Stock Code: 2520

Kindom Development Co., LTD. and Subsidiaries

Consolidated Financial Statements and Independent Auditors' Report

2023 and 2022

Company address : 2F, No. 131, Section 3, Heping E. Rd., Taipei City, Taiwan
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Statement of Declaration

The entities that are required to be included in the consolidated financial statements of the Company for 2023 (from January 1 to December 31, 2023) under the Criteria Governing the Preparation of Affiliation Reports, Consolidated Business Reports, and Consolidated Financial Statements of Affiliated Enterprises are the same as those included in the consolidated financial statements prepared in conformity with International Financial Reporting Standards No. 10, "Consolidated Financial Statements" endorsed and issued into effect by the Financial Supervisory Commission. In addition, the information required to be disclosed in the combined financial statements is included in the consolidated financial statements. Consequently, the Company and its subsidiaries will not prepare a separate set of combined financial statements.

We hereby declare

Company name: Kindom Development Co., LTD.

Chairman: Chih-Kang Ma

Date: March 12, 2024

Independent Auditors' Report

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

Audit Opinions

We have reviewed the accompanying Consolidated Statement of Financial Position of Kindom Development Co., LTD. and subsidiaries (hereinafter referred to as "the Group") as of December 31, 2023 and 2022, and the related Consolidated Statement of Comprehensive Income, of Consolidated Statement of Changes in Equity and of Consolidated 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 consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as of December 31, 2023 and 2022, its consolidated financial performance and cash flows for the years then ended in accordance with the International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRICs) and SIC Interpretations (SICs) endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

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 Consolidated 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 the Group. 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 consolidated financial statements. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. The key audit matters that we have determined to be communicated on the audit report are as follows:

I. Recognition of revenue from sales of buildings and land

Regarding the accounting policy for the recognition of revenue, please refer to the consolidated financial statements Note 4(17); for the details of the revenue recognition, please refer to Note 6(23) Revenue from Contracts with Customers of the consolidated financial statements.

Description of Key Audit Matters:

The Group 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 Group'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. Construction contracts

For the accounting policies of the construction contracts, please refer to the consolidated financial statements Note 4(17) for the recognition of revenue; for the accounting estimates and assumptions of the estimated total contract cost assessment of the construction contracts, please refer to Note 5(I) to the consolidated financial statements; For an explanation on revenue recognition, please refer to the revenue from contracts with customers in Note 6(23) of the consolidated financial statements.

Description of Key Audit Matters:

The estimated total cost of a construction contract requires a high level of judgment by the management. The Group uses the percentage of completion method to recognize the construction income and cost, and the degree of completion is based on the cost incurred as a percentage of the estimated total cost as of the financial reporting date. The measurement of the degree of completion may result in a significant difference between the timing of profit and loss recognition and the current financial statements.

The corresponding audit procedures:

Our audit procedures for the key audit matters above include:

- Understand the internal operating procedures for the estimated total cost evaluation, and randomly check the estimated total cost of major projects to ensure the consistency between the evaluation process and the internal operating procedures.
- For the projects with the estimated total cost of major additions and revisions in the current period, random check the estimated total cost approved by the project management department, including the supporting documents of the additional or subtracted projects in the current period and major projects with pricing.
- Obtain the details of the costs and expenses of the current period, and implement the relevant verification procedures, including checking the amount of costs of the current period incurred to the relevant document slips, to confirm that the input costs of the current period have been properly booked.

III. Inventory valuation

For the accounting policy of inventory valuation, please refer to Note 4(8) Inventory of the consolidated financial statements; for the accounting estimates of inventory valuation and the uncertainty of assumptions, please refer to Note 5(2) of the consolidated financial statements; for the description of inventory items, please refer to the consolidated financial statements Note 6(5) Inventories.

Description of Key Audit Matters:

Inventory of the Group is an important asset in the operation of the Group, and its amount accounts for 44% 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 Group 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 Group, 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 Group’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.

Other matters

The parent company only financial statements of 2023 and 2022 have been prepared by KINDOM DEVELOPMENT CO., LTD., for which we have issued an unqualified opinion.

