings, bank loans and short-term notes	1,056,418	912,639
		$ 29,354,170	41,270,979

As of December 31, 2023 and 2022, the book value of pledged assets providing undrawn guaranteed loan are $4,601,519 thousand and $282,171 thousand, respectively. As of December 31, 2023 and 2022, the Company provided notes receivable of presale cases $1,525,139 thousand and $2,215,071 thousand, as collateral for the bank loans, respectively.

(9) Commitments and contingencies:

(a) Unrecognized contractual commitments

(i) Amount of signed contract and received amount from contracts for construction released, for properties sold in advance and sold after completion were as follows:

	December 31, 2023	December 31, 2022
Amounts of signed contracts	$ 32,463,218	47,726,441
Received amount from contracts	$ 2,535,438	5,654,170
Outstanding checks received from presale cases	$ 2,782,497	2,543,260

(ii) As of December 31, 2023 and 2022, the refundable deposits paid and notes submitted, through cooperation with the land owners, amounted were $4,305,000 thousand and $645,000 thousand, respectively. For the partial above-mentioned joint construction projects, the Company will settle the amount on the date agreed by both parties.

(iii) As of December 31, 2023 and 2022, the contract price of administer services the Company provided to joint investors both were $14,286 thousand, the amounts received both were $11,429 thousand. for the partial above-mentioned joint construction projects, the Company will settle the amount on the date agreed by both parties.

(Continued)

(10) Losses due to major disasters: None

(11) Subsequent events: None

(12) Other:

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

	For the years ended December 31					
	2023			2022		
By function / By item	Operating Cost	Operating Expense	Total	Operating Cost	Operating Expense	Total
Employee benefits						
Salary	194	109,647	109,841	1,181	71,016	72,197
Labor and health insurance	7	8,259	8,266	137	8,368	8,505
Pension	3	6,162	6,165	70	3,236	3,306
Remuneration of directors	-	12,880	12,880	-	4,380	4,380
Others	4	18,318	18,322	180	9,225	9,405
Depreciation	17,412	35,425	52,837	9,442	34,603	44,045
Amortization	-	2,060	2,060	-	1,798	1,798

For the year ended December 31, 2023 and 2022, the information on the number of employees amd employee benefit expense of the Company is as follows:

	For the years ended December 31	
	2023	2022
Number of employees	100	99
Number of directors who were not employees	5	5
The average employee benefit	$ 1,501	994
The average employee salary	$ 1,156	768
Percentage of average employee salary expense	50.52 %	(35.79)%
Remuneration to supervisors	$ -	-

The item of the Company's salary and remuneration about directors, independent director, managers, and employees are as follows:

(i) Independent directors

1) Regardless of the Company' s profit or loss, independent directors' salary and remuneration need to be paid in monthly basis (or quarterly, half yearly) and be adjusted according to the value of his/her participation in the contribution to Company' s operation.

2) The independent directors cannot participate in the distribution of director's compensation and other bonus distribution.

(Continued)

(ii) Other directors

1) The Company pays other directors’ remuneration, according to the value of his/her participation in the contribution to Company’s operation and refer to peer remuneration levels.

2) Other directors' remuneration is allocated at a rate specified in the Company’s articles of incorporation.

3) According to the needs of the actual execution of the business, the Company has to pay for the traffic allowance.

(iii) Managerial officer

1) The monthly fixed salary is determined by salary level of each rank.

2) According to the result of the operation performance assessment, the Company distributes the performance bonus.

3) Year-end bonuses will be issued based on the results of employee performance appraisal.

4) Employees' remuneration is allocated at a rate specified in the Company’s articles of incorporation.

5) Traffic allowance and supervisor allowance are paid in accordance to duties and standards.

(iv) Other employees:

The salary of the Company’s employees is handled in accordance with the regulations of the "post ranks table" and "post salary benchmark table". The employee salary is divided into recurring and non-recurring salaries.

1) Recurring salaries include basic salaries, duties allowance, construction site allowance, professional allowance, meal allowance and other allowance.

2) Non-recurring salaries include overtime pay, Dragon Boat festival bonus, Mid-Autumn Festival bonus and year-end bonus.

