Stock Code: 2520

Kindom Development Co., Ltd.

Parent Company Only Financial Statements and Independent Auditors' Report

2023 and 2022

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Independent Auditors' Report

To the Board of Directors of Kindom Development Co., Ltd.:

Audit Opinions

We have reviewed the accompanying Statement of Financial Position of Kindom Development Co., Ltd. (the "Company") as of December 31, 2023 and 2022, and the Statement of Comprehensive Income, Statement of Changes in Equity and Statement of 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 parent company only financial statements present fairly, in all material respects, the financial position of Kindom Development Co., Ltd. as of December 31, 2023 and 2022, its financial performance and cash flows for the years then ended.

Basis for the audit opinion

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

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the 2023 parent company only financial statements. These matters were addressed in the context of our audit of the parent company only financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. The key audit matters that we have determined to be communicated on the audit report are as follows:

I. Revenue recognition

For the accounting policy of revenue recognition, please refer to parent company only financial statement Note 4(15) Revenue recognition; for details of revenue recognition, please refer to parent company only financial statement Note 6(21) Revenue from contracts with customers.

Description of Key Audit Matters:

Kindom Development Co., Ltd. is a real estate construction and development industry, and its real estate sales revenue is recognized when the ownership of the real estate is transferred and the actual delivery is completed. Because the construction industry sells buildings and land to a wide range of people, it is necessary to review the ownership transfer and delivery information before revenue recognition can be recognized. A lot of manual work are usually involved to determine the correct timing for the recognition of revenue from sales of buildings and land. Therefore, the recognition of revenue is one of the important assessment matters when we perform the audit of the Company's financial statements.

The corresponding audit procedures:

Our audit procedures for the key audit matters above include:

- Understand the control mechanism of the income from sales of property and cash collection process, and test the effectiveness of the design and implementation of the internal control system for income.
- Perform substantive tests and spot checks on sales contracts, real estate ownership transfer documents, and house delivery certificates, and check sales data against general ledger details.
- The sales transactions in the period before and after the financial reporting date are tested and the relevant documents are checked to assess whether the timing of revenue recognition is appropriate.

II. Inventory valuation

For the accounting policy of the inventory valuation, please refer to the parent company only financial statement Note 4(7) Inventory; for the accounting estimates of the inventory valuation and the uncertainty assumed, please refer to the parent company only financial statement Note 6(5).

Description of Key Audit Matters:

Inventory of the Company is an important asset in the operation of the Company, and its amount accounts for 61% of the total assets. The valuation of inventory is processed in accordance with IAS No. 2. Improper evaluation of net realizable value may result in misstatement in the financial statements, therefore, the inventory valuation test is one of the important evaluation matters in the audit of the financial statements of the Company performed by the CPAs.

The corresponding audit procedures:

Understand the internal operating procedures and accounting treatment of the subsequent measurement of inventories and the accounting treatment of the Company, and obtain the evaluation data of the net realizable value of the inventories on the financial reporting date, and examine the market price of the aforementioned data, and compares with the latest successful transactions, the contract prices of the Company’s latest sales, or the actual real estate price registered with the Ministry of the Interior; or, obtains the investment return analysis statement for each case, and checks and calculates the net realizable value of the inventories to see if they are appropriate.

Responsibilities of the management level and the governing body for the parent company only financial statements

The responsibility of the management is to prepare the appropriate parent company only financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, and to maintain the necessary internal control related to the preparation of the parent company only financial statements to ensure that the parent company only financial statements are free of significant misrepresentation.

In preparing the standalone financial statements, management is responsible for assessing Kindom Development Co., Ltd.'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.

The governing body of the Company (including the Audit Committee) is responsible for supervising the financial reporting process.

Auditors' Responsibilities for Auditing the Parent Company Only Financial Statements

Our objectives are to obtain reasonable assurance about whether the parent company only financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report. Reasonable assurance is a high level of assurance. However, the audit conducted in accordance with the R.O.C. Standards on Auditing cannot guarantee that material misstatements in the parent company only financial statements will be detected. Misstatements can arise from fraud or error. If the individual amounts or the total number of misstatements can be reasonably expected to affect the economic decisions made by the users of the parent company only financial statements, the misstatements are considered material.

We exercise professional judgment and professional skepticism during an audit in accordance with the R.O.C. Standard on Auditing. We also perform the following tasks:

1. Identify and assess the risks of material misstatement in the parent company only financial statements, whether due to fraud or error; design and execute appropriate countermeasures for the risks assessed; and obtain sufficient and appropriate audit evidence as the basis for the audit opinions. Because fraud may involve collusion, forgery, intentional omission, misrepresentation or violation of internal control, it is not detected that the risk of material misstatement resulting from fraud is higher than that resulting from error.
2. Obtain the necessary understanding of the internal control related to the audit in order to design appropriate audit procedures under the circumstances, but the purpose is not to express an opinion on the effectiveness of the internal control of the Company.
3. Evaluate the appropriateness of the accounting policies adopted by the management, and the reasonableness of the accounting estimates and related disclosures made.

4. Conclude on the appropriateness of the management's adoption of the going concern basis of accounting, based on the audit evidence obtained, and whether a material uncertainty exists for events or conditions that may cast significant doubt on the Company's ability to continue as a going concern . If we are of the opinion that there is a material uncertainty of such events or circumstances, we shall in the audit report remind the users of the parent company only financial statement to pay attention to the related disclosures in the parent company only financial statement, or modify our audit opinion when such disclosures are inappropriate. Our conclusion is based on the audit evidence obtained up to the date of the audit report. However, future events or conditions may cause the Company to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the parent company only financial statement (including relevant notes), and whether the parent company only financial statement presents the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient and appropriate audit evidence for the financial information of the investee under equity method to express an opinion on the parent company only financial statements. We are responsible for the direction, supervision and performance of the Company’s audit. We remain solely responsible for our audit opinion.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the parent company only financial statement for the year ended December 31, 2023 and are therefore the key audit matters. We describe these matters in our auditor’s 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.

KPMG Taiwan

Yi-Lian Han

Certified Public Accountant:

Kuo-Yang Tseng

Approval reference number of the securities authority:

Jin-Guan-Zheng-Shen-Zi No. 1090332798
Jin-Guan-Zheng-Liu No. 0940129108

March 12, 2024

Kindom Development Co., Ltd.

Statement of Financial Position

December 31, 2023 and 2022

Unit: NTD thousand

Code	Assets	2023.12.31 Amount	%	2022.12.31 Amount	%
	Current assets:				
1100	Cash and cash equivalents (Note 6(1) and (24))	$ 6,708,614	16	8,563,299	22
1110	Financial assets at fair value through profit or loss - current (Note 6(2) and (24))	41,084	-	33,995	-
1141	Contract assets - current (Note 6(21))	227,954	1	50,864	-
1170	Notes and accounts receivable, net (Note 6(4), (21), (24), and 7)	3,602	-	117,096	-
1320	Inventories (for the construction industry) (Note 6(5) and 8)	25,169,165	61	21,099,622	54
1410	Prepayments	30,338	-	46,973	-
1476	Other financial assets - current (Note 6(11), (21), (24), and 8)	961,433	3	1,629,826	5
1479	Other current assets - others	6,715	-	22,520	-
1480	Incremental cost of obtaining contracts - current (Note 6(11))	33,295	-	9,978	-
		33,182,200	81	31,574,173	81
	Non-current assets:				
1517	Financial assets at fair value through other comprehensive income - non-current (Note 6(3) and (24))	28,109	-	4,605	-
1550	Investment under equity method (Note 6(6) and 8)	7,179,895	17	6,753,603	17
1600	Property, plant and equipment (Note 6(7) and 8)	279,050	1	283,330	1
1755	Right-of-use assets (Note 6(8))	6,318	-	5,116	-
1760	Investment property (Note 6(9), (16), and 8)	458,173	1	462,365	1
1780	Intangible assets (Note 6(10))	134	-	-	-
1915	Prepaid equipment payment	-	-	2,036	-
1975	Net defined benefit assets - non-current (Note 6(17))	69	-	-	-
		7,951,748	19	7,511,055	19
	Total assets	**$ 41,133,948**	**100**	**39,085,228**	**100**

Code	Liabilities and equity	2023.12.31 Amount	%	2022.12.31 Amount	%
	Current liabilities:				
2100	Short-term borrowings (Notes (13) and (24))	$ 15,081,178	37	14,540,856	38
2110	Short-term bills payable (Note 6(12) and (24))	30,000	-	-	-
2130	Contract liabilities - current (Note 6(21))	1,102,830	3	408,379	1
2150	Notes payable (Note 6(24))	39,300	-	49,304	-
2160	Notes payable - related parties (Note 6(24) and 7)	293,293	1	155,777	-
2170	Accounts payable (Note 6(24))	371,784	1	393,731	1
2181	Accounts payable - Related parties (Note 6(24) and 7)	551,864	1	464,346	2
2200	Other payables (Note 6(24))	241,462	1	150,838	-
2230	Current income tax liabilities	277,401	1	347,513	1
2251	Provision for employee benefits - current (Note 6(17))	2,040	-	3,141	-
2280	Lease liabilities - current (Note 6(15) and (24))	6,460	-	5,142	-
2321	Corporate bonds maturing within one year or one operating cycle or with resale rights exercised (Note 6(14) and (24))	1,000,000	2	2,000,000	5
2399	Other current liabilities - Other	143,782	-	15,240	-
		19,141,394	47	18,534,267	48
	Non-current liabilities:				
2530	Corporate bonds payable (Note 6(14) and (24))	2,000,000	5	2,000,000	5
2640	Net defined benefit liabilities - non-current (Note 6(17))	-	-	821	-
2645	Guarantee deposits received (Note 6(24))	1,742	-	4,742	-
2670	Other non-current liabilities - Other	29,004	-	28,919	-
		2,030,746	5	2,034,482	5
	Total liabilities	21,172,140	52	20,568,749	53
	Equity (Note 6(19)):				
3100	Share capital	5,541,701	13	5,541,701	14
3200	Capital reserve	1,472,401	3	1,451,569	3
3300	Retained earnings	13,074,843	32	11,648,455	30
3400	Other equity	(28,435)	-	(26,544)	-
3500	Treasury stock	(98,702)	-	(98,702)	-
	Total equity	19,961,808	48	18,516,479	47
	Total liabilities and equity	**$ 41,133,948**	**100**	**39,085,228**	**100**

(Please refer to the attached Notes to the parent company only financial statements)

Chairman: Chih-Kang Ma **Manager: Chang-Jung Hsieh** **Sheng-An Chang** **Accounting supervisor: Shu-Lian Chang**

Kindom Development Co., Ltd.

Statement of Comprehensive Income

January 1 to December 31, 2023 and 2022

Unit: NTD thousand

		2023		2022	
		Amount	**%**	**Amount**	**%**
4000	**Operating revenue (Note 6(16) and (21))**	$ 6,474,705	100	7,664,805	100
5000	**Operating cost (Note 6(5))**	3,725,895	58	4,910,864	64
	Gross operating profit	2,748,810	42	2,753,941	36
5920	Less: Realized profit or loss from sales	85	-	85	-
	Gross operating profit	2,748,725	42	2,753,856	36
	Operating expenses (Note 6(22) and 7):				
6100	Sales promotion expenses	163,646	2	219,758	3
6200	Administrative expenses	377,481	6	356,284	5
		541,127	8	576,042	8
	Net operating profit	2,207,598	34	2,177,814	28
	Non-operating income and expenses:				
7100	Interest revenue (Note 6(23))	70,460	1	40,566	-
7010	Other income (Note 6(23))	2,543	-	3,245	-
7020	Other gains and losses (Note 6(23) and 7)	(32,880)	-	(1,220)	-
7050	Financial costs (Note 6(23))	(175,715)	(3)	(207,558)	(3)
7070	Share of profit or loss of subsidiaries, affiliates and joint ventures accounted for using equity method	700,788	11	735,853	10
		565,196	9	570,886	7
	Net income before tax from continuing operations	2,772,794	43	2,748,700	35
7950	**Less: Income tax expenses (Note 6(18))**	377,646	6	414,804	5
	Net income for the period	2,395,148	37	2,333,896	30
8300	**Other comprehensive income:**				
8310	**Items not reclassified into profit or loss**				
8311	Remeasurement of defined benefit plan	836	-	1,956	-
8316	Unrealized valuation gains or losses on investments in equity instruments measured at fair value through other comprehensive income	(1,772)	-	14	-
8330	Share of other comprehensive income of subsidiaries, affiliates and joint ventures accounted for using the equity method - items that are not reclassified into income	86	-	979	-
8360	**Items that may be reclassified subsequently to profit or loss**				
8380	Share of other comprehensive income of subsidiaries, affiliates and joint ventures accounted for using equity method- Items that may be reclassified to profit or loss	(3)	-	159	-
8300	**Other comprehensive income for the period (net amount after tax)**	(853)	-	3,108	-
	Total comprehensive income for the period	**$ 2,394,295**	**37**	**2,337,004**	**30**
	Earnings per share (Note 6(20))				
9750	**Basic earnings per share (NTD)**	**$**	**4.42**		**4.31**
9850	**Diluted earnings per share (NTD)**	**$**	**4.41**		**4.29**

(Please refer to the attached Notes to the parent company only financial statements)

Chairman: **Manager:** **Accounting supervisor:**

Chih-Kang Ma **Chang-Jung Hsieh** **Sheng-An Chang** **Shu-Lian Chang**

Kindom Development Co., Ltd.

Statement of Changes in Equity

January 1 to December 31, 2023 and 2022

Unit: NTD thousand

	Share capital		Retained earnings				Other equity			
	Common stock capital	Capital reserve	Legal reserve	Special reserves	Undistributed earnings	Total	Exchange differences on translation of financial statements of foreign operations	Unrealized gain or loss on financial assets at fair value through other comprehensive income	Treasury stock	Total equity
Balance as of January 1, 2022	$ 5,541,701	1,421,924	2,151,969	27,847	8,517,243	10,697,059	(29,652)	2,925	(71,196)	17,562,761
Net income for the period	-	-	-	-	2,333,896	2,333,896	-	-	-	2,333,896
Other comprehensive income in the current period	-	-	-	-	2,925	2,925	159	24	-	3,108
Total comprehensive income for the period	-	-	-	-	2,336,821	2,336,821	159	24	-	2,337,004
Appropriation and distribution of earnings:										
Provision for legal reserve	-	-	350,701	-	(350,701)	-	-	-	-	-
Provision of special reserve	-	-	-	(1,120)	1,120	-	-	-	-	-
Common stock cash dividends	-	-	-	-	(1,385,425)	(1,385,425)	-	-	-	(1,385,425)
Changes in affiliates and joint ventures accounted for using the equity method	-	(216)	-	-	-	-	-	-	-	(216)
Buy back treasury stock	-	-	-	-	-	-	-	-	(27,506)	(27,506)
Dividend paid to subsidiaries to adjust capital reserve	-	29,227	-	-	-	-	-	-	-	29,227
Overdue dividends not received	-	634	-	-	-	-	-	-	-	634
Balance as of December 31, 2022	5,541,701	1,451,569	2,502,670	26,727	9,119,058	11,648,455	(29,493)	2,949	(98,702)	18,516,479
Net income for the period	-	-	-	-	2,395,148	2,395,148	-	-	-	2,395,148
Other comprehensive income in the current period	-	-	-	-	1,038	1,038	(3)	(1,888)	-	(853)
Total comprehensive income for the period	-	-	-	-	2,396,186	2,396,186	(3)	(1,888)	-	2,394,295
Appropriation and distribution of earnings:										
Provision for legal reserve	-	-	233,682	-	(233,682)	-	-	-	-	-
Provision of special reserve	-	-	-	(183)	183	-	-	-	-	-
Common stock cash dividends	-	-	-	-	(969,798)	(969,798)	-	-	-	(969,798)
Dividend paid to subsidiaries to adjust capital reserve	-	20,496	-	-	-	-	-	-	-	20,496
Overdue dividends not received	-	336	-	-	-	-	-	-	-	336
Balance as of December 31, 2023	**$ 5,541,701**	**1,472,401**	**2,736,352**	**26,544**	**10,311,947**	**13,074,843**	**(29,496)**	**1,061**	**(98,702)**	**19,961,808**

(Please refer to the attached Notes to the parent company only financial statements)

Chairman: Chih-Kang Ma **Manager: Chang-Jung Hsieh** **Sheng-An Chang** **Accounting supervisor: Shu-Lian Chang**

Kindom Development Co., Ltd.