Responsibilities of the management and the governing body for the consolidated financial statements

Management is responsible for the preparation and fair representation of the consolidated financial statements in accordance with IFRS, IAS, IFRICs and SICs endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the management is responsible for assessing the ability of the Group in continuing as a going concern, disclosing relevant matters, and adopting the going concern basis of accounting unless the management intends to liquidate the Group or cease the operations without other viable alternatives.

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

Auditors' Responsibilities for Auditing the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report. 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 consolidated 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 consolidated 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 consolidated financial statements, whether due to fraud or error; design and execute appropriate countermeasures for the risks assessed; and obtain sufficient and appropriate audit evidences 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 Group.
3. Evaluate the appropriateness of the accounting policies adopted by the management, and the reasonableness of the accounting estimates and related disclosures made.
4. Based on the audit evidence obtained, make a conclusion on the appropriateness of the management's adoption of the accounting basis for continuing operations, and whether there are significant uncertainties in the events or conditions that may cause significant doubts about the ability of Group to continue to operate. 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 consolidated financial statement to pay attention to the related disclosures in the consolidated 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 Group to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the consolidated financial statement (including relevant notes), and whether the consolidated 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 entities within the Group to express an opinion on the consolidated financial statements. We are responsible for guiding, supervising, and performing the audit of the Group and forming an audit opinion for the Group.

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 2023 consolidated financial statements of the Group 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

Certified Public Accountant:		Yi-Lian Han 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. and Subsidiaries

Consolidated Balance Sheet

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 (26))	$ 14,178,534	25	15,522,920	28
1110	Financial assets at fair value through profit or loss - current (Note 6(2) and (26))	117,984	-	97,466	-
1140	Contract assets - current (Note 6(23))	2,996,809	5	1,675,939	3
1170	Notes and accounts receivable, net (Note 6(4), (23), and (26))	1,124,565	2	2,149,847	4
1220	Current income tax assets	217	-	48	-
1300	Inventories - trading (Note 6(5))	9,166	-	12,977	-
1320	Inventories (for the construction industry) (Note 6(5) and 8)	25,316,121	44	21,094,871	38
1410	Prepayments	251,314	-	199,044	-
1476	Other financial assets - current (Note 6(12), (23), (26), 7 and 8)	2,504,580	5	3,675,772	7
1479	Other current assets - others	44,337	-	80,582	-
1480	Incremental cost of obtaining contracts - current (Note 6(12))	33,295	-	9,978	-
		46,576,922	81	44,519,444	80
	Non-current assets:				
1517	Financial assets at fair value through other comprehensive income - non-current (Note 6(3) and (26))	35,673	-	12,509	-
1550	Investment under equity method (Note 6(6))	1,143,545	2	1,136,118	2
1600	Property, plant and equipment (Note 6(8) and 8)	6,213,844	11	6,379,227	11
1755	Right-of-use assets (Note 6(9))	2,905,154	5	3,098,436	6
1760	Investment property (Note 6(10) and 8)	458,173	1	462,365	1
1780	Intangible assets (Note 6(11))	53,119	-	53,874	-
1840	Deferred income tax assets (Note 6(20))	55,397	-	57,161	-
1975	Net defined benefit assets - non-current (Note 6(19))	7,016	-	5,820	-
1980	Other financial assets - non-current (Note 6(26) and 8)	63,039	-	73,566	-
1995	Other non-current assets - others	52,744	-	64,337	-
		10,987,704	19	11,343,413	20
	Total assets	**$ 57,564,626**	**100**	**55,862,857**	**100**