(b) Other

Regarding the fraud allegations against TSAI, TSUNG-PIN, the former chairman of the Company, in connection with the Kuobin Dayuan case, the Taipei District Prosecutors Office decided not to prosecute TSAI,TSUNG-PIN and others on December 21, 2016. However, after the plaintiff requested a review and the Taiwan High Prosecutors Office revoked the non-prosecution decision, the prosecutor filed charges of ordinary fraud against TSAI, TSUNG-PIN on January 5, 2023.The case is now being tried by the Taipei District Court, and the Company assesses that the aforementioned event has no significant impact on the financial operations of the Company.

(Continued)

(13) Other disclosures:

(a) Information on significant transactions:

The following is the information on significant transactions required by the "Regulations Governing the Preparation of Financial Reports by Securities Issuers" for the Company:

(i) Loans to other parties: None

(ii) Guarantees and endorsements for other parties:

(Amount in Thousands of New Taiwan Dollars, Unless specified Otherwise)

No.	Name of guarantor	Counter-party of guarantee and endorsement		Limitation on amount of guarantees and endorsements for a specific enterprise	Highest balance for guarantees and endorsements during the period	Balance of guarantees and endorsements as of reporting date	Actual usage amount during the period	Property pledged for guarantees and endorsements (Amount)	Ratio of accumulated amounts of guarantees and endorsements to net worth of the latest financial statements	Maximum amount for guarantees and endorsements	Parent company endorsements/ guarantees to third parties on behalf of subsidiary	Subsidiary endorsements/ guarantees to third parties on behalf of parent company	Endorsements/ guarantees to third parties on behalf of companies in Mainland China
		Name	Relationship with the Company										
0	The company	Jin Jyun Construction Co., Ltd.	2	2,702,125	100,000	100,000	-	-	0.74 %	6,755,312	Y	N	N
1	Jin Jyun Construction Co., Ltd.	The company	3	3,709,345	1,000,000	1,000,000	400,000	400,000	53.92 %	7,418,690	N	Y	N

Note 1: The numbering is as follows:

1) "0" represents the company

2) Investees are sequentially numbered from 1 by company

Note 2: The relationship between the guarantee and the guarantor are as follows:

1) Transactions between the companies.

2) The Company directly or indirectly holds more than 50% voting right.

3) When other companies directly or indirectly hold more than 50% voting rights of the Company.

4) The Company directly or indirectly holds more than 90% voting right.

5) A company that is mutually protected under contractual requirements based on the needs of the contractor.

6) A company that is endorsed by all the contributing shareholders in accordance with their shareholding ratio due to joint investment relationship.

7) Under the Consumer Protection Act, performance guarantees for pre-sale contracts for companies in the same industry.

Note 3: The Company endorsed the operation method for the total amount of guarantees and the limit for endorsement of a single enterprise:

1) The aggregate amount of endorsements and guarantees endorsed by the company and its subsidiaries shall not exceed 50% of the net value of the Company.

2) The aggregate amount of endorsements and guarantees endorsed by the company and its subsidiaries for a single enterprise shall not exceed 20% of the net value of the Company.

Note 4: Jin Jyun Construction Co., Ltd. endorsed the operation method for the total amount of guarantees and the limit for endorsement of a single enterprise:

1) The aggregate amount of endorsements and guarantees endorsed by the company shall not exceed 400% of the net value of the company.

2) The aggregate amount of endorsements and guarantees endorsed by the company for a single enterprise shall not exceed 200% of the net value of the company.

(Continued)

(iii) Securities held as of December 31, 2023 (excluding investment in subsidiaries, associates and joint ventures):

(Amount in Thousands of New Taiwan Dollars, Unless specified Otherwise)

Name of holder	Category and name of security	Relationship with company	Account title	Ending balance				Note
				Shares/Units	Carrying value	Percentage of ownership (%)	Fair value	
The Company	Stock- Highwealth Construction Corp.	Ultimate parent controlling of the Company	Financial assets at fair value through other comprehensive income- current	16,052,801	643,717	0.85 %	643,717	

(iv) Individual securities acquired or disposed of with accumulated amount exceeding the lower of NT$300 million or 20% of the capital stock:

(In Thousands of New Taiwan Dollars)