Statement of Cash Flows

January 1 to December 31, 2023 and 2022

Unit: NTD thousand

		2023	2022
Cash flow from operating activities:			
Net income before tax for the current period	$	2,772,794	2,748,700
Adjustments:			
Income and expenses			
Depreciation expense		24,378	19,811
Amortization expense		45	474
Net (gain) loss on financial assets and liabilities measured at fair value through profit or loss		(7,089)	9,883
Interest expense		175,715	207,558
Interest revenue		(70,460)	(40,566)
Dividend income		(2,543)	(3,245)
Share of profit of subsidiaries, affiliates and joint ventures accounted for using the equity method		(700,788)	(735,853)
Gains from the disposal of property, plant and equipment		(317)	-
Total income and expense		(581,059)	(541,938)
Changes in operating assets/liabilities:			
Net changes in assets related to operating activities:			
Increase of contract assets		(177,090)	(11,629)
Decrease in notes and accounts receivable		113,494	3,083
Decrease (increase) in inventory		(3,834,387)	376,378
Decrease (increase) in prepayments		16,635	(18,187)
Decrease (increase) of other financial assets - current		668,393	(64,020)
Decrease (increase) of other current assets		15,805	(4,500)
Decrease (increase) of incremental cost of obtaining a contract		(23,317)	40,919
Increase in net defined benefit assets - non-current		(54)	-
Total net changes in assets related to operating activities		(3,220,521)	322,044
Net changes in liabilities related to operating activities:			
Increase (decrease) of contract liabilities		694,451	(647,334)
Increase (decrease) of notes payable		(10,004)	6,046
Increase (decrease) of notes payable - related parties		137,516	(21,165)
Decrease in accounts payable		(21,947)	(143,146)
Increase (decrease) of accounts payable - related parties		87,518	(195,467)
Increase (decrease) of other payables		99,082	(74,103)
Employee benefit liabilities - current (decrease) increase		(1,101)	257
Increase (decrease) in guarantee deposits		(3,000)	3,700
Increase (decrease) of other current liabilities		128,542	(29,638)
Decrease in net defined benefit liability		-	(158)
Increase of other non-current liabilities		85	85
Total net changes in liabilities related to operating activities		1,111,142	(1,100,923)
Total net changes in assets and liabilities related to operating activities		(2,109,379)	(778,879)
Total adjustment items		(2,690,438)	(1,320,817)
Cash inflow from operations		82,356	1,427,883
Income tax paid		(447,758)	(496,244)
Net cash inflow from operating activities		(365,402)	931,639

Kindom Development Co., Ltd.

Statement of Cash Flows (Continued)

January 1 to December 31, 2023 and 2022

Unit: NTD thousand

	2023	2022
Cash flow from investing activities:		
Acquisition of investments under equity method	-	(1,020,000)
Disposal of investments accounted for using the equity method	-	182,337
Acquisition of property, plant and equipment	(11,570)	(12,634)
Acquisition of intangible assets	(179)	-
Disposal of property, plant and equipment	1,867	-
Acquisition of financial assets at fair value through other comprehensive income	(25,276)	-
Increase in prepayment for equipment	-	(2,459)
Interest received	70,460	40,566
Dividends received	297,650	97,489
Net cash inflow from investing activities	332,952	(714,701)
Cash flow from financing activities:		
Increase in short-term borrowings	8,725,010	4,092,369
Decrease in short-term borrowings	(8,184,688)	(3,831,238)
Increase in short-term bills payable	1,242,000	60,000
Decrease in short-term bills payable	(1,212,000)	(60,000)
Issuance of corporate bonds	1,000,000	-
Repayment of corporate bonds	(2,000,000)	-
Cost of purchase of treasury stock	-	(27,506)
Lease principal repayment	(3,734)	(2,820)
Distribution of cash dividends	(969,798)	(1,385,425)
Interest paid	(419,025)	(354,808)
Net cash outflow from financing activities	(1,822,235)	(1,509,428)
Decrease in cash and cash equivalents in current period	(1,854,685)	(1,292,490)
Opening balance of cash and cash equivalents	8,563,299	9,855,789
Closing balance of cash and cash equivalents	$ 6,708,614	8,563,299

(Please refer to the attached Notes to the parent company only financial statements)

Chairman: **Chih-Kang Ma** **Manager:** **Chang-Jung Hsieh** **Sheng-An Chang** **Accounting supervisor:** **Shu-Lian Chang**

Kindom Development Co., Ltd.
Notes to parent company only financial statements
2023 and 2022
(Unless otherwise stated, all amounts are in NTD thousand)

I. Company history

Kindom Development Co., Ltd. (hereinafter referred to as “the Company”) was established in November 1979 with the approval of the Ministry of Economic Affairs. Its registered address is 2F., No. 131, Section 3, Heping East Road, Daan District, Taipei City, Taiwan. The Company's main business items are construction of public housing and commercial buildings for lease or sale.

II. Date and procedure for approving the financial statements

The parent company only financial statements were approved by the Board of Directors for release on March 12, 2024.

III. Application of new and revised standards and interpretations

(I) The impact of the adoption of the new and revised standards and interpretations approved by the Financial Supervisory Commission

The Company began to apply the following newly amended IFRSs on January 1, 2023, and there was no significant impact on the parent company only financial statements.

·Amendments to IAS 1 "Disclosure of Accounting Policies”

·Amendments to IAS 8 "Definition of Accounting Estimates"

·Amendments to IAS 12 “Deferred Tax Related to Assets and Liabilities Arising from a Single Transaction”

The Company began to apply the following newly amended IFRSs on May 23, 2023, and there was no significant impact on the parent company only financial statements.

·Amendments to IAS 12 'International Tax Reform - Pillar Two Model Rules”

(II) Impacts of not adopting the IFRS recognized by the FSC

The Company has assessed that the application of the following newly amended IFRSs effective on January 1, 2024 will not have a significant impact on the parent company only 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 7and IFRS 7 “Supplier Finance Arrangements”

·Amendments to IFRS 16 “Lease Liability in a Sale and Leaseback”

(III) New and revised standards and interpretations not yet approved by the FSC

The Company expects the following new and amendments to standards that have not yet been approved to have no significant impact on the parent company only financial statements.

·Amendments to IFRS 10 and IAS 28 “Sale or Contribution of Assets between an Investor and its Associate or Joint Venture”

Amendments to IFRS 17 "Insurance Contracts" and IFRS 17

·Amendments to IAS 21 "Lack of Exchangeability"

IV. Summary of significant accounting policies

The significant accounting policies adopted in the parent company only financial statements are summarized as follows. The following accounting policies have been applied throughout the presentation period of the parent company only financial statements.

(I) Declaration of compliance

The parent company only financial statements have been prepared in accordance with the "Regulations Governing the Preparation of Financial Reports by Securities Issuers."

(II) Basis of preparation

1. Measurement basis

Except for the following important items on the balance sheet, the parent company only financial statements have been prepared on the basis of historical cost:

(1) Financial assets measured at fair value through profit or loss;

(2) Financial assets measured at fair value through other comprehensive income; and

(3) The net defined benefit liability (or asset) is measured in accordance with the fair value of the pension fund assets less the present value of the defined benefit obligation and the effect of the upper limit stated in Note 4(16).

2. Functional currency and presentation currency

The Company's functional currency is the currency of the primary economic environment where it operates. The parent company only financial statements are presented in the Company's functional currency, New Taiwan Dollar (NTD). All financial information expressed in NTD is in the unit of NTD thousand.

(III) Foreign currency

1. Foreign currency transactions

Transactions denominated in foreign currencies are translated into the functional currency in accordance with the exchange rates prevailing on the transaction date. At the end of each subsequent reporting period (hereinafter referred to as the reporting date), monetary items denominated in foreign currencies are translated into the functional currency in accordance with the exchange rates on that day. The non-monetary item denominated in foreign currency measured at fair value is translated into the functional currency in accordance with the exchange rate on the date the fair value is measured. The non-monetary item denominated in foreign currency measured at historical cost is translated in accordance with the exchange rate on the transaction date.

2. Foreign operations

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on acquisition, are translated into NTD in accordance with the exchange rate on the reporting date; the income and expense items are translated into NTD in accordance with the current average exchange rate. The exchange differences are recognized in other comprehensive income.

If there is no settlement plan for the monetary receivables or payables of foreign operating institutions and it is impossible for them to be settled in the foreseeable future, the exchange profit or loss generated will be regarded as a part of net investment in foreign operations and recognized in other comprehensive income.

(IV) Classification criteria for current and non-current assets and liabilities

Assets that meet one of the following conditions are classified as current assets; assets other than current assets are classified as non-current assets:

1. The asset is expected to be realized, or intended to be sold or consumed in its normal business cycle;
2. The asset is held mainly for the purpose of trading;
3. The asset is expected to be realized within 12 months after the reporting period; or
4. The asset is in the form of cash or cash equivalents, except for those that are subject to other restrictions on exchange or use to settle a liability at least 12 months after the reporting period.

Liabilities that meet one of the following conditions are classified as current liabilities, and all liabilities other than current liabilities are classified as non-current liabilities:

1. The liability is expected to be settled in the normal business cycle;
2. The liability is held mainly for the purpose of trading;
3. The liability is expected to be settled within 12 months after the reporting period; or
4. Liabilities without the right to unconditionally defer the settlement period to at least 12 months after the reporting period. The terms of a liability that may, at the option of the counterparty, result in its settlement by issue of equity instruments does not affect its classification.

(V) Cash and cash equivalent

Cash includes cash on hand and demand deposits. Cash equivalent is short-term investment with high liquidity that is readily convertible to known amounts of cash with insignificant risk of changes in value. Time deposits that meet the definition above and are held for the purpose of fulfilling short-term cash commitments rather than investment or other purposes are reported as cash equivalents.

(VI) Financial instruments

Accounts receivable and debt securities issued are recognized at time of generation. All other financial assets and financial liabilities are recognized when the Company becomes a party to the terms of a financial instrument contract. Financial assets that are not measured at fair value through profit or loss (except accounts receivable that do not contain significant financial components) or financial liabilities are initially measured at fair value plus transaction costs that are directly attributable to the acquisition or issuance. Accounts receivable that do not contain significant financial components are initially measured at transaction prices.

1. Financial assets

If the purchase or sale of financial assets is in line with customary transactions, the Company's accounting treatment of all financial assets classified in the same way adopts the trade date or settlement date for all purchases and sales.

At the time of initial recognition, financial assets are classified as: financial assets measured at amortized cost, equity instrument investment measured at fair value through other comprehensive income, or financial assets measured at fair value through gain or loss. The Company only reclassifies all affected financial assets from the first day of the next reporting period when the business model for managing financial assets is changed.

(1) Financial assets measured at amortized cost

Financial assets that meet the following conditions and are not designated to be measured at fair value through profit or loss are measured at amortized cost:

• The financial asset is held under the business model for the purpose of collecting contractual cash flow.

·The cash flow on a specific date in accordance with the contractual terms of the financial asset is solely for the payment of the principal and the interest on the outstanding principal amount.

Such assets are subsequently measured at the initial recognized amount plus or minus the accumulated amortization calculated by the effective interest method, and any amortized cost of the loss allowance is adjusted. Interest revenue, foreign currency exchange gains and losses, and impairment losses are recognized in profit or loss. Upon derecognition, the profit or loss is recognized in profit or loss.

(2) Financial assets measured at fair value through other comprehensive income

The Company may make an irrevocable choice at the time of initial recognition to present the subsequent fair value changes of the equity instrument investment not held for trading in other comprehensive income. The aforementioned selections are made on an instrument-by-instrument basis.

Investors in equity instruments are subsequently measured at fair value. Dividend income (unless obviously representing the recovery of part of the investment cost) is recognized in profit or loss. The remaining net profit or loss is recognized as other comprehensive income and is not reclassified to profit or loss.

Dividend income from equity investments is recognized on the date on which the Company is entitled to receive dividends (usually the ex-dividend date).

(3) Financial assets measured at fair value through profit or loss

Financial assets that are not measured at amortized cost or at fair value through other comprehensive income (for example, financial assets held for trading or managed at fair value with performance assessed) are measured at fair value through profit or loss, including derivative financial assets. At initial recognition, in order to eliminate or significantly reduce inappropriate accounting ratios, the Company may irrevocably designate financial assets that meet the conditions of measurement at amortized cost or fair value through other comprehensive income to be measured at fair value through profit and loss.

Such assets are subsequently measured at fair value, and the net gain or loss (including any dividend and interest income) is recognized in profit or loss.

(4) Impairment of financial assets

For the Company's financial assets measured at amortized cost (including cash and cash equivalents, financial assets measured at amortized cost, notes and accounts receivable, other receivables, refundable deposits, other financial assets and so on) and expected credit losses of contract assets are recognized in loss allowance.

The following financial assets have loss allowance measured at the 12-month expected credit losses, and the rest are measured at the lifetime expected credit losses:

·Debt securities determined to have a low credit risk on the reporting date; and

·The credit risk of other debt securities and bank deposits (i.e. the risk of default during the expected duration of the financial instrument) has not increased significantly since the initial recognition.

The loss allowance for accounts receivable and contractual assets is measured at the expected credit losses throughout the duration.

In determining whether the credit risk has increased significantly since the initial recognition, the Company considers reasonable and provable information (which can be obtained without excessive cost or investment), including qualitative and quantitative information, and based on the Company's historical experience, credit assessment and analysis of forward-looking information.

The expected credit loss is the probability-weighted estimate of the credit loss during the expected duration of a financial instrument. Credit loss is measured at the present value of all cash shortfalls, which is the difference between the cash flow that the Company can collect in accordance with the contract and the cash flow that the Company expects to collect. Expected credit losses are discounted at the effective interest rate of financial assets.

The Company assesses whether credit impairment has occurred on each reporting date based on financial assets measured at amortized cost and debt securities measured at fair value through other comprehensive income. When one or more events that adversely affect the estimated future cash flow of a financial asset have occurred, the financial asset has credit impairment. Evidence of credit impairment of financial assets includes the observable data of the following matters:

·The major financial difficulties of the borrower or issuer;
·Breach of contract, such as delay or overdue for more than one year;
·Due to economic or contractual reasons related to the borrower's financial difficulty, the Company makes concessions to the borrower that would not have been considered;
·The borrower is likely to file for bankruptcy or undergo other financial restructuring; or
• The active market for the financial asset disappears due to financial difficulties.

The loss allowance of financial assets measured at amortized cost is deducted from the book value of the assets. The loss allowance for debt instruments measured at fair value through other comprehensive income is adjusted and recognized in other comprehensive income (without reducing the carrying amount of the asset).

When the Company cannot reasonably expect all or part of the recovered financial assets, it will directly reduce the total book value of its financial assets. For corporate accounts, the Company analyzes the timing and amount of write-off on the basis of whether the recovery is reasonably expected. The Company expects that the written-off amount will not materially reverse. However, the written-off financial assets can still be enforced compulsorily to meet the Company's procedures for recovering overdue amounts.

(5) Derecognition of financial assets

The Company only has contractual rights to the cash flows from the asset terminated, or transferred the financial asset and almost all risks and rewards of the ownership of the asset have been transferred to other enterprises, or has neither transferred nor retained almost all the risks and rewards, and the Company does not retain the control over the financial asset, the financial asset is derecognized.

When the Company enters into a transaction to transfer a financial asset, if all or almost all of the risks and rewards of the transferred asset ownership are retained, it will continue to be recognized in the balance sheet.

2. Financial liabilities and equity instruments

(1) Classification of liabilities or equities

The Company's debt and equity instruments are classified as financial liabilities or equity based on the substance of the contractual agreements and the definitions of financial liabilities and equity instruments.

(2) Equity transactions

Equity instrument refers to any contract in which the Company has residual equity after deducting all liabilities from assets. The equity instruments issued by the Company are recognized at the acquisition price net of the direct issue cost.

(3) Treasury stock

When repurchasing the Company's recognized equity instrument, the consideration paid (including directly attributable costs) is recognized as a decrease in equity. The repurchased shares are classified as treasury stock. In the subsequent sale or reissue of the treasury stock, the amount received is recognized as an increase in equity, and the surplus or loss arising from the transaction is recognized as capital reserve or retained earnings (if the capital reserve is insufficient to offset).

(4) Financial liabilities

Financial liabilities are classified as amortized cost or measured at fair value through profit or loss. If a financial liability is held for trading, derivative or designated at the time of initial recognition, it is classified as measured at fair value through profit or loss. Financial liabilities at fair value through profit or loss are measured at fair value, and related net profits and losses, including any interest expenses, are recognized in profit or loss.

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

(5) Derecognition of financial liabilities

The Company derecognizes financial liabilities when contractual obligations are fulfilled, canceled, or expired. When the terms of a financial liability are amended and there is a significant difference in the cash flow of the liability after the amendment, the original financial liability is derecognized, and a new financial liability at the fair value based on the amended terms is recognized.