Code	Liabilities and equity	2023.12.31 Amount	%	2022.12.31 Amount	%
	Current liabilities:				
2100	Short-term borrowings (Note 6(14) and (26))	$ 15,181,178	26	15,025,856	27
2110	Short-term bills payable (Note 6(13) and (26))	30,000	-	-	-
2130	Contract liabilities - current (Note 6(23))	3,249,651	6	2,045,805	4
2150	Notes payable (Note 6(26))	299,864	1	392,662	1
2170	Accounts payable (Note 6(26))	6,028,647	11	5,955,906	11
2200	Other payables (Note 6(26) and 7)	1,022,535	2	908,607	2
2230	Current income tax liabilities	653,287	1	652,771	1
2250	Provision - current (Note 6(17))	181,670	-	183,236	-
2251	Provision for employee benefits - current (Note 6(19))	17,054	-	20,174	-
2280	Lease liabilities - current (Note 6(16) and (26))	201,443	-	191,062	-
2321	Corporate bonds maturing within one year or one operating cycle or for which the redemption rights are exercised (Note 6(15) and (26))	1,000,000	2	2,000,000	3
2322	Long-term borrowings due within one year or one operating cycle (Note 6(14) and (26))	204,640	-	204,640	-
2399	Other current liabilities - others (Note 6(26))	183,192	-	40,786	-
		28,253,161	49	27,621,505	49
	Non-current liabilities:				
2530	Corporate bonds payable (Note 6(15) and (26))	2,000,000	3	2,000,000	3
2540	Long-term borrowings (Note 6(14) and (26))	933,560	2	1,438,200	3
2573	Deferred income tax liabilities - others (Note 6(20))	825	-	921	-
2580	Lease liabilities - non-current (Note 6(16) and (26))	2,941,468	5	3,123,422	6
2640	Net defined benefit liabilities - non-current (Note 6(19))	-	-	821	-
2645	Guarantee deposits received (Note 6(26))	95,271	-	96,204	-
2670	Other non-current liabilities - others (Note 6(26))	-	-	16,336	-
		5,971,124	10	6,675,904	12
	Total liabilities	34,224,285	59	34,297,409	61
	Equity attributable to owners of the parent company (Note 6(21)):				
3100	Share capital	5,541,701	10	5,541,701	10
3200	Capital reserve	1,472,401	3	1,451,569	3
3300	Retained earnings	13,074,843	22	11,648,455	20
3400	Other equity	(28,435)	-	(26,544)	-
3500	Treasury stock	(98,702)	-	(98,702)	-
	Subtotal of equity attributable to owners of the parent	19,961,808	35	18,516,479	33
36XX	Non-controlling interests (Note 6(7))	3,378,533	6	3,048,969	6
	Total equity	23,340,341	41	21,565,448	39
	Total liabilities and equity	**$ 57,564,626**	**100**	**55,862,857**	**100**

(Please refer to the attached Notes to the Consolidated Financial Statements)

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

Kindom Development Co., LTD. and Subsidiaries
Consolidated Statement of Comprehensive Income
January 1 to December 31, 2023 and 2022

Unit: NTD thousand

		2023		2022	
		Amount	**%**	**Amount**	**%**
4000	**Operating revenue (Note 6(18) and (23))**	$ 19,442,501	100	21,506,102	100
5000	**Operating cost (Note 6(5) and (19))**	13,571,128	70	15,582,332	72
	Gross operating profit	5,871,373	30	5,923,770	28
	Operating expenses:				
6100	Sales and marketing expenses (Note 6(19))	163,646	1	219,758	1
6200	Administrative expenses (Note 6(19) and (24))	1,775,249	9	1,677,024	8
6450	Expected credit impairment loss (gain) (Note 6(4))	243	-	(1,396)	-
		1,939,138	10	1,895,386	9
	Net operating profit	3,932,235	20	4,028,384	19
	Non-operating income and expenses:				
7100	Interest revenue (Note 6(25))	147,139	1	71,821	-
7010	Other income (Note 6(25))	4,630	-	7,330	-
7020	Other gains and losses (Note 6(25))	2,200	-	34,244	-
7050	Financial costs (Note 6(25))	(268,110)	(1)	(302,865)	(1)
7060	Share of profit or loss of affiliated companies and joint ventures under equity method (Note 6(6))	9,021	-	998	-
		(105,120)	-	(188,472)	(1)
	Net income before tax from continuing operations	3,827,115	20	3,839,912	18
7950	**Less: Income tax expenses (Note 6(20))**	759,690	4	710,215	3
	Net income for the period	3,067,425	16	3,129,697	15
8300	**Other comprehensive income:**				
8310	**Items not reclassified into profit or loss**				
8311	Remeasurement of defined benefit plan	1,428	-	4,792	-
8316	Unrealized valuation gains or losses on investments in equity instruments measured at fair value through other comprehensive income	(2,112)	-	45	-
8360	**Items that may be reclassified subsequently to profit or loss**				
8361	Exchange differences on translation of financial statements of foreign operations	(4)	-	189	-
8300	**Other comprehensive income for the period (net amount after tax)**	(688)	-	5,026	-
	Total comprehensive income for the period	**$ 3,066,737**	**16**	**3,134,723**	**15**
	Net profit for the period attributable to:				
8610	Owner of the parent company	$ 2,395,148	13	2,333,896	11
8620	Non-controlling interests	672,277	3	795,801	4
		$ 3,067,425	**16**	**3,129,697**	**15**
	Total comprehensive income attributable to:				
8710	Owner of the parent company	$ 2,394,295	12	2,337,004	11
8720	Non-controlling interests	672,442	4	797,719	4
		$ 3,066,737	**16**	**3,134,723**	**15**
9750	**Basic earnings per share (NTD) (Note 6(22))**	**$**	**4.42**		**4.31**
9850	**Diluted earnings per share (NTD) (Note 6(22))**	**$**	**4.41**		**4.29**