Name of company	Category and name of security	Account name	Name of counter-party	Relationship with the company	Beginning Balance		Purchases		Sales				Ending Balance	
					Shares	Amount	Shares	Amount	Shares	Price	Cost	Gain (loss) on disposal	Shares	Amount
The Company	Stock-Jin Jyun Construction Co., Ltd.	Investments accounted for using equity method	Capital increase	Subsidiary of the Company	70,000,000	580,477	100,000,000	1,000,000	-	-	-	-	170,000,000	1,655,454

(v) Acquisition of individual real estate with amount exceeding the lower of NT$300 million or 20% of the capital stock:

(In Thousands of New Taiwan Dollars)

Name of company	Name of property	Transaction date	Transaction amount	Status of payment	Counter-party	Relationship with the Company	If the counter-party is a related party, disclose the previous transfer information				References for determining price	Purpose of acquisition and current condition	Others
							Owner	Relationship with the Company	Date of transfer	Amount			
The Company	Taichung city Xitun district Wen Shang section	June 30, 2023	2,265,650	Fully paid	○○, Yuan	Not related parties				-	Appraisal	Construction	

(vi) Disposal of individual real estate with amount exceeding the lower of NT$300 million or 20% of the capital stock: None

(vii) Related-party transactions for purchases and sales with amounts exceeding the lower of NT$100 million or 20% of the capital stock:

(In Thousands of New Taiwan Dollars)

Name of company	Related party	Nature of relationship	Transaction details				Transactions with terms different from others		Notes/Accounts receivable (payable)		Note
			Purchase/Sale	Amount	Percentage of total purchases/sales	Payment terms	Unit price	Payment terms	Ending balance	Percentage of total notes/accounts receivable (payable)	
The Company	Jin Jyun Construction Co., Ltd.	Subsidiary of the Company	Contracting project management fee	4,614,536	54.49%		-		(588,393)	(43.00)%	Note 2
Jin Jyun Construction Co., Ltd.	The Company	Parent company	Contracted project management responsibility	(4,781,609)	(98.13)%		-		588,393	97.63%	Note 1

Note 1: The contracted company recognizes its construction revenue through percentage of completion method, and the amount of sales included.

Note 2: The contracting company records its import price through estimates of amount of purchase through number of trials.

(viii) Receivables from related parties with amounts exceeding the lower of NT$100 million or 20% of the capital stock:

(In Thousands of New Taiwan Dollars)

Name of company	Counter-party	Nature of relationship	Ending balance	Turnover rate	Overdue		Amounts received in subsequent period	Allowance for bad debts
					Amount	Action taken		
Jin Jyun Construction Co., Ltd.	The Company	Parent company	588,393	8.36	-	-	498,968	-

(ix) Trading in derivative instruments: None.

(b) Information on investees:

The following is the information on investees for the years ended December 31, 2023 (excluding information on investees in Mainland China):

(Amount in Thousands of New Taiwan Dollars, Unless specified Otherwise)

Name of investor	Name of investee	Location	Main businesses and products	Original investment amount		Balance as of December 31, 2023			Net income (losses) of investee	Share of profits/losses of investee	Note
				December 31, 2023	December 31, 2022	Shares	Percentage of ownership	Carrying value			
Run Long Construction Co., Ltd.	Stock- Jin Jyun Construction Co., Ltd.	Taiwan	Construction, housing and building development rental services etc.	1,718,300	718,300	170,000,000	100.00 %	1,655,454	65,128	168,977	

(c) Information on investment in mainland China: None.

(d) Major shareholders:

Shareholder's Name / Shareholding	Shares	Percentage
Ching Shr Ban Investment Co., Ltd.	44,419,740	9.84 %
Shing Ri Sheng Investment Co., Ltd.	33,074,642	7.33 %
Ruen Ying Investment Co., Ltd.	32,458,302	7.19 %
Guang Yang Investment Co., Ltd.	28,759,103	6.37 %
Wan Sheng Fa Investment Co., Ltd.	26,103,040	5.78 %
Feng Rau Investment Co., Ltd.	24,426,382	5.41 %
Highwealth Construction Corp.	23,698,288	5.25 %

(14) Segment information:

Please refer to the consolidated financial statements.

RUN LONG CONSTRUCTION CO., LTD.

潤隆建設股份有限公司

Chairperson: Chiu, Ping-Tse

This annual report is prepared in accordance with the Chinese version and is for reference only. In the event of any discrepancy between the English version and the Chinese version, the Chinese version shall prevail.