When derecognizing financial liabilities, the difference between the book value and the total consideration paid or payable (including any non-cash assets transferred or liabilities assumed) is recognized in profit or loss.

(6) Offsetting of financial assets and liabilities

Financial assets and financial liabilities can be offset against each other and reported in the balance sheet in net amount only when the Company has a legally enforceable right to offset against each other and there is an intention to settle in net amount, or the assets are realized and the liabilities are repaid at the same time.

(7) Financial guarantee contract

Financial guarantee contracts are contracts whereby the issuer must pay a specific amount to cover the loss of the holder when a specific debtor is unable to repay in accordance with the terms of the debt instrument.

Financial guarantee contracts issued by the Company that are not designated as measured at fair value through profit or loss are initially measured at their fair value less directly attributable transaction costs, and subsequently measured in accordance with the higher of the following: (a) The amount of loss allowance determined under IFRS No. 9; and (b) the initial recognized amount, where appropriate, less the amount of accumulated gains recognized in accordance with the following revenue principles.

(VII) Inventories

Inventories are measured at the lower of cost or net realizable value. The cost includes the necessary expenses for obtaining the loan in the place and state where it is available for use and the cost of capitalization of borrowings.

The net realizable value refers to the balance of the estimated selling price under normal operations less the estimated cost of completion and the estimated cost of sales. The net realizable value is determined as follows:

1. Construction land

The net realizable value is calculated with reference to the selling price by the management authority based on the prevailing market conditions less the cost to be invested until completion and selling expenses, or based on the most recent market value (developing analysis method or comparative method).

2. Construction in progress

The net realizable value is calculated based on the estimated selling price (the market condition at the time) less the cost to be invested until completion and sales expenses.

3. Buildings and land held for sale

The net realizable value is the estimated selling price (current market conditions) less the cost and selling expenses incurred when selling the property.

(VIII) Investment in subsidiaries

In preparing the parent company only financial statements, the Company has adopted the equity method to evaluate the invested company it has control over. Under the equity method, the amortization amount attributed to the owners of the parent company is the same as the profit or loss and other comprehensive income for the period in the parent company only financial statements and the consolidated financial statements prepared on the consolidated basis. The equity attributable to the owners of the parent company in the financial statements is the same.

Changes in the Company's ownership interests in subsidiaries that do not result in a loss of control are treated as equity transactions with owners.

(IX) Joint Agreement

A joint agreement is an agreement under joint control between two or more parties. Joint agreements include joint operations and joint ventures, and have the following characteristics: (a) All parties to the agreement are bound by the contractual agreement; (b) At least two parties to the contractual agreement have joint control over the agreement. IFRS No. 11 "Joint Agreement" defines joint control as a contractual agreement to share the control of an agreement only in relation to relevant activities (i.e. activities that have a significant impact on the return of the agreement). It only exists when the unanimous consent of all parties sharing the control is obtained.

Joint venture

A joint venture is a joint agreement pursuant to which the parties with joint control of the agreement (i.e., the joint venturers) have rights to the net assets of the agreement, rather than rights to the assets and obligations to the liabilities. The joint venture shall recognize its equity in the joint venture as an investment and adopt the equity method in accordance with the provisions of IAS 28, unless the enterprise is exempted from the application of the equity method in accordance with the provisions of IAS 28.

A joint operation is a joint agreement pursuant to which the parties with joint control over the agreement (i.e. a joint operator) have rights to the assets and obligations to the liabilities related to the agreement. The joint operator should recognize and measure the assets and liabilities (and recognize the related income and expenses) related to its equity in the agreement in accordance with the relevant IFRSs applicable to specific assets, liabilities, income and expenses.

When assessing the classification of a joint agreement, the Company considered the structure of the joint agreement, the legal form of its isolation, the terms of the contractual agreement and other facts and circumstances. When the facts and circumstances change, the Company will re-evaluate whether the type of joint agreement participated in has changed.

(X) Investment property

Investment property refers to property that is held for earning rent or for asset appreciation or both, rather than for normal business sales, for production, for supply of goods or services, or for administrative purposes. Investment property is initially measured at cost and subsequently measured at cost less accumulated depreciation and accumulated impairment. The depreciation method, useful life and residual value are treated in accordance with the provisions of the property, plant and equipment.

The gain or loss on the disposal of investment property (calculated as the difference between the net disposal proceeds and the carrying amount of the item) is recognized in profit or loss.

The rental income of investment property is recognized in the operating revenue using the straight-line method over the lease period. The lease incentives given to them are recognized as part of the lease income during the lease term.

(XI) Property, plant and equipment

1. Recognition and measurement

Property, plant and equipment are measured at cost (including capitalized borrowing costs) less accumulated depreciation and any accumulated impairment.

Property, plant and equipment that are significant in terms of their useful lives are treated as a separate item (a major component) when their useful lives are different.

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

2. Subsequent costs

Subsequent expenses may be capitalized only when their future economic benefits are likely to flow into the Company.

3. Depreciation

Depreciation is calculated at the cost of the asset less residual value and recognized in profit or loss using the straight-line method over the estimated useful life of each component.

Land is not depreciated.

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

(1) Buildings	3 - 55 years
(2) Transportation, office and other equipment	3 - 5 years
(3) Leasehold improvements	2-3 years

The Company reviews the depreciation method, useful years, and residual value on each reporting date, and makes appropriate adjustments if necessary.

(XII) Lease

The Company assesses whether the contract is or contains a lease on the date of establishment of the contract. If the contract transfers control over the use of identified assets for a period of time in exchange for consideration, the contract is or contains a lease.

1. Lessee

The Company recognizes right-of-use assets and lease liabilities on the lease commencement date. Right-of-use assets are initially measured at cost, which includes the initial measurement of lease liabilities, adjusted for any lease payments paid on or before the lease commencement date, and added up the initial direct cost and the estimated cost of dismantling, removing the underlying asset and restoring the location or underlying asset, while deducting any lease incentives received.

The subsequent right-of-use assets are depreciated using the straight-line method from the lease start date to the end of their useful lives or the expiration of the lease term, whichever is earlier. In addition, the Company regularly assesses whether the right-of-use assets are impaired and handles any impairment losses that have occurred. The right-of-use assets are adjusted if the lease liabilities are remeasured.

Lease liabilities are initially measured at the present value of the unpaid lease payments on the lease starting date. If the interest rate implicit in the lease is easy to determine, the discount rate is the interest rate. If it is not easy to determine, the Company's incremental borrowing rate is used. Generally, the Company adopts its incremental borrowing interest rate as the discount rate.

Lease payments included in the measurement of lease liabilities include:

(1) Fixed payments, including substantive fixed payments;

(2) For the variable lease payment depending on a certain index or rate, the index or the rate on the lease commencement date is used as the initial measurement;

(3) The residual guarantee amount expected to be paid; and
(4) The exercise price or penalty when it is reasonably certain to exercise the purchase option or lease termination option.

Subsequent interest on lease liabilities is accrued using the effective interest method, and the amount is re-measured when:

(1) Changes in the index or rate used to determine lease payments result in changes in future lease payments;
(2) There is a change in the residual guarantee amount expected to be paid;
(3) There is a change in the evaluation of the underlying asset purchase option;
(4) There is a change in the estimate of whether to exercise the extension or termination of the option, and thus the assessment on the lease period is changed;
(5) Modifications to the subject, scope, or other terms and conditions of the lease.

When a lease liability is remeasured due to a change in the index or rate used to determine lease payments, changes in the residual guarantee amount, or an evaluation change in the purchase, extension, or termination of an option, the book value of the right-of-use asset shall be adjusted accordingly. When the book value of the right-of-use assets is reduced to zero, the remaining remeasured amount is recognized in profit or loss.

For a lease modification that reduces the scope of the lease, the book value of the right-of-use asset is reduced to reflect the partial or full termination of the lease, and the difference between the remeasured amount of the lease liability and the difference is recognized in profit or loss.

The Company presents the right-of-use assets and lease liabilities that do not meet the definition of investment property as separate line items in the balance sheet.

For short-term leases such as office equipment and leases of underlying low-value assets, the Company chooses not to recognize right-of-use assets and lease liabilities, but to recognize relevant lease payments as expenses on a straight-line basis over the lease term.

2. Lessor

For transactions in which the Company is a lessor, the lease contract is classified based on whether it transfers almost all the risks and returns attached to the ownership of the underlying asset on the date of establishment of the lease. If so, it is classified as a financing lease; otherwise, it is classified as an operating lease. During the evaluation, the Company considers relevant specific indicators, including whether the lease period covers the main part of the economic life of the underlying assets.

If the Company is the sublessor, it shall manage the main lease and sublease transactions separately, and use the right-of-use assets generated from the main lease to assess the classification of the sublease transactions. If the main lease is a short-term lease and the recognition exemption is applicable, the sublease transaction of the main lease should be classified as an operating lease.

If the agreement includes lease and non-lease components, the Company uses IFRS 15 to allocate the consideration in the contract.

(XIII) Intangible assets

1. Recognition and measurement

The intangible assets with finite useful life that the Company acquires are measured at cost less accumulated amortization and accumulated impairment.

2. Subsequent expenses

Subsequent expenses are capitalized only when they increase the future economic benefits of the relevant specific assets. All other expenses are recognized as income upon occurrence, including the goodwill and brand developed internally.

3. Amortization

The amortization is calculated in accordance with the asset cost less the estimated residual value, and is recognized in profit or loss using the straight-line method over the estimated useful years from the intangible asset becoming available for use.

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

Computer software cost for 3 years

The Company reviews the amortization method, useful years and residual value of intangible assets on each reporting date, and makes appropriate adjustments if necessary.

(XIV) Impairment of non-financial assets

The Company assesses whether there is any indication that the book value of non-financial assets (except inventories, contract assets and deferred income tax assets) may be impaired on each reporting date. If any sign exists, the recoverable amount of the asset shall be estimated.

For the purpose of impairment testing, the group of assets whose cash inflow is mostly independent of other individual assets or asset group is recognized as the smallest identifiable asset group.

If the recoverable amount of an individual asset or cash-generating unit is lower than the book value, it is recognized as impairment loss.

(XV) Revenue recognition

1. Revenue from customer contracts

Revenue is measured based on the expected consideration for the right to be obtained from the transfer of goods or services. The Company recognizes revenue when the control of the product or labor service is transferred to the customer and the performance obligation is met. The main revenue items of the Company are described as follows:

(1) Land development and sales of buildings and land

The Company develops and sells residential real estate, and often pre-sells the real estate during or before the construction period. The Company recognizes the income as income when the control of the property is transferred. Due to contractual restrictions, the real estate usually has no other use for the Company. The date of the actual handover of the real estate is the basis when the legal ownership of the real estate is transferred to the customer. However, if the Company has only completed one of the real estate properties before the reporting date but has actually completed the other one in the post-period, it shall be recognized as revenue.

Revenue is measured based on the contractual transaction price. In the case of sales of a house, in most cases, the consideration can be collected when the legal title of the real estate is transferred. In rare cases, the account payment can be deferred according to the contractual agreement, but the period of deferral does not exceed 12 months. Therefore, the transaction price is not adjusted to reflect the impact of major financial components. In the case of pre-sale of property, the payment is usually collected in installments from the signing of the contract to the transfer of the property to the customer. If the contract includes a significant financial component, the transaction price is adjusted according to the borrowing interest rate of the project during that period to reflect the impact of the time value of money. Advance receipts are recognized as contract liabilities; after adjusting the time value of money, interest expenses and contract liabilities are recognized. The accumulated contractual liabilities are transferred to revenue when the property is transferred to the customer.

(2) Construction contracts

The Company engages in the contracting business of residential real estate and public construction projects. As the assets are controlled by the customers at the time of construction, the income is gradually recognized over time based on the proportion of the construction costs incurred to date in the estimated total contract costs. The contract includes fixed and variable consideration. The customer makes a fixed amount of payment in accordance with the agreed schedule. Consideration for some changes (such as fines and price adjustments calculated based on the number of days past due) are estimated based on the expected value based on accumulated past experience, and the Company only recognizes it within the scope of the accumulated revenue level with no significant reversal income. If the amount of recognized revenue has not yet been paid, it is recognized as a contract asset; when the Company has an unconditional right to the consideration, the contract asset is transferred to accounts receivable.

If the degree of completion of the performance obligation under the construction contract cannot be reasonably measured, the contract revenue is recognized only within the range of the expected recoverable cost.

When the Company expects that the inevitable cost of fulfilling an obligation in a construction contract exceeds the economic benefits expected from the contract, the provision for the onerous contract is recognized.

If the situation changes, the estimates of revenue, cost and level of completion will be revised, and the resulting increase or decrease will be reflected in the profit or loss during the period in which the management is aware of the change and making revisions.

(3) Rental income

Rental income from investment property is recognized using the straight-line method over the lease term. The lease incentives are treated as part of the total lease revenue and recognized as a decrease in rental income over the lease term using the straight-line method. The income arising from the sublease of the property is recognized in the operating revenue.

(4) Financial components

The Company expects all customer contracts to be transferred to the customer within one year between the time of transfer of goods or services to the customer and the customer's payment for the goods or services, or the impact of financial components is not significant to individual contracts. Therefore, the Company does not adjust the time value of money of the transaction price.

2. Cost of contracts with customers- Incremental cost of obtaining a contract

If the Company expects to recover the incremental costs of obtaining contracts with customers, such costs are recognized as assets. The incremental cost of obtaining a contract is the cost that is incurred in obtaining a contract with a customer that would not be incurred if the contract had not been obtained. The costs of obtaining a contract that will be incurred whether or not the contract is won are recognized as expenses when they occur, unless the costs can be clearly collected from the customer whether the contract has been won or not.

(XVI) Employee benefits

1. Definite contribution plan

The obligation of the defined contribution plan is recognized as an expense within the service period provided by the employee.

2. Defined benefit plan

The Company's net obligation to the defined benefit plan is converted to the present value of the future benefit earned from the services provided by the employees in the current period or in the past, less the fair value of planned assets.

Defined benefit obligations are calculated annually by a qualified actuary using the projected unit benefit method. When the calculation result may be favorable to the Company, the assets recognized shall be up to the present value of any economic benefit that can be derived from the refund of the contribution from the plan or the reduction of the contribution from the plan in the future. The calculation of the present value of the economic benefits takes into account the minimum capital contribution required.

The remeasurement of the net defined benefit liability, including actuarial gains and losses, plan asset returns (excluding interest), and any change in the impact of asset ceilings (excluding interest) is immediately recognized in other comprehensive income and accumulated in retained earnings. The Company determines the net interest expense (revenue) of the net defined benefit liabilities (assets) using the net defined benefit liabilities (assets) and the discount rate at the beginning of the reporting period. The net interest expense and other expenses of the defined benefit plan are recognized in profit or loss.

When the plan is revised or curtailed, the changes in welfare related to the prior service cost or curtailment benefit or loss is recognized immediately in profit or loss. When the settlement occurs, the Company recognizes the settlement gain or loss of the defined benefit plan.

3. Short-term employee benefits

Short-term employee benefit obligations are recognized as expenses when the services are provided. If the Company has a current legal or presumed payment obligation due to the past services provided by employees, and the obligation can be estimated reliably, the amount is recognized as liabilities.

(XVII) Income tax

Income tax includes current income tax and deferred income tax. Except for those related to business combination and recognized directly in equity or other comprehensive income, current income tax and deferred income tax shall be recognized in profit or loss.

The current income tax includes the expected income tax payable or tax refund receivable calculated based on the taxable income (loss) of the current year, and any adjustment to the income tax payable or tax refund receivable from prior years. The amount is the best estimate of the expected payment or receipt based on the statutory tax rate or tax rate substantially enacted on the reporting date.

Deferred income tax is measured and recognized on temporary differences between the carrying amount of assets and liabilities and their tax bases at the reporting date. Temporary differences arising from the following circumstances shall not be recognized as deferred income tax:

1. Assets or liabilities originally recognized in a transaction that is not a business merger, and at the time of the transaction (i) does not affect accounting profits and taxable income (loss) and (ii) does not generate equivalent taxable and deductible temporary difference;
2. Temporary differences arising from investments in subsidiaries, affiliates and joint ventures, of which the Company can control the timing of temporary difference reversal and is very likely not to be reversed in the foreseeable future; and
3. The taxable temporary difference arising from the initial recognition of goodwill.

Unused tax losses and unused income tax credits carried forward and deductible temporary differences are recognized as deferred income tax assets within the range of future taxable income that is likely to be available for use. The Company shall reevaluate it at each reporting date, and adjust the relevant income tax benefits to the extent that it is not very likely to be realized; or to reverse the amount of reduction in the range where it is very likely that there will be sufficient taxable income.