(Please refer to the attached Notes to the Consolidated Financial Statements)

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

Kindom Development Co., LTD. and Subsidiaries

Consolidated Statement of Changes in Equity

January 1 to December 31, 2023 and 2022

Unit: NTD thousand

	Equity attributable to owners of the parent company											
	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 attributable to owners of the parent company	Non-controlling interests	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	2,432,872	19,995,633
Net income for the period	-	-	-	-	2,333,896	2,333,896	-	-	-	2,333,896	795,801	3,129,697
Other comprehensive income in the current period	-	-	-	-	2,925	2,925	159	24	-	3,108	1,918	5,026
Total comprehensive income for the period	-	-	-	-	2,336,821	2,336,821	159	24	-	2,337,004	797,719	3,134,723
Appropriation and distribution of earnings:												
Provision for legal reserve	-	-	350,701	-	(350,701)	-	-	-	-	-	-	-
Reversal of special reserve	-	-	-	(1,120)	1,120	-	-	-	-	-	-	-
Common stock cash dividends	-	-	-	-	(1,385,425)	(1,385,425)	-	-	-	(1,385,425)	-	(1,385,425)
Changes in affiliates and joint ventures accounted for using the equity method	-	(216)	-	-	-	-	-	-	-	(216)	(333)	(549)
Repurchase of treasury shares	-	-	-	-	-	-	-	-	(27,506)	(27,506)	-	(27,506)
Dividend paid to subsidiaries to adjust capital reserve	-	29,227	-	-	-	-	-	-	-	29,227	-	29,227
Overdue dividends not received	-	634	-	-	-	-	-	-	-	634	93	727
Increase/decrease in non-controlling equity	-	-	-	-	-	-	-	-	-	-	(181,382)	(181,382)
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	3,048,969	21,565,448
Net income for the period	-	-	-	-	2,395,148	2,395,148	-	-	-	2,395,148	672,277	3,067,425
Other comprehensive income in the current period	-	-	-	-	1,038	1,038	(3)	(1,888)	-	(853)	165	(688)
Total comprehensive income for the period	-	-	-	-	2,396,186	2,396,186	(3)	(1,888)	-	2,394,295	672,442	3,066,737
Appropriation and distribution of earnings:												
Provision for legal reserve	-	-	233,682	-	(233,682)	-	-	-	-	-	-	-
Reversal of special reserve	-	-	-	(183)	183	-	-	-	-	-	-	-
Common stock cash dividends	-	-	-	-	(969,798)	(969,798)	-	-	-	(969,798)	-	(969,798)
Dividend paid to subsidiaries to adjust capital reserve	-	20,496	-	-	-	-	-	-	-	20,496	-	20,496
Overdue dividends not received	-	336	-	-	-	-	-	-	-	336	62	398
Increase/decrease in non-controlling equity	-	-	-	-	-	-	-	-	-	-	(342,940)	(342,940)
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**	**3,378,533**	**23,340,341**

(Please refer to the attached Notes to the Consolidated Financial Statements)