Deferred income tax is measured at the tax rate at which the temporary difference is expected to be reversed, and based on the statutory tax rate or substantive tax rate at the reporting date.

The Company will offset the deferred income tax assets and deferred income tax liabilities when the following conditions are met at the same time:

1. Has the legally enforceable right to offset current income tax assets and current income tax liabilities; and
2. Deferred income tax assets and deferred income tax liabilities are related to one of the following taxable entities levied by the same taxation authority:
   (1) The same taxpayer; or
   (2) Different taxable entities, but each entity intends to settle the current income tax liabilities and assets on a net basis, or realize assets and settlement of liabilities at the same time in each future period when significant amounts of deferred income tax assets are expected to be recovered and the deferred income tax liabilities are expected to be settled.

(XVIII) Earnings per share

The Company presents the basic and diluted earnings per share attributable to the Company's common stock shareholders. The basic earnings per share of the Company is calculated by dividing the profit or loss attributable to the Company's common stock shareholders by the weighted average number of the outstanding common stock shares during the period. Diluted earnings per share is calculated by having the profit and loss attributable to the Company's common stock shareholders and the weighted average number of common stock shares outstanding adjusted for the effects of all potential diluted common stock shares, respectively.

(XIX) Segment information

The Company has disclosed the department information in the consolidated financial statements; therefore, the department information was not disclosed in the parent company only financial statements.

V. Major accounting judgments, estimates, and major sources of uncertainty for assumptions

When adopting accounting policies, the management is required to make judgments, estimates and assumptions that are based on historical experience and other factors that are not readily apparent from other sources. Actual results may differ from estimates.

The management will continue to review the estimates and basic assumptions. If a revision of an estimate only affects the current period, it is recognized in the period in which the revision is made; if a revision of an accounting estimate affects the current period and future periods, it is recognized in the period of the revision and future periods.

Main sources of estimation and assumption uncertainty:

Valuation of inventories

Since inventories need to be measured at the lower of cost or net realizable value, the Company evaluates the amount of inventory on the reporting date because the market selling price is lower than the cost, and offsets the cost of inventories to the net realizable value. The inventory valuation is mainly based on the selling price in the market at the time. Please refer to Note 6(5) for inventory valuation and estimation.

VI. Description of important accounting items

(I) Cash and cash equivalent

	2023.12.31	2022.12.31
Cash and petty cash	$ 382	357
Bank deposits		
Check deposits	1,320,651	1,887,859
Demand deposits	538,860	14,859
Time deposit	3,900,000	5,700,000
Cash equivalents	948,721	960,224
Cash and cash equivalents listed in the Statement of Cash Flows	$ 6,708,614	8,563,299

The cash equivalents referred to above are short-term notes, the maturity intervals are January 2024 and January 2023, and the interest rate intervals are 1.36% and 0.98% - 1.02%, respectively.

Please refer to Note 6(24) for the disclosure of the interest rate risk and sensitivity analysis of the Company's financial assets and liabilities.

(II) Financial assets measured at fair value through profit or loss

	2023.12.31	2022.12.31
Financial assets mandatorily measured at fair value through profit or loss:		
Listed (OTC) company stocks	$ 41,084	33,995

1. Please refer to Note 6(24) for the amount remeasured at fair value and recognized in profit or loss.
2. Due to the non-derivative financial assets listed above that are mandatorily measured at fair value through profit or loss, the dividend income recognized in 2023 and 2022 was NTD 906 thousand and NTD 2,013 thousand.
3. On December 31, 2023 and 2022, the Company's financial assets were not provided as collateral.

(III) Financial assets measured at fair value through other comprehensive income

	2023.12.31	2022.12.31
Equity instruments measured at fair value through other comprehensive income:		
Stock of domestic (OTC) listed companies - Fubon Financial Preferred Shares C (FBFHCPSC)	$ 644	645
Stock of domestic emerging (listed) companies - Clientron Corp.	445	655
Stock of domestic non-listed (OTC) companies - Everterminal Co., Ltd.	1,744	3,305
Stock of domestic non-listed (OTC) companies - Preferred stock of Ta Shee Resort Co., Ltd.	25,276	-
Total	$ 28,109	4,605

1. The Company's investments in these equity instruments are long-term strategic investments and are not held for trading purposes, and therefore have been designated to be measured at fair value through other comprehensive income.
2. The Company designated the investment in equity instrument listed as being measured at fair value through other comprehensive income, and the dividend income recognized in 2023 and 2022 was NTD1,637 thousand and NTD1,232 thousand respectively.

3. The Company did not dispose of strategic investment in 2023 and 2022, and did not transfer any accumulated gain or loss in equity during the period.
4. Please refer to Note 6(24) for credit risk (including impairment of debt instrument investment) and market risk information.
5. The above financial assets have not been provided as collateral guarantees.

(IV) Notes and accounts receivable

	2023.12.31	2022.12.31
Notes receivable	$ 2,535	-
Accounts receivable	1,067	117,096
	$ 3,602	117,096

The Company uses simplified method to estimate expected credit losses for all accounts receivable, that is, using expected credit losses throughout the duration. For this measurement, such accounts receivable are the common credit risk characteristics of the ability to pay all amounts due in the contract terms and are grouped and included in the forward-looking information. The expected credit losses of the Company's accounts receivable in Taiwan are analyzed as follows:

	2023.12.31		
	Carrying amount of notes and accounts receivable	Weighted average rate of expected credit losses	Allowance for expected credit losses during the duration
Not past due	$ 3,602	-	-

	2022.12.31		
	Carrying amount of notes and accounts receivable	Weighted average rate of expected credit losses	Allowance for expected credit losses during the duration
Not past due	$ 117,096	-	-

There was no bad debt provision and write-down reversal in 2023 and 2022.

(V) Inventory

	2023.12.31	2022.12.31
Prepayments for building and land	$ 28,320	4,235
Construction site	1,214,861	2,899,060
Building and land under construction	16,717,444	10,957,612
Buildings and land for sale	7,208,540	7,238,715
Total	$ 25,169,165	21,099,622

1. In 2023 and 2022, the amount of reversal of impairment loss due to the sale of inventories was NTD 16,739 thousand and NTD 2,536 thousand, respectively; In 2022, the amount of net realizable value recognized as inventory valuation losses due to the written-off of inventories was NTD 14,593 thousand, which was reported as cost of sales.
2. The inventory cost of the sales cost and expense recognized in 2023 and 2022 are NTD 3,738,023 thousand and NTD 4,894,196 thousand, respectively.
3. The Company's building under construction in 2023 and 2022 was calculated at the capitalization interest rate of 2.258% and 1.922%, respectively. For the amount of capitalization of the interest, please refer to Note 6(23).

4. Please refer to Note 8 for the Company's inventories provided as collaterals as of December 31, 2023 and 2022.
4. On December 31, 2023 and 2022, the amount that the Company had entrusted for legal parking spaces for sale was NTD 11,649 thousand and NTD 13,796 thousand, respectively.

(VI) Investment under equity method

The Company's investment under equity method on the reporting date is as follows:

		2023.12.31	2022.12.31
Subsidiary	$	6,152,710	5,731,832
Joint venture		1,027,185	1,021,771
	$	**7,179,895**	**6,753,603**

1. Subsidiaries

Please refer to the 2023 consolidated financial statements.

Due to the adjustment of the Group's organizational structure, the Company completed the cash settlement of 51% equity interest in Guan Cheng Co., Ltd. (Global Mall Banqiao Store) to Global Mall on June 21, 2022. Please refer to Note 7.

2. Joint ventures

The Company, Clevo Co. and Hua Tai Investment Corporation jointly participated in the urban renewal project for public buildings on the E1E2 street corner in the dedicated area of the Taipei Main Station. In accordance with the joint venture agreement, the three parties jointly established Tua Tiann Co., Ltd., and the proportion of shareholding was 51%, 24.5%, and 24.5%, respectively, and the investment amount was NTD 1,020,000 thousand, NTD 490,000 thousand, and NTD 490,000 thousand, respectively.

The joint venture company and the Taipei City Housing and Urban Renewal Center signed the "Taipei Main Station Dedicated Area E1E2 Street Plan Public Office Urban Renewal Project" contract in September 2022. According to the contract, the joint venture company needs to transfer the ownership of the commercial facilities of the project through the signing of the "Lease Contract for Shopping Malls in High Development Zones" and the "Lease Contract in Low Development Zones" with the Taiwan Railways Administration within 1 month after the ownership transfer and within 3 months from the completion of the restoration and reuse of the open space in the designated area. The leaseback period is 20 years.

The following table summarizes the financial information of the Tua Tiann Co., Ltd., and the fair value adjustments at the time of acquisition and accounting policy differences. The purpose of this presentation is to adjust the aggregated financial information to the book value of the Company's equity in Tua Tiann Co., Ltd.

		2023.12.31	2022.12.31
Percentage of ownership interests		**51%**	**51%**
Current assets	$	2,015,168	2,004,350
Non-current assets		138	202
Current liabilities		(1,147)	(939)
Non-current liabilities		(71)	(141)
Net assets	**$**	**2,014,088**	**2,003,472**
Cash and cash equivalents	**$**	**102,539**	**208,931**

	2023.12.31	2022.12.31
The Company's share of net assets	$ 1,027,185	1,021,771
Book value of joint venture equity	$ 1,027,185	1,021,771

	2023	2022
Operating revenue	$ -	-
Net income from continuing operations for the period	$ 13,741	3,473
Total comprehensive income	$ 13,741	3,473
Operating expenses	$ 176	695
Interest revenue	$ 17,355	5,038
Interest expense	$ 3	2
Income tax expense	3,435	868
The consolidated company's share of total comprehensive income	$ 7,008	1,771

3. Guarantee

Please refer to Note VIII for the Company's investment under the equity method provided as collateral as of December 31, 2023 and 2022.

(VII) Property, plant and equipment

The details of changes in the cost, depreciation and impairment loss of the Company's property, plant and equipment as of 2023 and 2022 are as follows:

	Land	Buildings	Leasehold improvements	Other equipment (including transportation and other equipment)	Total
Cost or recognized cost:					
Balance as of January 1, 2023	$ 138,488	299,072	1,117	7,075	445,752
Addition	-	107	-	11,463	11,570
Transferred in	-	2,036	-	-	2,036
Disposal	-	-	-	(3,970)	(3,970)
Balance as of December 31, 2023	$ 138,488	301,215	1,117	14,568	455,388
Balance as of January 1, 2022	$ 138,488	287,244	1,117	5,846	432,695
Addition	-	11,489	-	1,145	12,634
Transferred in	-	339	-	84	423
Balance as of December 31, 2022	$ 138,488	299,072	1,117	7,075	445,752
Depreciation and impairment loss:					
Balance as of January 1, 2023	$ -	155,741	1,033	5,648	162,422
Depreciation in the current year	-	15,339	84	913	16,336
Disposal	-	-	-	(2,420)	(2,420)
Balance as of December 31, 2023	$ -	171,080	1,117	4,141	176,338

	Land	Buildings	Leasehold improvements	Other equipment (including transportation and other equipment)	Total
Balance as of January 1, 2022	$ -	143,522	863	5,215	149,600
Depreciation in the current year	-	12,219	170	433	12,822
Balance as of December 31, 2022	$ -	155,741	1,033	5,648	162,422
Carrying amount:					
December 31, 2023	$ 138,488	130,135	-	10,427	279,050
December 31, 2022	$ 138,488	143,331	84	1,427	283,330

Please refer to Note 8 for the details of the financing guarantee provided on December 31, 2023 and 2022.

(VIII) Right-of-use assets

The details of changes in the cost and depreciation of the Company's rented buildings and transportation equipment are as follows:

	Buildings	Transportation equipment	Total
Cost of right-of-use assets:			
Balance as of January 1, 2023	$ -	12,380	12,380
Addition	1,974	3,078	5,052
Transferred out - lease expiry	-	(7,202)	(7,202)
Balance as of December 31, 2023	$ 1,974	8,256	10,230
Balance as of January 1, 2022	$ -	7,762	7,762
Addition	-	4,618	4,618
Balance as of December 31, 2022	$ -	12,380	12,380
Depreciation and impairment loss of right-of-use assets:			
Balance as of January 1, 2023	$ -	7,264	7,264
Appropriation of depreciation	94	3,756	3,850
Transferred out - lease expiry	-	(7,202)	(7,202)
Balance as of December 31, 2023	$ 94	3,818	3,912
Balance as of January 1, 2022	$ -	4,468	4,468
Appropriation of depreciation	-	2,796	2,796
Balance as of December 31, 2022	$ -	7,264	7,264
Book value:			
December 31, 2023	$ 1,880	4,438	6,318
December 31, 2022	$ -	5,116	5,116

(IX) Investment property

	Land and improvements	Buildings	Total
Cost or recognized cost:			
Balance as of January 1, 2023	$ 282,087	213,814	495,901
Balance as of December 31, 2023	$ 282,087	213,814	495,901
Balance as of January 1, 2022	$ 282,087	213,814	495,901
Balance as of December 31, 2022	$ 282,087	213,814	495,901
Depreciation and impairment loss:			
Balance as of January 1, 2023	$ -	33,536	33,536
Depreciation in the current year	-	4,192	4,192
Balance as of December 31, 2023	$ -	37,728	37,728
Balance as of January 1, 2022	$ -	29,343	29,343
Depreciation in the current year	-	4,193	4,193
Balance as of December 31, 2022	$ -	33,536	33,536
Carrying amount:			
December 31, 2023	$ 282,087	176,086	458,173
December 31, 2022	$ 282,087	180,278	462,365
Fair value:			
December 31, 2023			$ 596,191
December 31, 2022			$ 591,998

Investment property is commercial property leased to a third party. Please refer to Note 6(16) for relevant information.

The fair value of investment property is based on the valuation of independent appraisers (with relevant recognized professional qualifications and recent experience in the location and type of investment property valuated) or the self-assessment of the Company (see based on the transaction price or actual registered transaction information). The input value used in the fair value valuation technique belongs to Class III.

The fair value is valuated using the market value income approach and the comparative approach. If there is no current price in an active market, the valuation considers the estimated aggregate cash flows expected to be received from the lease of the property, and discounts it at a rate of return that reflects the specific risks inherent to the net cash flow to determine the value of the property. The rates of return adopted in 2023 and 2022 were 1.56% and 1.55%, respectively.

Please refer to Note 8 for the Company's investment properties provided as collaterals as of December 31, 2023 and 2022.

(X) Intangible assets

The cost, amortization, and impairment loss of the Company's intangible assets for 2023 and 2022 are as follows:

	Cost of computer software
Cost:	
Balance as of January 1, 2023	$ 11,098
Addition	179
Balance as of December 31, 2023	$ 11,277
Balance as of January 1, 2022	$ 11,098
Balance as of December 31, 2022	$ 11,098
Amortization and impairment loss:	
Balance as of January 1, 2023	$ 11,098
Current amortization	45
Balance as of December 31, 2023	$ 11,143
Balance as of January 1, 2022	$ 10,624
Current amortization	474
Balance as of December 31, 2022	$ 11,098
Book value:	
Balance as of December 31, 2023	$ 134
Balance as of December 31, 2022	$ -

Amortization expense

The amortization expenses of intangible assets 2023 and 2022 are reported in the following items in the statement of comprehensive income:

	2023	2022
Operating expenses	$ 45	474

(XI) Other financial assets - current and incremental cost of obtaining a contract

	2023.12.31	2022.12.31
Other financial assets - current	$ 961,433	1,629,826
Incremental cost of obtaining a contract	33,295	9,978
	$ 994,728	1,639,804

1. Other financial assets

Mainly includes restricted assets (repayment accounts and trust proceeds) and construction deposits deposited. Please refer to Note 8 for the details of their use as collateral.

2. Incremental cost of obtaining a contract - current

The Company expects to recover the commission paid to the agency for the acquisition of real estate sales contracts or the bonuses from the internal sales department's own sales and construction projects, so it is recognized as an asset. They shall be amortized when the revenue from sales of buildings and land are recognized. The sales and marketing expenses of NTD 18,483 thousand and NTD 50,897 thousand were recognized in 2023 and 2022, respectively.

(XII) Short-term bills payable

The details of the Company's short-term bills payable are as follows:

	2023.12.31	2022.12.31
Commercial paper payable	$ 30,000	-

The amounts added as of December 31, 2023 and 2022 were NTD 1,242,000 thousand and NTD 60,000 thousand, respectively, with the interest rates ranging from 2.190% to 2.60% and 1.738% to 2.238%, respectively; the repayments were NTD 1,212,000 thousand and NTD 60,000 thousand.

(XIII) Short-term loans

The details of the Company's short-term loans are as follows:

	2023.12.31	2022.12.31
Unsecured bank borrowings	$ 3,380,433	3,960,378
Secured bank loan	11,700,745	10,580,478
Total	$ 15,081,178	14,540,856
Interest rate range	1.69%~2.83%	1.58%~2.56%

Please refer to Note 8 for the Company's assets pledged as collateral for bank loans.

(XIV) Corporate bonds payable/Corporate bonds due within one year or one business cycle or with resale rights exercised

The Company's bonds payable details are as follows:

	2023.12.31	2022.12.31
Secured common corporate bonds - current	$ 1,000,000	2,000,000
Secured common corporate bonds - non-current	2,000,000	2,000,000
Total	$ 3,000,000	4,000,000

1. The Company issued secured ordinary bonds on October 12, 2023 in the amount of NTD 1,000,000 thousand, with a par value rate of 1.75% and an issuance period of 5 years.
2. Please refer to Note 8 for the description of the collateral provided for the aforementioned secured ordinary corporate bonds.

(XV) Lease liabilities

The book value of lease liabilities of the Company is as follows:

	2023.12.31	2022.12.31
Current	$ 6,460	5,142

Please refer to Note 6(24) Financial Instruments for maturity analysis.

The amount of lease recognized in profit or loss is as follows:

	2023	2022
Interest expense of lease liabilities	$ 108	59
Expenses of short-term and low-value leases	$ 9,936	9,551

The amounts recognized in the statement of cash flows are as follows:

	2023	2022
Total cash outflow for leases	$ 13,778	12,431

The lease term of the Company's transportation equipment is 3 years. In addition, the Company contracted outdoor fixed-point advertising and reception centers. These leases are short-term and low-value leases that the Company chose to apply the recognition exemption rules and did not recognize its related right-of-use assets and lease liabilities.

(XVI) Operating lease

Lessor's lease

The Company leases out its investment properties. Since it has not transferred almost all the risks and rewards of the ownership of the underlying assets, the lease contracts are classified as operating leases. Please refer to Note 6(9) Investment properties.

The maturity analysis of lease payments is shown in the following table based on the total undiscounted lease payments to be received after the reporting date:

	2023.12.31	2022.12.31
Less than 1 year	$ 9,726	9,726
1 to 2 years	9,726	9,726
2-3 years	9,726	9,726
3-4 years	9,726	9,726
4-5 years	9,726	9,726
Over 5 years	21,316	29,316
Total undiscounted lease payments	$ 69,946	77,946

The rent income generated from the investment property was NTD 9,726 thousand and NTD 7,623 thousand in 2023 and 2022, respectively; and no significant maintenance and repair expenses have been incurred.

(XVII) Employee benefits

1. Defined benefit plan

The adjustment of the present value of the Company's defined benefit obligation and the fair value of the plan assets is as follows:

	2023.12.31	2022.12.31
Present value of defined benefit obligation	$ 4,617	6,526
Fair value of plan assets	(4,686)	(5,705)
Net defined benefit obligation (assets) and liabilities	$ (69)	821

The employee benefit liabilities of the Company are as follows:

	2023.12.31	2022.12.31
Short-term paid leave of absence	$ 2,040	3,141

The Company's defined benefit plan is appropriated to the labor pension reserve account at the Bank of Taiwan. The retirement payment of each employee under the Labor Standards Act is calculated based on the bases earned for the years of service and the average salary six months prior to retirement.

(1) Composition of plan assets

The pension fund appropriated by the Company in accordance with the Labor Standards Act is under the overall management of the Bureau of Labor Funds, Ministry of Labor. In accordance with the "Regulations for Revenues, Expenditures, Safeguard and Utilization of the Labor Retirement Fund," the minimum income distributed each year in the final accounts for the use of the fund shall not be lower than the income calculated based on the local bank's two-year time deposit interest rate.

The Company's labor pension fund account at the Bank of Taiwan is with a balance of NTD 4,686 thousand as of the reporting date. Information on the utilization of assets of the Labor Pension Fund, including fund yield rate and fund asset allocation, is disclosed on the website of the Bureau of Labor Funds, Ministry of Labor.

(2) Changes in the present value of definite benefit obligations

Changes in the present value of the Company's defined benefit obligations as of 2023 and 2022 are as follows:

		2023	2022
Defined benefit obligation as of January 1	$	6,526	9,982
Current service cost and interest		81	55
Remeasurement of net defined benefit liabilities (assets)			
- Actuarial gains and losses due to changes in financial assumptions		-	(253)
- Experience adjustment		(799)	(1,054)
Benefits paid by the plan		(1,191)	(2,204)
Defined benefit obligation as of December 31	**$**	**4,617**	**6,526**

(3) Changes in the fair value of plan assets

Changes in the fair value of the Company's defined benefit plan assets in 2023 and 2022 are as follows:

		2023	2022
Fair value of the plan assets on January 1	$	5,705	7,047
Interest revenue		72	49
Remeasurement of net defined benefit liabilities (assets)			
- Return on plan assets (excluding interest for the current period)		37	649
Amount appropriated to the plan		63	164
Benefits paid by the plan		(1,191)	(2,204)
Fair value of the plan assets on December 31	**$**	**4,686**	**5,705**

(4) The Company had no ceiling effect on the defined benefit plan assets in 2023 and 2022.

(5) Expenses recognized in profit or loss

The Company's expenses recognized in profit or loss in 2023 and 2022 are as follows:

	2023	2022
Interest cost of defined benefit obligation	$ 81	55
Net interest of net defined benefit liabilities (assets)	(72)	(49)
	$ 9	6

(6) Remeasurement of net defined benefit liabilities (assets) recognized as other comprehensive income

The remeasurement of net defined benefit liabilities (assets) recognized by the Company as other comprehensive income is as follows:

	2023	2022
Accumulated balance on January 1	$ (11,268)	(13,224)
Recognized in current period	836	1,956
Accumulated balance on December 31	$ (10,432)	(11,268)

(7) Actuarial assumptions

The significant assumptions used by the Company to determine the present value of the defined benefit at the end of the financial reporting date are as follows:

	2023.12.31	2022.12.31
Discount rate	1.25%	1.25%
Future salary increase	1.75%	1.75%

The Company expects to pay NTD 63 thousand to the defined benefit plan within one year after the 2023 reporting date.

The weighted average duration of the defined benefit plan is 10.3 years.

(8) Sensitivity analysis

The impact of changes in the main actuarial assumptions to be adopted on December 31, 2023 and 2022 and the impact on the present value of defined benefit obligations is as follows:

	Effect on defined benefit obligations	
	Increase	Decrease
December 31, 2023		
Discount rate (changed by 0.25%)	(95)	97
Future salary increase (1% change)	396	(366)
December 31, 2022		
Discount rate (changed by 0.25%)	(86)	88
Future salary increase (1% change)	362	(331)

The above sensitivity analysis analyzes the impact of changes in a single assumption with other assumptions remaining unchanged. In practice, many changes in assumptions may be linked. The sensitivity analysis is consistent with the method used to calculate the net defined benefit liability in the Statement of Financial Position.

The methods and assumptions used in the preparation of the sensitivity analysis of the current period are the same as those used in the previous period.

2. Defined contribution plan

The Company's defined contribution plan complies with the Labor Pension Act. An amount equivalent to 6% of the employee's monthly wage is appropriated to the individual labor pension account with the Bureau of Labor Insurance. Under this plan, after appropriating a fixed amount to the Bureau of Labor Insurance, the Company has no legal or constructive obligation to make additional payments.

The Company's pension expense under the defined contribution plan was NTD 5,210 thousand and NTD 4,564 thousand in 2023 and 2022, respectively; also, the amount had been appropriated to the Bureau of Labor Insurance.

(XVIII) Income tax

1. Income tax expenses

Details of expenses for 2023 and 2022 are as follows:

		2023	2022
Current income tax expense			
Occurred in the current period	$	228,110	263,431
Imposition on undistributed earnings		56,299	87,968
Adjustment of the current income tax of the previous period		3,271	(1,465)
Land Value Increment Tax		89,966	64,870
Income tax expense	$	377,646	414,804

The Company had no income tax expense recognized directly in equity or recognized in other comprehensive income in 2023 and 2022.

The relationship between the Company's income tax expenses and net income before tax for 2023 and 2022 is adjusted as follows:

		2023	2022
Net income before tax	$	2,772,794	2,748,700
Income tax calculated in accordance with the domestic tax rate in the place where the Company is located	$	554,559	549,740
Tax-exempted income from land		(146,602)	(140,259)
Tax differences on deferred interest expenses		(21,681)	(9,436)
Domestic investment gains under equity method		(140,158)	(147,171)
Valuation loss (profit) of financial assets at fair value through profit or loss		(1,418)	1,977
Tax differences on deferred sales and marketing expenses		7,837	(2,650)
Total land price increase		(14,597)	(16,437)
Previous underestimation (overestimation)		3,271	(1,465)
Land Value Increment Tax		89,966	64,870
Imposition on undistributed earnings		56,299	87,968
Other		(9,830)	27,667
	$	377,646	414,804

2. The income tax returns of the Company's profit-seeking business have been audited and approved by the tax authorities up to 2021.

(XIX) Capital and other equity

The Company's authorized capital amounted to NTD 6,500,000 thousand on December 31, 2023 and 2021, respectively, with 650,000 thousand shares issued at NTD 10 par value per share. The above-mentioned authorized capital is all common shares, and the issued shares are all 554,170 thousand common shares. All payments on the issued shares have been collected.

1. Capital reserve

The balance of the Company's capital reserves is as follows:

	2023.12.31	2022.12.31
Issued stock premium	$ 827,906	827,906
Premium of corporate bond conversion	236,408	236,408
Treasury stock trading	345,697	325,201
Gain on disposal of assets	34,912	34,912
Others	27,478	27,142
	$ 1,472,401	1,451,569

Pursuant to the Company Act, capital reserves shall be first used to make up for losses before issuing new shares or cash based on realized capital reserve according to the original shareholding ratio. The realized capital reserve mentioned in the preceding paragraph includes the premium of shares issued in excess of the par value and the income from gifts received. According to the Regulations Governing the Offering and Issuance of Securities by Securities Issuers, the total amount of capital reserve for capitalization each year shall not exceed 10% of the paid-in capital.

2. Retained earnings

In accordance with the amended Articles of Incorporation approved by the Company's shareholders' meeting on June 19, 2023, if there is a profit after the final account, tax should be first paid followed by setting aside an amount for the accumulated loss, and then 10% of the profit should be appropriated as legal reserve, and the legal provision and reversal of special reserve. If there is any surplus, the board of directors shall draft a proposal for the distribution of shareholders' dividends and submit it to the shareholders' meeting for resolution, but if this earnings distribution is made in cash, in accordance with Article 240, paragraph 5 of the Company Act, the board is to seek approval from the shareholders meeting to authorize the board of directors to handle the matter and to report to the shareholders' meeting. The approval is considered obtained with the consent of more than half of the attending directors at the meeting attended by more than two-thirds of the board of directors.

(1) Legal reserve

When the Company has no losses, the shareholders' meeting may resolve to issue new shares or cash from the legal reserve, provided that such reserve exceeds 25% of the paid-in capital.

(2) Special reserve

According to the regulations of the FSC, when the Company distributes the distributable earnings, the difference between the net amount debited to other shareholders' equity and the balance of the special reserve is added to the items other than the current net profit after tax. This amount is added to the current undistributed earnings and the prior undistributed earnings that are set aside as special reserve; the amount of reduction of other shareholders' equity accumulated in the previous period is set aside from the undistributed earnings of the prior period as special reserve and shall not be distributed. If the amount debited to other shareholders' equity is reversed afterwards, the reversed amount may be distributed as earnings. As of December 31, 2023, the special reserve balance amounted to NTD 26,544 thousand.

(3) Earnings distribution

On June 19, 2023 and June 29, 2022, the Company's shareholders' meetings resolved the 2022 and 2021 earnings distribution proposals, and the dividends distributed to the shareholders are as follows:

		2022		2021	
		Stock dividend rate (NTD)	Amount	Stock dividend rate (NTD)	Amount
Dividends distributed to common stock shareholders:					
Cash	$	1.75	969,798	2.50	1,385,425

The amount of cash dividends for the 2023 earnings distribution proposal was resolved by the Board of Directors on March 12, 2024. The dividends distributed to the shareholders are as follows:

		2023	
		Stock dividend rate (NTD)	Amount
Dividends distributed to common stock shareholders:			
Cash	$	1.80	**995,706**

3. Treasury stock

(1) The Company's board of directors resolved on August 5, 2022 to buy back a total of 1,000 thousand treasury shares for the purpose of transferring shares to employees. The buyback period was from August 8 to October 6, 2022. As of December 31, 2023, the Company had repurchased all of the shares for NTD 27,520 thousand and the treasury stock for NTD 27,506 thousand. As of December 31, 2023, the number of shares not yet written off was 1,000 thousand shares.

(2) The shares of the Company held by the Company's subsidiaries as of December 31, 2023 and 2022 are as follows:

Unit: Thousand shares

	2023.12.31			2022.12.31		
Name of subsidiary	**Number of shares**	**Book value**	**Market price**	**Number of shares**	**Book value**	**Market price**
Kedge Construction	550	$ 1,222	21,368	550	1,222	16,060
Jiequn Investment Co., Ltd.	9,373	55,384	364,144	9,373	55,384	273,694
Guanqing Electromechanical Co., Ltd.	1,768	14,590	68,675	1,768	14,590	51,617
	11,691	**$ 71,196**	**454,187**	**11,691**	**71,196**	**341,371**

Note: In addition, the amount of deductions attributable to non-controlling equity totaled NTD 137,036 thousand.

4. Other equity (net amount after tax)

	Exchange differences on translation of financial statements of foreign operations	Unrealized gains or losses on financial assets at fair value through other comprehensive income	Total
Balance as of January 1, 2023	$ (29,493)	2,949	(26,544)
Exchange differences arising from the translation of net assets of foreign operations	(3)	-	(3)
Share of unrealized profit or loss of financial assets at fair value through other comprehensive income	-	(1,888)	(1,888)
Balance as of December 31, 2023	$ (29,496)	1,061	(28,435)
Balance as of January 1, 2022	$ (29,652)	2,925	(26,727)
Exchange differences arising from the translation of net assets of foreign operations	159	-	159
Share of unrealized profit or loss of financial assets at fair value through other comprehensive income	-	24	24
Balance as of December 31, 2022	$ (29,493)	2,949	(26,544)

(XX) Earnings per share

Calculations of the Company's basic earnings per share and diluted earnings per share for 2023 and 2022 are as follows:

1. Basic earnings per share

(1) Net profit attributable to the Company's common stock shareholders

	2023 Continuing operations	2022 Continuing operations
Net profit attributable to the Company's common stock shareholders	$ 2,395,148	2,333,896

(2) Weighted average outstanding common stock shares

	2023	2022
Common shares issued as of January 1	554,170	554,170
Effect of treasury stock	(12,691)	(12,072)
Weighted average outstanding common stock as of December 31	541,479	542,098
Basic earnings per share	$ 4.42	4.31

2. Diluted earnings per share

(1) Net income attributable to the Company's common stock shareholders (diluted)

	2023 Continuing operations	2022 Continuing operations
Net income attributable to common stock shareholders of the Company (diluted)	$ 2,395,148	2,333,896

(2) Weighted average number of common shares outstanding (diluted)

		2023	2022
Weighted average outstanding common stock as of December 31 (basic)		541,479	542,098
Effect of employee stock compensation		1,681	1,785
Weighted average number of common stock outstanding (diluted) on December 31		**543,160**	**543,883**
Diluted earnings per share	**$**	**4.41**	**4.29**

(XXI) Revenue from customer contracts

1. Details of revenue

Revenues for 2023 and 2022 are as follows:

		2023	2022
Revenue recognized from customer contracts	$	6,457,375	7,649,586
Rental income		17,330	15,219
	$	**6,474,705**	**7,664,805**

2. Breakdown of revenue recognized from customer contracts

		2023	2022
Key regional markets:			
Taiwan	**$**	**6,474,705**	**7,664,805**
Main product/service lines:			
Sale of merchandise (sale of premises)	$	6,157,863	7,498,364
Construction contract revenue		297,512	137,988
Revenue from service provision		2,000	13,234
Other income		17,330	15,219
	$	**6,474,705**	**7,664,805**
Timing of revenue recognition:			
Commodities transferred at a certain point in time	$	6,157,863	7,511,598
Construction transferred over time		297,512	137,988
Income gradually transferred over time		19,330	15,219
Total	**$**	**6,474,705**	**7,664,805**

3. Contract balance

		2023.12.31	2022.12.31	2022.1.1
Notes and accounts receivable	$	3,602	117,096	120,179
Less: Loss allowance		-	-	-
Total	$	3,602	117,096	120,179
Contract assets - construction projects	$	227,954	50,864	39,235
Less: Loss allowance		-	-	-
Total	$	227,954	50,864	39,235
Contract liabilities - construction projects	$	-	101,778	9,767
Contract liabilities - sales of buildings and land		1,102,830	306,601	1,045,946
Total	$	1,102,830	408,379	1,055,713

Please refer to Note 6(4) for the disclosure of accounts receivable and its impairment.