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

Kindom Development Co., LTD. and Subsidiaries

Consolidated 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	$	3,827,115	3,839,912
Adjustments:			
Income and expenses			
Depreciation expense		441,058	416,556
Amortization expense		27,872	10,690
Expected credit impairment loss (reversal gain)		243	(1,396)
Net (gain) loss on financial assets and liabilities measured at fair value through profit or loss		(20,350)	27,134
Interest expense		268,110	302,865
Interest revenue		(147,139)	(71,821)
Dividend income		(4,630)	(7,330)
Share of income from affiliated companies and joint ventures accounted for using the equity method		(9,021)	(998)
Losses from disposal of property, plant and equipment		318	-
Impairment loss		1,000	300
Total income and expense		557,461	676,000
Changes in operating assets/liabilities:			
Net changes in assets related to operating activities:			
Increase of financial assets measured at fair value through profit or loss		(168)	-
Decrease (increase) of contract assets		(1,320,870)	299,837
Decrease (increase) of notes and accounts receivable		1,044,139	(895,338)
Decrease (increase) in inventory		(3,982,283)	280,504
Increase in prepayments		(62,531)	(75,666)
Decrease (increase) of other current assets		36,245	(10,543)
Decrease (increase) of other financial assets - current		1,171,958	(1,367,885)
Decrease (increase) of incremental cost of obtaining a contract		(23,317)	40,919
Increase in net defined benefit assets - non-current		(1,127)	(3,382)
Increase of other non-current assets		-	(41)
Total net changes in assets related to operating activities		(3,137,954)	(1,731,595)
Net changes in liabilities related to operating activities:			
Increase in contract liabilities		1,203,846	437,149
Increase (decrease) of notes payable		(92,798)	65,513
Increase in accounts payable		72,741	226,436
Increase of other payables		114,642	44,439
Decrease of employee benefit liabilities - current		(3,120)	(1,733)
Debt reserve - current (decrease) increase		(1,566)	1,610
Increase (decrease) of other current liabilities		142,406	(42,835)
Increase in net defined benefit liabilities		538	2,678
Decrease in other non-current liabilities		(16,336)	(16,336)
Total net changes in liabilities related to operating activities		1,420,353	716,921
Total net changes in assets and liabilities related to operating activities		(1,717,601)	(1,014,674)
Total adjustment items		(1,160,140)	(338,674)
Cash inflow from operations		2,666,975	3,501,238
Income tax paid		(757,675)	(740,057)
Net cash inflow from operating activities		1,909,300	2,761,181

Kindom Development Co., LTD. and Subsidiaries

Consolidated 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 financial assets at fair value through other comprehensive income	(25,276)	-
Acquisition of investments under equity method	-	(1,120,000)
Acquisition of property, plant and equipment	(56,953)	(135,490)
Disposal of property, plant and equipment	1,867	-
Acquisition of intangible assets	(19,571)	(10,070)
Decrease of other financial assets - non-current	10,527	5,576
Increase (decrease) of other non-current assets	5,484	(11,851)
Interest received	147,967	67,518
Dividends received	4,630	7,330
Other investment activities	-	(549)
Net cash inflows (outflows) from investing activities	68,675	(1,197,536)
Cash flow from financing activities:		
Increase in short-term borrowings	9,178,010	5,087,369
Decrease in short-term borrowings	(9,022,688)	(4,541,238)
Increase in short-term bills payable	1,342,000	110,000
Decrease in short-term bills payable	(1,312,000)	(110,000)
Issuance of corporate bonds	1,000,000	-
Repayment of corporate bonds	(2,000,000)	-
Borrowing of long-term loans	-	5,000
Repayment of long-term borrowings	(504,640)	(479,400)
Increase in guarantee deposits received	(933)	(1,610)
Lease principal repayment	(198,849)	(177,345)
Distribution of cash dividends	(949,302)	(1,356,198)
Cost of repurchase of treasury shares	-	(27,506)
Interest paid	(511,015)	(449,166)
Changes in non-controlling interests	(342,940)	(181,382)
Net cash outflow from financing activities	(3,322,357)	(2,121,476)
Effect of exchange rate changes on cash and cash equivalents	(4)	189
Decrease in cash and cash equivalents in current period	(1,344,386)	(557,642)
Opening balance of cash and cash equivalents	15,522,920	16,080,562
Closing balance of cash and cash equivalents	$ 14,178,534	15,522,920

(Please refer to the attached Notes to the Consolidated Financial Statements)

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

Kindom Development Co., LTD. and Subsidiaries
Notes to the consolidated 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 and its subsidiaries (hereinafter referred to as the “consolidated company”) are mainly engaged in the construction of public housing, the rental or sale of commercial buildings, general construction, department stores, supermarkets, and international trading.