The opening balance of contract liabilities on January 1, 2023 and 2022 was recognized as income in the amounts of NTD 281,041 thousand and NTD 980,194 thousand in 2023 and 2022.

Changes in contract assets and contract liabilities are mainly due to the difference between the time when the Company transfers goods or services to customers to meet performance obligations and the time when the customer makes payment. There were no other significant changes in 2023 and 2022.

As of December 31, 2023, the amount of the Company's pre-sale of houses and land, which had been entrusted to trust, amounted to NTD 69,558 thousand, which had been paid into the trust accounts of each bank, recorded under the "Other financial assets - current" account. Relevant trust accounts are as follows:

Project Code		2023.12.31
101A	$	69,558

(XXII) Remuneration to employees and directors

According to the Articles of Incorporation of the Company, if there is profit in the year, no less than 0.5% of the profit shall be appropriated as employee's remuneration and no more than 2% as director's remuneration. However, if the Company still has accumulated losses, an amount shall be reserved in advance to offset the losses.

The Company's 2023 and 2022 employee remuneration is estimated to be NTD 43,167 thousand and NTD 41,942 thousand, respectively, and that directors' remuneration is NTD 43,167 thousand and NTD 41,942 thousand, respectively. The estimate is based on the net income before tax of each period deducting the remuneration of employees and directors, and multiplied by the distribution percentage of the remuneration of employees and directors as stipulated in the Articles of Incorporation of the Company, and is reported as operating expenses for the period. If there is a discrepancy between the actual distributed amount and the estimated figure in the following year, it shall be treated as a change in accounting estimates and recognized as profit or loss of the following year. If the board of directors decides to pay employees' remuneration in shares, the number of shares will be calculated based on the closing price of the common stock on the day before the resolution of the board meeting. Please visit the MOPS for relevant information. The amount of remuneration distributed to employees and directors as resolved by the above-mentioned board meeting is no different from the estimated amount in the Company's 2023 and 2022 parent company only financial statements.

(XXIII) Non-operating income and expenses

1. Interest revenue

The Company's interest income as of 2023 and 2022 is as follows:

	2023	2022
Bank deposits (including interest of short-term commercial papers)	$ 70,325	38,997
Discounted construction deposits paid off (including deposits)	120	568
Other	15	1,001
	$ 70,460	**40,566**

2. Other income

The Company's other income as of 2023 and 2022 is as follows:

	2023	2022
Dividend income	**$ 2,543**	**3,245**

3. Other gains and losses

The Company's other gains and losses as of 2023 and 2022 are as follows:

	2023	2022
Gain (loss) on financial assets at fair value through profit or loss	$ 7,089	(9,883)
Gains from the disposal of property, plant and equipment	317	-
Other income	67,807	30,818
Other expenses	(108,093)	(22,155)
	$ (32,880)	**(1,220)**

4. Financial costs

The Company's financial costs for 2023 and 2022 are as follows:

	2023	2022
Interest expense		
Bank borrowings and deposit interest	$ 358,465	284,723
Corporate bond interest and service charge	52,298	69,916
Interest on lease liabilities	108	59
Other financial expenses	-	168
Less: capitalized interest	(235,156)	(147,308)
	$ 175,715	**207,558**

(XXIV) Financial instruments

1. Credit risk

(1) Credit risk exposure

The book value of financial assets represents the maximum credit risk exposure amount.

(2) Concentration of credit risk

The Company is engaged in the development and sale of real estate. Its customer base is mainly consumers. The Company does not significantly concentrate its transactions with a single customer and the sales regions are dispersed. Therefore, there is no significant concentration of credit risk in accounts receivable.

2. Liquidity risk

The contractual maturities of financial liabilities are shown in the following table, including estimated interest but excluding the effect of the agreement on the net amount.

	Carrying amount	Contractual cash flow	Within one year	1-3 years	3-5 years
December 31, 2023					
Non-derivative financial liabilities					
Secured bank loan	$ 11,700,745	13,019,589	8,372,387	486,387	4,160,815
Unsecured bank borrowings	3,380,433	3,538,071	2,496,919	540,404	500,748
Short-term bills payable	30,000	30,000	30,000	-	-
Notes, accounts and other payables (including related parties)	1,497,703	1,497,703	1,497,703	-	-
Ordinary corporate bonds (including those due within one year)	3,000,000	3,101,984	1,007,605	1,010,619	1,083,760
Lease liabilities	6,460	6,649	3,377	2,432	840
Guarantee deposits received	1,742	1,742	-	1,742	-
	$ 19,617,083	21,195,738	13,407,991	2,041,584	5,746,163
December 31, 2022					
Non-derivative financial liabilities					
Secured bank loan	$ 10,580,478	10,888,578	6,824,226	3,318,620	745,732
Unsecured bank borrowings	3,960,378	4,022,083	3,380,657	641,426	-
Notes, accounts and other payables (including related parties)	1,213,996	1,213,996	1,213,996	-	-
Ordinary corporate bonds (including those due within one year)	4,000,000	4,039,600	2,007,375	2,032,225	-
Lease liabilities	5,142	5,244	3,117	2,127	-
Guarantee deposits received	4,742	4,742	-	4,742	-
	$ 19,764,736	20,174,243	13,429,371	5,999,140	745,732

The Company does not expect the timing of the cash flows to be matured significantly earlier or the actual amounts will be significantly different.

3. Interest rate analysis

The interest rate exposure of the Company's financial assets and financial liabilities is described in the liquidity risk management of this note.

The following sensitivity analysis is based on the interest rate risk exposure of the derivative and non-derivative instruments on the reporting date. The analysis of liabilities with floating interest rates is based on the assumption that the amount of liabilities outstanding on the reporting date has been outstanding throughout the year. The rate of change used by the Company to report interest rates to key management personnel is an increase or decrease of 1%, which also represents management's assessment of the reasonably possible range of interest rates.

If the interest rate on the reporting date increases or decreases by 1%, and all other variables remain unchanged, the Company's 2023 and 2022 net income before tax would decrease or increase by NTD 150,812 thousand and NTD 145,409 thousand, respectively. The pre-tax profit after interest capitalization would decrease or increase by NTD 64,497 thousand and NTD 85,048 thousand, mainly due to the Company's borrowings at variable interest rates.

4. Other price risks

If the price of equity securities changes on the reporting date (the two analysis are based on the same basis, and assuming other variables unchanged), the impact on the comprehensive income is as follows:

	2023		2022	
Securities price on the reporting date	**Other comprehensive income after tax**	**Profit or loss after tax**	**Other comprehensive income after tax**	**Profit or loss after tax**
Up 10%	$ 2,811	4,108	461	3,400
Down 10%	$ (2,811)	(4,108)	(461)	(3,400)

5. Fair value information

(1) Types and fair values of financial instruments

Financial assets measured at fair value through profit or loss and financial assets measured at fair value through other comprehensive income of the Company are measured at fair value on a repetitive basis. The carrying amount and fair value of various financial assets and financial liabilities (including fair value hierarchy information, but the carrying amount of financial instruments not measured at fair value is a reasonable approximation of the fair value and lease liabilities, there is no need to disclose the fair value information as required) are as listed below:

	2023.12.31				
		Fair value			
	Carrying amount	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial assets measured at fair value through profit or loss					
Non-derivative financial assets mandatorily measured at fair value through profit or loss	$ 41,084	41,084	-	-	41,084
Financial assets measured at fair value through other comprehensive income - non-current	$ 28,109	1,089	25,276	1,744	28,109
Financial assets measured at amortized cost					
Cash and cash equivalents	$ 6,708,614	-	-	-	-
Notes and accounts receivable	3,602	-	-	-	-
Other financial assets- Liquidity	961,433	-	-	-	-
Total	$ 7,742,842	42,173	25,276	1,744	69,193
Financial liabilities measured at amortized cost					
Short-term borrowings	$ 15,081,178	-	-	-	-
Short-term bills payable	30,000	-	-	-	-
Notes, accounts and other payables (including related parties)	1,497,703	-	-	-	-
Corporate bonds payable (including portion due within one year)	3,000,000	-	-	-	-
Lease liabilities	6,460	-	-	-	-
Guarantee deposits received	1,742	-	-	-	-
Total	$ 19,617,083	-	-	-	-

	2022.12.31				
		Fair value			
	Carrying amount	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value through profit or loss					
Non-derivative financial assets mandatorily measured at fair value through profit or loss	$ 33,995	33,995	-	-	33,995
Financial assets measured at fair value through other comprehensive income - non-current	$ 4,605	1,300	-	3,305	4,605
Financial assets measured at amortized cost					
Cash and cash equivalents	$ 8,563,299	-	-	-	-
Notes and accounts receivable	117,096	-	-	-	-
Other financial assets- Liquidity	1,629,826	-	-	-	-
Subtotal	10,310,221	-	-	-	-
Total	**$ 10,348,821**	**35,295**	-	**3,305**	**38,600**
Financial liabilities measured at amortized cost					
Short-term borrowings	$ 14,540,856	-	-	-	-
Notes, accounts and other payables (including related parties)	1,213,996	-	-	-	-
Corporate bonds payable (including portion due within one year)	4,000,000	-	-	-	-
Lease liabilities	5,142	-	-	-	-
Guarantee deposits received	4,742	-	-	-	-
Total	**$ 19,764,736**	-	-	-	-

(2) Valuation technique for the fair value of financial instruments measured at fair value

(2.1) Non-derivative financial instruments

If there is a quoted market price for the financial instrument, the quoted price on the active market is used as the fair value. The market price announced by the major exchanges and the TPEx for central government bonds that are judged to be popular are the basis for the fair value of TWSE/TPEx-listed equity instruments and debt instruments with open quotations on the active market.

If open quotations of financial instruments can be obtained in a timely manner from exchanges, brokers, underwriters, industrial associations, pricing service institutions or competent authorities, and the prices represent actual and frequently occurring fair market transactions, then the financial instruments have open quotations in the active market. If the above conditions are not met, the market is deemed inactive. Generally speaking, a large spread of the bid-ask spread, a significant increase in the spread of the bid-ask price, or a low trading volume are indicators of an inactive market.

If the financial instruments held by the Company belong to an active market, the fair value is listed as follows by category and attribute:

·The fair values of stocks and corporate bonds of TWSE/TPEX listed companies are financial assets and financial liabilities that have standard terms and conditions and are traded in the active market. The fair value is determined by reference to market quotations.

If the financial instruments held by the Company are in the non-active market, the fair value is listed as follows by category and attribute:

Equity instruments without public quotations: The fair value is estimated using the market comparable company method, and the main assumption is the investees' estimated earnings before tax, depreciation and amortization, and the earnings multiplier derived from the market quotations of comparable listed (OTC) companies as basis of measurement. The estimate has adjusted the effect of the discount due to the lack of market liquidity of the equity securities.

(3) Details of changes in level 3

	Measured at fair value through other comprehensive income
	Equity instruments without public quotations
January 1, 2023	$ 3,305
December 31, 2023	$ 1,744
January 1, 2022	$ 2,914
December 31, 2022	$ 3,305

The above total profit or loss is reported in the "unrealized valuation gain (loss) of financial assets measured at fair value through other comprehensive gain or loss". The assets still held on December 31, 2023 and 2022 are as follows:

	2023	2022
Total profit or loss		
Recognized in other comprehensive income (reported in "Unrealized valuation gain or loss on financial assets measured at fair value through other comprehensive income")	$ (1,561)	391

(XXV) Financial risk management

1. Overview

The Company is exposed to the following risks due to the use of financial instruments:

(1) Credit risk

(2) Liquidity risk

(3) Market risk

The Company's risk exposure information and the objectives, policies and procedures of the Company's risk measurement and management are disclosed in this note. Please refer to the notes to the parent company only financial statements for further quantitative disclosure.

2. Risk management framework

(1) Risk management policies:

In the course of business operations, enterprises often encounter many uncertainties that may threaten business operations. In order to detect and control risks at an early stage, and reduce the losses caused by risks, sound risk management policies are required. The Company's Board of Directors formulates overall risk management policies in accordance with the operating strategies, operating environment and department plans, which mainly include environmental aspects, internal and external operating procedures, and strategic decision-making. In addition, the board of directors should also submit risk management reports on various risk management decisions, tasks, supervision, and subsequent implementation, so that when the management can refer to past experience and come up with better solutions when faced with similar issues.

(2) Organizational structure for risk management:

Each level or department in the Company is responsible for the risks. Once any abnormal situation is found, it should be reported to the Audit Office or senior management immediately, and a solution should be sought for as soon as possible. The decision-maker should also take action in the shortest time possible.

The organizational structure of risk management is as follows:

Name of the organization	Scope of responsibility
Board of Directors	Formulate a risk management policy Ensure the effective operation of a risk management mechanism and allocate resources
Senior management	Implement risk management measures resolved by the board Coordinate inter-departmental risk management matters
Audit Department	Audit daily risk management operations Supervising risk management activities and reporting implementation status to the Board of Directors and Audit Committee
Other departments	Aggregate the results of risk management activities Perform daily risk management operations Determine the type of risk and formulate a plan to cope depending on the changes in the environment

3. Credit risk

Credit risk is the risk of financial loss incurred by the Company due to the failure of customers or financial instrument trading counterparts to fulfill contractual obligations, which mainly comes from the Company's accounts receivable from customers and securities investments.

(1) Accounts receivable and other receivables

The Company's credit risk exposure is mainly affected by the conditions of each individual customer. However, the management also considers the statistical data of the Company's customer base, including the default risk of the industry and country of the customer, as these factors may affect credit risk. The Company's 2023 and 2022 revenues were all derived from sales to domestic customers; the receivables from real estate development and sales are mostly conducted with individuals who made payments in the form of remittance, cash and checks, and bank mortgage financing. Thus, the credit risk is low.

The Company has the allowance account setup to reflect the estimated losses incurred on accounts receivable and other receivables and investments. The main components of the allowance account include specific loss components related to individual significant exposures, and loss components for the incurred but unidentified losses of similar asset groups. The portfolio loss allowance account is determined based on the historical payment statistics for similar financial assets.

(2) Investment

The credit risk of bank deposits, fixed income investments and other financial instruments is measured and monitored by the Company's Finance Department. As the counterparties of the Company are banks with good credit standing and financial institutions, corporations and government agencies with investment grade and above, and there is no major concern about performance, there is no significant credit risk.

(3) Guarantee

It is the Company's policy to provide financial guarantees to subsidiaries and joint partners in which the Company holds more than 50% of the shares. As of December 31, 2023 and 2022, the Company had not provided the above-mentioned endorsements and guarantees.

4. Liquidity risk

Liquidity risk is the risk that the Company may not be able to deliver cash or other financial assets to settle financial liabilities and fail to fulfill related obligations. The Company manages liquidity by monitoring the Company's capital demand through cash flow forecast and maintaining sufficient undrawn commitment limit at all times to ensure that under normal and stressed circumstances, the Company has sufficient liquidity to meet its liabilities as they fall due, without incurring unacceptable losses or risk of damage to the Company's reputation.

5. Market risk

Market risk refers to the risk that changes in market prices, such as exchange rates, interest rates, and equity instrument prices will affect the Company's revenue or the value of financial instruments. The objective of market risk management is to control market risk exposure within the tolerable range and to optimize investment returns.

(1) Interest rate risk

The Company maintains an appropriate combination of fixed and floating interest rates and regularly evaluates them to ensure that the most cost-effective strategy is adopted.

(2) Other market price risks

Equity price risk is the risk arising from the Company's available-for-sale equity instruments held to partially fill the unappropriated position of the defined benefit retirement obligation. The Company's management allocates the proportion of stocks and bonds in the investment portfolio based on the market index. All major investments in the portfolio are managed individually.

(XXVI) Capital management

The objectives of the Company's capital management are to ensure the ability to continue as a going concern, to continuously provide returns to shareholders and the interests of other stakeholders, and to maintain the 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 shareholders, return capital to shareholders, issue new shares or sell assets to pay off liabilities.