II. Date and procedure for approving the financial statements

This consolidated financial statement was approved by the Board of Directors 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 consolidated company began to apply the following newly amended IFRSs on January 1, 2023, and there was no significant impact on the consolidated 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 consolidated company began to apply the following newly amended IFRSs on May 23, 2023, and there was no significant impact on the consolidated 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 consolidated company has assessed that the application of the following newly amended IFRSs effective from January 1, 2024 will not cause significant impact on the consolidated financial statements.

·Amendments to IAS 1 “Classification of Liabilities as Current or Non-current”

·Amendments to IAS 1 “Non-current Liabilities with Covenants”

·Amendments to IAS 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 consolidated company expects the following new and amendments to standards that have not yet been approved to have no significant impact on the consolidated 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

Significant accounting policies adopted in the consolidated financial statements are summarized as follows. The following accounting policies have been applied throughout the presentation period of the consolidated financial statements.

(I) Declaration of compliance

The consolidated financial statements have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the International Financial Reporting Standards, International Accounting Standards and Interpretations and Interpretations Announcements (hereinafter collectively referred to as "IFRSs") endorsed and issued into effect by the FSC.

(II) Basis of preparation

1. Measurement basis

Except for the following items on the balance sheet, the consolidated 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(26).

2. Functional currency and presentation currency

Each entity of the consolidated company uses the currency of the primary economic environment as its functional currency. The consolidated financial statements are presented in the Company's functional currency, NTD. All financial information expressed in NTD is in the unit of NTD thousand.

(III) Basis for consolidation

1. Principles of preparation of consolidated financial statements

The main body of the consolidated financial statements includes the Company and the entities controlled by the Company (i.e. subsidiaries). When the Company is exposed to the variable remuneration from participating in an invested entity or is entitled to such variable remuneration, and has the ability to affect the returns through its power over the invested entity, the Company controls the entity.

The financial statements of subsidiaries are included in the consolidated financial statements from the date of acquisition of control over the subsidiaries until the date of loss of control. Consolidated company transactions, balances and any unrealized gains or losses on transactions have been eliminated when preparing the consolidated financial statements. The total comprehensive income of the subsidiaries is attributed to the owners of the Company and the non-controlling interests, even if the non-controlling interests become a deficit balance.

The financial statements of the subsidiaries have been appropriately adjusted to make their accounting policies consistent with the accounting policies used by the consolidated company.

Changes in the consolidated company's ownership interests in subsidiaries that do not result in a loss of control over the subsidiaries are treated as equity transactions with owners. The difference between the adjustment to the non-controlling interests and the fair value of the consideration paid or received is recognized directly in equity and attributed to the owners of the Company.

2. Subsidiaries included in the consolidated financial statements

Name of Investment Company	Name of subsidiary	Nature of business	Percentage of equity held 2023.12.31	Percentage of equity held 2022.12.31	Description
The Company	KEDGE CONSTRUCTION CO., LTD. (Kedge Construction)	Comprehensive Construction Activities, etc.	34.18%	34.18%	The Company has acquired more than half of the company's board seats
〃	Global Mall Co., LTD. (Global Mall)	Supermarkets, department stores, international trading, wholesale and retail of medical equipment, and more.	84.02%	84.02%	Subsidiaries with voting shares held by the Company exceeding 50% of the total number of issued shares
Kedge Construction	Jiequn Investment Co., Ltd. (Jiequn Investment)	General investment	99.98%	99.98%	Subsidiaries with voting shares held by Kedge Construction exceeding 50% of the total number of issued shares
〃	Guanqing Electromechanical Co., Ltd. (Guanqing Electromechanical)	Electrical Appliance Installation and Fire Safety Equipment Installation Engineering	99.96%	99.96%	Subsidiaries with voting shares held by Kedge Construction exceeding 50% of the total number of issued shares
Jointly held by Guanqing Electromechanical and Jiequn Investment	Dingtian Construction Co., Ltd. (Dingtian Construction)	Comprehensive Construction Activities, etc.	100.00%	100.00%	Subsidiaries with voting shares held by the consolidated company exceeding 50% of the total number of issued shares
Global Mall	KGM International Investment Co., Ltd. (KGM)	Investing and operating the overall planning of shopping malls in mainland China, supporting engineering consulting, shopping mall leasing planning and consulting.	100.00%	100.00%	Subsidiaries with voting shares held by the Global Mall exceeding 50% of the total number of issued shares
〃	GUAN HUA CO., LTD. (GLOBAL MALL NANGANG STORE) (Guan Hua)	Department stores, supermarkets, non-store retailing, and more.	100.00%	100.00%	Subsidiaries with voting shares held by the Global Mall exceeding 50% of the total number of issued shares
〃	GUAN CHENG CO.,LTD. (GLOBAL MALL BANQIAO STORE)	Department stores, supermarkets, non-store retailing, and more.	100.00%	100.00%	Subsidiaries with voting shares held by the Global Mall exceeding 50% of the total number of issued shares
GUAN CHENG CO.,LTD. (GLOBAL MALL BANQIAO STORE)	GUAN YOU CO., LTD.(GLOBAL MALL ZUOYING STORE)	Department stores, supermarkets, non-store retailing, and more.	100.00%	100.00%	Subsidiaries with more than 50% of the issued shares with voting rights held by Guan Cheng.