Similar to the industry peers, the Company manages capital based on the debt to equity ratio. The said ratio is net debt divided by total capital. Net liabilities are the total liabilities shown in the balance sheet less cash and cash equivalents. Total capital is all of the components of equity (i.e. capital stock, capital reserve, retained earnings and other equity) plus net liabilities.

The capital management strategy of the Company in 2023 is consistent with that in 2022, that is, to maintain the debt capital ratio between 39% and 42%, to ensure financing at a reasonable cost. The debt capital ratios as of December 31, 2023 and 2022 are as follows:

	2023.12.31	2022.12.31
Total liabilities	$ 21,172,140	20,568,749
Less: Cash and cash equivalent	(6,708,614)	(8,563,299)
Net liabilities	14,463,526	12,005,450
Total equity	19,961,808	18,516,479
Adjusted capital	$ 34,425,334	30,521,929
Debt capital ratio	42%	39%

(XXVII) Investment and financing activities of non-cash transactions

Please refer to Note 6(8) for the non-cash transaction investing and financing activities of the Company in 2023 and 2022, for the acquisition of right-of-use assets by way of lease.

7. Transactions with related parties

(I) Names of related parties and their relationships

The transaction related parties and subsidiaries of the Company during the period covered by the parent company only financial statements are as follows:

Name of related party	Relationship with the Company
Kedge Construction Co., Ltd. (Kedge Construction)	Subsidiary of the Company
Global Mall Co., Ltd. (Global Mall)	Subsidiary of the Company
Guan Cheng Co., Ltd. (Global Mall Banqiao Store) (Guan Cheng)	Subsidiary of the Company
Jiequn Investment Co., Ltd.	Subsidiary of the Company
Dingtian Construction Co., Ltd. (Dingtian Construction)	Subsidiary of the Company
Guanqing Electromechanical Co., Ltd. (Guanqing Electromechanical)	Subsidiary of the Company
KGM International Investment Co., Ltd.(KGM)	Subsidiary of the Company
Guan Hua Co., Ltd. (Global Mall Nangang Store) (Guan Hua)	Subsidiary of the Company
Guan You Co., Ltd. (Global Mall Zuoying Store) (Guan You)	Subsidiary of the Company
Tua Tiann Co., Ltd. (the "Da Cheng)	The Company's joint venture
Readycom Information Services Co., Ltd. (Readycom)	Affiliated enterprises of the Company
Hon Hui Zhu Gao Co., Ltd. (on Hui Zhu Gao)	Affiliated enterprises of the Company
Kindom Yu San Education Foundation (Yushan Foundation)	Its Chairman is a relative of second degree of kinship to the Chairman of the Company

(II) Major transactions with related parties

1. Procurement

The amount of the Company's purchases to related parties is as follows:

2023	Total contract price (before tax)	Purchases (valued in the current period)	Cumulative denominated amount
Subsidiary - Kedge Construction	$ 13,392,121	2,698,401	5,816,099
Subsidiary - Dingtian Construction	187,732	63,108	80,081
Total	$ 13,579,853	2,761,509	5,896,180

2022	Total contract price (before tax)	Purchases (valued in the current period)	Cumulative denominated amount
Subsidiary - Kedge Construction	$ 13,491,658	1,886,595	4,286,047
Subsidiary - Dingtian Construction	187,732	16,974	16,974
Total	$ 13,679,390	1,903,569	4,303,021

The Company contracts the price of the project to the related party in accordance with the regulations on the contracting of construction projects of the affiliated enterprise, the price is based on the project budget plus reasonable management fees and profits, and the price is submitted to the supervisor for approval after comparing and negotiating the procedure.

The Company's payment terms to the related parties are 50% sight, 50% 60-day promissory note or 100% sight, 100% payable 90-day promissory note.

2. Purchase of labor services from related parties

	Purchase of goods	
	2023	2022
Subsidiary - Dingtian Construction	$ -	930
Subsidiary - Global Mall	-	190
	$ -	1,120

3. Receivables from related parties

The Company's receivable accounts-related parties are stated as follows:

Presentation item	Category of related party	2023.12.31	2022.12.31
Accounts receivable	Subsidiary - Kedge Construction	$ 111	111

4. Payables to related parties

The Company's payable accounts-related parties are stated as follows:

Presentation item	Category of related party	2023.12.31	2022.12.31
Notes payable - related party	Subsidiary - Kedge Construction	$ 288,153	151,348
Notes payable - related party	Subsidiary - Dingtian Construction	5,140	4,429
Accounts payable - related parties	Subsidiary - Kedge Construction	547,364	463,276
Accounts payable - related parties	Subsidiary - Dingtian Construction	4,500	1,070
		$ 845,157	620,123

5. Endorsements/guarantees

Endorsements and guarantees provided by related parties to the Company are as follows:

Name of related party		**2023.12.31**	**2022.12.31**
Subsidiary	$	28,384	28,384

6. Leases

(1) Lease of housing and land from related parties

The Company leases an office building and parking space from a subsidiary with a lease term of one year. The rent expense in 2023 and 2022 is both NTD 3,360 thousand.

(2) Rental of land to related parties

The Company leases out part of its office building to its subsidiaries and other related parties with terms of one and three years, respectively for the years 2023 and 2022. The lease revenues are NTD 6,897 thousand and NTD 6,852 thousand.

7. Others

(1) The Company signed an agreement on the use of the superficies in Pingtung City with Global Mall in the second half of 2011 for a total of 30 years. The subsidiary has undertaken the superficies contract signed between the Company and the Pingtung City Government.

(2) The Company donated NTD 8,000 thousand and NTD 9,000 thousand to the Yu Shan Foundation in 2023 and 2022, respectively, for the promotion of the Foundation's affairs.

(3) The Company sold 10,200 thousand ordinary shares of Guan Cheng to Global Mall in June 2022 at a price of NTD 182,337 thousand. The disposal gain of NTD 1,543 thousand was treated as an equity transaction with the owner. As of December 31, 2023, the proceeds had been received and the equity transfer transaction was completed.

(4) The remuneration received by the Company in 2023 for providing consulting and suggestion services on procurement, information, administrative management, legal affairs, accounting, and treasury of the subsidiaries amounted to NTD 5,714 thousand and was recorded under other gains and losses.

(III) Transactions by key management personnel

Remuneration to key management personnel includes:

		2023	**2022**
Short-term employee benefits	$	39,603	40,915
Post-employment benefits		48	30
	$	39,651	40,945

VIII. Pledged assets

The book value of the Company's assets pledged as collateral is as follows:

Asset name	Subject matter of pledge guarantee	2023.12.31	2022.12.31
Buildings and land for sale	Bank borrowings	$ 5,336,301	6,212,894
Construction site	〃	211,953	1,724,867
Building and land under construction	〃	15,354,577	8,810,762
Investment property and property, plant and equipment, net	〃	726,796	744,184
Other financial assets- Liquidity	Bank borrowings, pre-payment trust, performance bonds and corporate bonds payable	547,731	943,242
Long-term equity investment under the equity method	Bank borrowings and performance guarantees	3,307,977	3,130,030
		$ 25,485,335	21,565,979

IX. Significant contingent liabilities and unrecognized contractual commitments

(I) Significant unrecognized contractual commitments:

1. The total amount of the outsourced construction contracts signed by the Company is as follows:

	2023.12.31	2022.12.31
Total value of commissioned construction contracts	$ 649,451	649,451
Amount received	$ 266,919	248,273

2. The price of the pre-sale and sale of houses contract signed between the Company and the customer is as follows:

	2023.12.31	2022.12.31
Price of signed sales contract	$ 7,580,667	3,166,981
Amount received according to the contract	$ 1,102,830	306,601

3. The Company's refundable deposits and guarantee notes paid for joint construction and joint development projects are as follows:

	2023.12.31	2022.12.31
Refundable deposits	$ 413,702	686,090
Performance bond	$ 1,955,836	1,552,737

4. The unrecognized contractual commitments of the Company due to the payment of royalties for the purchase of construction lands and conversion of rights are as follows:

	2023.12.31	2022.12.31
Acquisition of inventory (construction industry)	$ 3,483,585	-

5. In 2023 and 2022, the Company's Board of Directors approved the proposal to donate to the "Kindom Yu San Education Foundation", and promised to donate in 2024 and 2023, NTD 6,000 thousand and NTD 8,000 thousand, respectively, for the promotion of business affairs of the Foundation.

10. The Company signed the "Taipower Northern Storage and Transportation Center Nangang Former Site (AR-1-2) Specific Business District (10)" with Taiwan Power Co., Ltd. (hereinafter referred to as Taipower) in November 2021. According to the contract for the urban renewal project, the consolidated company is required to lease back all the commercial facilities (including parking spaces) that Taiwan Power Company participated in the conversion of rights, for a leaseback period of 10 years, with a maximum of 10 years of renewal, and the land lease contract is signed one year prior to the acquisition of the use permit.
7. The joint venture of the Company (Tua Tiann Co., Ltd.) signed the "Taipei Station E1E2 Government Urban Renewal Project" contract with the Taipei City Housing and Urban Renewal Center in September 2022. The Company shall be jointly and severally liable for damages and performance of the contract.
12. The Company signed an agreement with the National Housing and Urban Renewal Center for the "Taipei City Investor Project for the Public Call for Contributors" in December 2022. It is a contract for providing capital and assisting in the implementation of the urban renewal business. According to the contract, the Company needs to leaseback the commercial facilities attached to the administrative office building. The leaseback period is 20 years.

X. Losses from major disasters: None.

XI. Material events after the period: None.

XII. Others

Employee benefits, depreciation, depletion and amortization expenses by function are summarized as follows:

By function / By nature	2023			2022		
	Attributable to operating costs	Classified as operating expenses	Total	Attributable to operating costs	Classified as operating expenses	Total
Employee benefit expense						
Salary expenses	-	171,031	171,031	-	165,303	165,303
Labor and national health insurance expenses	-	10,661	10,661	-	9,987	9,987
Pension expense	-	5,219	5,219	-	4,570	4,570
Remuneration to directors	-	47,821	47,821	-	46,197	46,197
Other employee benefit expenses	-	8,828	8,828	-	7,837	7,837
Depreciation expense	4,611	19,767	24,378	4,611	15,200	19,811
Amortization expense	-	45	45	-	474	474

Additional information on the number of employees and employee benefit expenses in 2023 and 2022 is as follows:

	2023	2022
Number of employees	107	98
Number of Directors who are not also employees	6	5
Average employee benefit expense	$ 1,938	2,018
Average employee salaries and wages	$ 1,693	1,777
Average employee salary expense adjustment	(4.73)%	(4.26)%
Remuneration to supervisors	$ -	-

The Company's remuneration policy (including directors, managers and employees) information is as follows:

(I) Directors (including independent directors and other directors):

1. The Board of Directors is authorized to determine the remuneration of directors according to the degree of participation in and contribution of directors to the Company's operations, and with reference to the general standards of the industry. Independent directors receive monthly remuneration and do not participate in the annual distribution of directors' remuneration.
2. If there is profit in the year, the Company shall set aside no more than 2% as remuneration to directors. However, if the Company has accumulated losses, the Company shall first reserve an amount to offset the losses.

(II) The Company's employees (including managers and general employees):

1. Fixed salary (principal salary and various fixed allowances)
2. Bonuses (e.g. development bonus, sales bonus, etc.)
3. Employee remuneration: According to the Company's Articles of Incorporation, if there is profit, no less than 0.5% should be set aside as employee remuneration. However, if the Company still has accumulated losses, the Company should first reserve an amount to offset the accumulated losses.
4. Others (remuneration items provided according to projects or special reasons, such as deputy supervisor allowance, transportation allowance, etc.)

XIII. Disclosures in Notes

(I) Information on significant transactions

According to the Regulations Governing the Preparation of Financial Reports by Securities Issuers, the Company shall further disclose the information of significant transactions in 2023 as follows:

1. Loaning of funds to others: None.
2. Endorsements/guarantees made for others:

Unit: NTD thousand

Serial number	Endorsing/ guaranteeing company name	Counterparty of endorsements/guarantees		Endorsement and guarantee limit for a single enterprise	Current maximum endorsement/ guarantee balance	Ending balance of endorsements/ guarantees	The actual amount drawn down	Endorsement/ guarantee amount secured by property	Ratio of accumulated endorsement/guarantee amount to net worth as stated in the latest financial statement	Maximum endorsements/ guarantees	Endorsements/ guarantees made by the parent company to subsidiaries	Endorsement/ guarantee provided by the subsidiary to the parent company	Endorsements and guarantees in Mainland China
		Company name	Relationship (Note 1)										
1	Kedge Construction	Kindom Development Corp.	Parent and Subsidiary	$ 9,611,345	14,192	14,192	14,192	-	0.30%	9,611,345	N	Y	N
2	Dingtian Construction	Kindom Development Corp.	Parent and Subsidiary	55,274	14,192	14,192	14,192	-	25.68%	55,274	N	Y	N
2	〃	Kedge Construction	Parent and Subsidiary	8,291,142	1,376,500	1,376,500	1,376,500	-	2,490.32%	16,582,284	N	Y	N
3	Global Mall	Guan Hua Co., Ltd. (Global Mall Nangang Store)	2	6,769,528	110,000	110,000	20,000	-	1.95%	11,282,546	Y	N	N
3	〃	Guan Cheng Co., Ltd. (Global Mall Banqiao Store)	2	6,769,528	143,100	143,100	61,550	-	2.54%	11,282,546	Y	N	N
3	〃	Guan You Co., Ltd.(Global Mall Zuoying Store)	2	6,769,528	180,000	180,000	-	-	3.19%	11,282,546	Y	N	N

Note 1: Relationship between the endorsing guarantor and the endorsee:

(1) Companies with business transactions.

(2) A company in which the Company directly or indirectly holds more than 50% of the voting shares.

(3) A company in which the Company holds, directly or indirectly, more than 50% of the voting shares of the Company.

(4) Among companies in which the Company directly or indirectly holds more than 90% of the voting shares.

(5) Companies in the same industry or co-builders that require mutual guarantees in accordance with contractual provisions based on the needs of contracting projects.

(6) Companies that are endorsed and guaranteed by all contributing shareholders in accordance with their shareholding ratios for joint investment.

(7) The peers in the same trade are engaged in joint guarantees for the performance of the pre-sale house sales contract in accordance with the regulations of the Consumer Protection Act.

Note 2: Kindom was required to provide joint guarantors at the request of the Taipei City Government. Therefore, Kedge Construction was approved by the Board of Directors as the joint guarantor of the Company on March 21, 2002 and March 25, 2010.

Note 3: Regarding the endorsement and guarantee measures of Kedge Construction, the total amount of external endorsement and guarantee shall not exceed 200% of the net worth of the company in its latest financial statement, and the amount of endorsement and guarantee to a single company shall not exceed 200% of the net worth of the company in its latest financial statement. However, the total guarantee for construction projects shall not exceed 10 times the net worth of the company in its latest financial statement. The total amount of construction project guarantee for a single enterprise shall not exceed 5 times the net worth of the company in its latest financial statement.

Note 4: The amount of endorsement and guarantee provided by Dingtian Company: The total amount of external endorsement and guarantee shall not exceed 100% of the net worth of the company in its latest financial statement, and the amount of endorsement and guarantee to a single enterprise shall not exceed 100% of the net worth of the company in its latest financial statement. However, the total guarantee amount for construction projects shall not exceed 300 times the net worth of the company in the latest financial statements, and the total amount of construction project guarantees for a single enterprise shall not exceed 150 times the net worth of the company in the latest financial statements.

Note 5: The endorsements and guarantees procedures of the Global Company specifies that the total amount of endorsements/guarantees made is limited to 200% of the net worth of the company in its latest financial statement, and the amount of endorsements/guarantees for a single company shall not exceed 120% of the net worth of the company in its latest financial statement.

3. Marketable securities held at the end of the period (excluding investment in subsidiaries, affiliates and joint ventures):

Unit: NTD Thousand/Thousand shares

Companies in possession	Type and name of marketable securities	Relationship with the securities issuer	Presentation account	End of period				Remarks
				Number of shares	Carrying amount	Shareholding ratio	Fair value (Note)	
Kindom Company	Stock - Fubon Financial	-	Financial assets at fair value through profit or loss - current	634	41,084	- %	41,084	
〃	Stocks - Everterminal Co., Ltd.	-	Financial assets measured at fair value through other comprehensive income - non-current	99	1,744	0.20 %	1,744	
〃	Stock - Gongxin	-	〃	29	445	0.05 %	445	
〃	Stock - Fubon Financial Preferred Shares C (FBFHCPSC)	-	〃	12	644	- %	644	
〃	Stock - Preferred stock of Ta Shee Resort Co., Ltd.	-	〃	-	25,276	- %	25,276	
Jiequn Investment Co., Ltd.	Stock - Fubon Financial	-	Financial assets at fair value through profit or loss - current	592	38,338	- %	38,338	
〃	Stock - Sinopac Holdings	-	〃	229	4,511	- %	4,511	
〃	Stock - Fubon Financial Preferred Shares C (FBFHCPSC)	-	Financial assets measured at fair value through other comprehensive income - non-current	11	602	- %	602	
〃	Stock - Taiwan Calcom International Computer Graphic Co., Ltd.	-	〃	405	-	0.78 %	-	
Guanqing Electromechanical Co., Ltd.	Stock - Fubon Financial	-	Financial assets at fair value through profit or loss - current	525	34,051	- %	34,051	
〃	Stock - Fubon Financial Preferred Shares C (FBFHCPSC)	-	Financial assets measured at fair value through other comprehensive income - non-current	10	534	- %	534	
〃	Stock - Global Views Commonwealth Publishing Group	-	〃	177	6,428	0.59 %	6,428	

Note: If there is no market price, the book value on the balance sheet date is used as the market price.

4. Cumulative amount of the same securities purchased or sold reaching NTD 300 million or more than 20% of the paid-in capital: None.

5. The amount of acquisition of real estate reaches NTD 300 million or more than 20% of the paid-in capital:

Unit: NTD thousand

Acquired company	Property name	Transaction date or date of occurrence	Transaction amount	Status of payment	Counterparty of the transaction	Relationship	If the trading counterparty is a related party, the information of the previous transfer				References for price determination	Purpose of Acquisition and Situation of Use	Other covenants
							All owners	Relationship with the issuer	Transfer Date	Amount			
Kindom Development Corp.	Five land royalty of Lot No. 363-1, Subsection 4, Dunhua Section, Songshan District, Taipei City, Taiwan	2023.07	6,910,530	3,455,265	Political Warfare Bureau, Ministry of National Defense	Non-related party	-	-	-	-	Urban renewal rights	Planning and construction	None

6. Disposal of property for an amount over NTD 300 million or 20% of the paid-in capital:

Unit: NTD thousand

Notes to the parent company only financial statements of Kindom Development Co., Ltd. (Continued)

Company disposing property	Property name	Date of occurrence	Original acquisition date	Book value	Transaction amount	Collection of payment	Disposal gain or loss	Counterparty of the transaction	Relationship	Purpose of Disposal	References for price determination	Other covenants
Kindom Development Corp.	Inventories - buildings and land held for sale	2022.12 ~2023.12	This is a sale of inventories, so it is not applicable.	Not applicable	1,559,901	1,559,901	Not applicable	A and others	Non-related party	Sale of inventories	Negotiated with reference to market conditions	None

Note 1: The above amounts are presented on a pre-tax basis.

7. The purchase or sale with related parties for an amount over NTD 100 million or 20% of the paid-in capital:

Unit: NTD thousand

Purchasing (selling) company	Name of counterparty	Relationship	Transaction status				Circumstances and reasons for the difference between the transaction conditions and general transactions		Notes/Accounts Receivable (Payable)		Remarks
			Purchase (sale) goods	Amount (Note)	Percentage in total purchase (sales)	Credit period	Unit price	Credit period	Balance	Ratio to total notes and accounts receivable (payable)	
Kindom Company	Kedge Construction	Investee company under the equity method valuation	Contract engineering projects	2,698,401	35.66%	50% at sight, 50% in 60 days or 100% at sight and 100% in 90 days	Equivalent	Slightly longer than general	(835,517)	(66.51)%	
Kedge Construction	Kindom Company	An investment in Kedge Construction under the equity method	Contract engineering projects	(2,698,401)	(18.62)%	Collect installments according to the contract or slightly longer than general	〃	〃	835,517	22.92%	

Note: Refers to the denominated amount in the current period.

8. Accounts receivable from related parties amounting to at least NTD 100 million or 20% of the paid-in capital:

Unit: NTD thousand

Company with receivables listed	Counterparty of the transaction	Relationship	Balance of receivables from related parties	Turnover rate	Overdue receivables from related parties		Subsequent recovery amount of receivables from related parties	Amount of loss allowance
					Amount	Treatment method		
Kedge Construction	Kindom Company	An investment in Kedge Construction under the equity method	835,517	4.05	-	-	160,386	-

9. Engagement in derivative transactions: None.

(II) Information on the reinvestment business:

Information on the Company's reinvestments in 2023 is as follows:

Unit: NTD Thousand/Thousand shares

Name of Investment Company	Name of investee	Location of the Company	Main business items	Initial investment amount		Held at end of period			Investee profit or loss for the period	Investment gains and losses recognized in the current period	Remarks
				End of current period	End of last year	Number of shares	Ratio	Carrying amount			
Kindom Development Corp.	Kedge Construction	Taiwan	Comprehensive Construction Activities, etc.	374,353	374,353	41,268	34.18%	1,388,069	990,345	311,628	Subsidiary
〃	Global Mall	Taiwan	Supermarkets, department stores, international trading, wholesale and retail of medical equipment, and more.	3,209,395	3,209,395	320,105	84.02%	4,764,641	454,851	382,152	〃
〃	Tua Tiann Co., Ltd. (the “Da Cheng)	Taiwan	Commercial Real Estate Development	1,020,000	1,020,000	102,000	51.00%	1,027,185	13,741	7,008	Investment under the equity method
Kedge Construction	Jiequn Investment Co., Ltd.	Taiwan	General investment	163,935	163,935	16,396	99.98%	552,185	27,032	27,026	Sub-subsidiary
〃	Guanqing Electromechanical Co., Ltd. (Guanqing Electromechanical)	Taiwan	Electrical Appliance Installation and Fire Safety Equipment Installation Engineering	81,326	81,326	7,747	99.96%	260,217	14,977	14,971	〃
Jiequn Investment Co., Ltd.	Dingtian Construction	Taiwan	Comprehensive Construction Activities, etc.	16,500	16,500	-	30.00%	16,582	7,494	2,248	Third-Tier Subsidiary
Guanqing Electromechanical Co., Ltd. (Guanqing Electromechanical)	Dingtian Construction	Taiwan	Comprehensive Construction Activities, etc.	11,105	11,105	-	70.00%	38,692	7,494	5,246	〃
Dingtian Construction	Readycom Information Services Co., Ltd.	Taiwan	IT software service and management consulting	15,000	15,000	1,400	46.67%	16,131	3,726	1,739	Investment under the equity method
Global Mall	Guan Cheng Co., Ltd. (Global Mall Banqiao Store)	Taiwan	Department stores, supermarkets, non-store retailing, and more.	280,886	280,886	20,000	100.00%	399,967	139,266	139,266	Sub-subsidiary
〃	Guan Hua Co., Ltd. (Global Mall Nangang Store)	Taiwan	Department stores, supermarkets, non-store retailing, and more.	140,000	140,000	14,000	100.00%	154,456	13,039	13,039	〃
〃	KGM International Investment Co.,	Hong Kong	Investing and operating the overall planning of	9,339 (HKD390	9,339	-	100.00%	1,740	(56)	(56)	〃

	Ltd.(KGM)		shopping malls in mainland China, supporting engineering consulting, shopping mall leasing planning and consulting.	thousand)	(HKD390 thousand)	(Limited company)						

Name of Investment Company	Name of investee	Location of the Company	Main business items	Initial investment amount		Held at end of period			Investee profit or loss for the period	Investment gains and losses recognized in the current period	Remarks
				End of current period	End of last year	Number of shares	Ratio	Carrying amount			
Global Mall	Hon Hui Zhu Gao Co., Ltd. (on Hui Zhu Gao)	Taiwan	Department stores, supermarkets, non-store retailing, and more.	100,000	100,000	10,000	20.00%	100,229	1,370	274	Investment under the equity method
Guan Cheng Co., Ltd. (Global Mall Banqiao Store)	Guan You Co., Ltd.(Global Mall Zuoying Store)	Taiwan	Department stores, supermarkets, non-store retailing, and more.	230,006	230,006	13,500	100.00%	92,967	950	950	Third-Tier Subsidiary

(III) Information on investments in Mainland China:

1. Name and principal business activities of investees in Mainland China: None.
2. Limits on investment in Mainland China:

Unit: USD thousand/RMB thousand/NTD thousand

Accumulated amount of remittance from Taiwan to Mainland China at the end of the period	Amount of investment approved by the Investment Commission, Ministry of Economic Affairs	The limit on investment in Mainland China stipulated by the Investment Commission of the Ministry of Economic Affairs
1,076,350 CNY227,649 (Note 1)	USD 38,738	11,977,085 (Note 2)

Note 1: Including the investment amount of the dissolved Kindom Global Business Management (Tianjin) Co., Ltd. which was deregistered on April 19, 2021. The remaining share capital, NTD 44,054 thousand (HKD 12,400 thousand), was remitted to Global Shopping through Guan Ding Global in December of the same year.

Note 2: Limited to the ultimate parent company net worth × 60%.

3. Significant transactions with investee companies in Mainland China: None.

(IV) Information of major shareholders:

Unit: shares

Shares of Stock Name of major shareholder	Number of shares held	Shareholding ratio
Yu-De Investment Co., Ltd.	105,935,137	19.11%
Mei-Chu Liu	65,635,062	11.84%

XIV. Segment information

Please refer to the 2023 consolidated financial statements.

Kindom Development Co., Ltd.
Statement of Cash and Cash Equivalents
December 31, 2023

Unit: NTD thousand

Please refer to Note 6(1) for relevant information.

Statement of Other Financial Assets - Current

Item	Summary	Amount	Remarks
Bank deposits	Pricing trust account and repayment account	$ 547,731	
Refundable deposits	Performance bond, etc.	413,702	
		$ 961,433	

Kindom Development Co., Ltd.
Statement of Inventories
December 31, 2023
Unit: NTD thousand

Item	Summary	Amount
Prepayment for land	111C	$ 28,320
Construction site	870C	11,656
	970D	520,883
	980M	12,412
	990J	211,953
	103A	166,522
	110C	290,000
	Other	6,438
	Less: Allowance for devaluation losses	(5,003)
	Subtotal	1,214,861
Building and land under construction	101A	6,539,240
	108A	313,151
	108B	5,123,169
	108C	213,508
	109A	868,173
	109B	1,890,404
	110A	186,530
	110B	346,001
	110D	159,693
	111B	928,860
	111C	100,448
	Other	48,267
	Subtotal	16,717,444
Buildings and land for sale	970I	120,384
	980C	104,680
	980K	989,434
	980L	2,117,955
	980M	2,079,321
	106A	482,120
	106B	1,314,646
	Other	12,365
	Less: Allowance for devaluation losses	(12,365)
	Subtotal	7,208,540
Total		$ 25,169,165

Kindom Development Co., Ltd.
Statement of Changes in Investment Using Equity Method
January 1, 2023 to December 31, 2023

Unit: NTD thousand

	Opening balance		Increase in the current period (Note 1)		Decrease in current period (Note 2)		Closing balance			Market price or equity net value		
Title	Number of shares (thousand shares)	Amount	Number of shares	Amount	Number of shares	Amount	Number of shares	Shareholding ratio	Amount	Unit price	Total price	Guarantee or pledge
Kedge Construction Co., Ltd.	39,873	$ 1,221,298	1,395	332,358	-	165,587	41,268	34.18%	1,388,069	79.90	3,297,320	None
Global Mall Co., Ltd.	320,105	4,510,534	-	382,152	-	128,045	320,105	84.02%	4,764,641	14.81	4,739,630	Yes
Tua Tiann Co., Ltd.	102,000	1,021,771	-	7,008	-	1,594	102,000	51.00%	1,027,185	10.07	1,027,185	None
		$ 6,753,603		721,518		295,226			7,179,895		9,064,135	

Note 1: The increase in the current period is due to the sum of the newly acquired 1,395 thousand shares from the dividends of the subsidiaries, cash dividends paid to the subsidiaries to adjust the capital reserve at NTD 20,496 thousand, investment gains of NTD 700,788 thousand under the equity method, and capital reserve for the investment in subsidiaries under equity method at NTD 32 thousand, and other comprehensive income of the subsidiaries under the equity method at NTD 202 thousand.

Note 2: The decrease in current period is due to the total amount of cash dividends distributed NTD 295,107 thousand and other comprehensive income of subsidiaries recognized under equity method of NTD 119 thousand.

Kindom Development Co., Ltd.
Statement of short-term borrowings
December 31, 2023

Unit: NTD thousand

Description	Type of loan	Closing balance	Duration of contract	Interest rate	Pledge or guarantee
Financial institutions	Credit loans	$ 921,963	2019.08.28~2024.08.28	Note 1	Other financial assets
〃	〃	315,256	2022.04.06~2025.11.21	〃	-
〃	〃	1,200,000	2023.01.13~2028.01.13	〃	-
〃	〃	743,214	2023.06.15~2028.06.15	〃	Other financial assets
〃	〃	200,000	2023.12.06~2024.01.05	〃	-
	Subtotal	3,380,433			
Financial institutions	Collateralized loan	2,349,263	2022.01.24~2027.01.24	Note 2	Construction in progress and long-term equity investment
〃	〃	3,425,218	2017.06.26~2024.12.31	〃	Building and land under construction
〃	〃	465,425	2019.06.17~2024.07.26	〃	Buildings and land for sale
〃	〃	468,000	2020.05.22~2028.12.20	〃	Property, plant and equipment, and construction in progress
〃	〃	395,000	2023.12.06~2024.01.05	〃	Long-term equity investment
〃	〃	1,737,801	2021.03.26~2026.05.22	〃	Buildings under construction and held for sale
〃	〃	401,130	2022.01.26~2027.01.26	〃	Building and land under construction
〃	〃	2,308,908	2023.11.12~2027.11.13	〃	Buildings under construction and held for sale
〃	〃	150,000	2023.12.20~2024.01.19	〃	Long-term equity investment
	Subtotal	11,700,745			
		$ 15,081,178			

Note 1: 1.69% to 2.83%.
Note 2: 2.29% to 2.57%.

Kindom Development Co., Ltd.
Statement of Contract Liabilities
December 31, 2023

Unit: NTD thousand

Item	Summary	Amount	Remarks
Collections on building and land	980M	$ 96,286	
	106A	26,923	
	106B	140,534	
	101A	839,087	
		$ 1,102,830	

Kindom Development Co., Ltd.
Statement of Corporate Bonds Payable
December 31, 2023

Unit: NTD thousand

Bond Name	Trustee	Date of issue	Interest payment date	Interest rate	Total issuance amount	Amount already repaid	Closing balance	Due within one year	Book value	Method of repayment	Guarantee status
Ordinary corporate bonds 108-1	Financial institutions	2019.12	Annual payment	0.80%	1,000,000	-	1,000,000	(1,000,000)	-	Lump-sum repayment of principal at maturity	Bank guarantee
Ordinary corporate bonds 109-1	〃	2020.10	〃	0.60%	1,000,000	-	1,000,000	-	1,000,000	〃	Bank guarantee
Ordinary corporate bonds 112-1	〃	2023.10	〃	1.75%	1,000,000	-	1,000,000	-	1,000,000	〃	Bank guarantee
Total					$ 3,000,000	-	3,000,000	(1,000,000)	2,000,000		

Kindom Development Co., Ltd.
Statement of Operating Revenue
January 1, 2023 to December 31, 2023

Unit: NTD thousand

Item	Summary	Amount	Remarks
Land income		$ 4,360,903	
Housing income		1,796,980	
Less: Sales returns and discounts		(20)	
Subtotal		6,157,863	
Rental income	Investment property	17,330	
Construction contract revenue		297,512	
Other operating revenue	Service revenue	2,000	
Total		$ 6,474,705	

Statement of Operating Cost

Item	Summary	Amount	Remarks
Land cost		$ 2,015,813	
Cost of building		1,406,374	
Subtotal		3,422,187	
Lease cost	Depreciation of investment property	4,611	
Construction contract cost		299,097	
Total		$ 3,725,895	

Kindom Development Co., Ltd.
Statement of sales and marketing expenses
January 1, 2023 to December 31, 2023

Unit: NTD thousand

Item	Summary	Amount	Remarks
Salary expenses	Salary and bonus	$ 10,417	
Rent expenses		6,275	
Tax payment		3,261	
Advertising and commission expenses		125,148	
Miscellaneous expenses		18,545	
		$ 163,646	

Statement of administrative expenses

Item	Summary	Amount	Remarks
Salaries and pension expenses		$ 213,654	
Rent expenses		3,661	
Insurance premium		11,288	
Entertainment expenses		5,138	
Labor service expense		17,882	
Tax payment		47,333	
Depreciation		19,767	
Employee benefits		4,000	
Donation		11,713	
Other expenses		43,045	
		$ 377,481	