3. Subsidiaries not included in the consolidated financial statements: None.

(IV) 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.

When the disposal of a foreign operation results in a loss of control, loss of joint control, or significant influence, the accumulated exchange difference related to the foreign operation is entirely reclassified as profit or loss. When the partial disposal includes subsidiaries of foreign operations, the relevant accumulated exchange differences are re-attributable to non-controlling interests on a pro rata basis. When the partial disposal includes investments in affiliates or joint ventures of foreign operations, the relevant accumulated exchange differences are reclassified to profit or loss on a pro rata basis.

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.

(V) 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.

(VI) 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.

(VII) 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 consolidated company becomes a financial instrument contractual party. 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 consolidated 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 consolidated 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 consolidated 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 consolidated 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 consolidated 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 consolidated 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 consolidated company considers reasonable and provable information (which can be obtained without excessive cost or investment), including qualitative and quantitative information, and based on the consolidated 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 consolidated company can collect in accordance with the contract and the cash flow that the consolidated company expects to collect. Expected credit losses are discounted at the effective interest rate of financial assets.

The consolidated 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 consolidated 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 consolidated 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 consolidated company analyzes the timing and amount of write-off on the basis of whether the recovery is reasonably expected. The consolidated 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 consolidated company's procedures for recovering overdue amounts.

(5) Derecognition of financial assets

The consolidated 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 consolidated company does not retain the control over the financial asset, the financial asset is derecognized.

When the consolidated 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 consolidated 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 consolidated company has residual equity after deducting all liabilities from assets. The equity instruments issued by the consolidated 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 consolidated 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 consolidated 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 consolidated 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.

(VIII) Inventories

Construction industry

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.

Trading

Inventories are measured at the lower of cost or net realizable value. The cost includes other costs incurred to make it available for use in the place and state for use, and is calculated in accordance with the weighted average method.

The net realizable value refers to the balance of the estimated selling price under normal operations less the estimated cost of making the inventory available for sale and the estimated cost of completing the sale.

(IX) Investment in associates

Affiliates are those over which the consolidated company has significant influence, but not control, or joint control.

The consolidated company's interests in the affiliated companies are accounted for using the equity method. Under the equity method, investment is initially recognized at cost. Investment cost includes transaction cost. The book value of an investment in an affiliate includes the goodwill identified at the time of the initial investment, less any accumulated impairment loss.

The consolidated financial statements include the profit and loss and other comprehensive income of the affiliated companies recognized by the consolidated company in proportion to the equity ratio from the date of significant influence to the date of loss of significant influence after the adjustment, so as to be consistent with the Company's accounting policies. When changes in equity other than profit and loss and other comprehensive income occur to an affiliated enterprise that do not affect the consolidated company's shareholding ratio, the consolidated company's share of the equity changes in the affiliated enterprise shall be recognized as capital in accordance with the shareholding ratio reserve.

The unrealized gains and losses arising from the transactions between the consolidated company and the affiliated companies are recognized in the financial statements of the companies only within the scope of the non-related investor's equity in the affiliated companies.

When the consolidated company's share of losses in the affiliates equals or exceeds its equity in the affiliates, the consolidated company stops recognizing its losses, and only after a legal obligation, constructive obligation or payment on behalf of the investee is made, additional loss and related liabilities are recognized.

(X) 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 consolidated 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 consolidated company will re-evaluate whether the type of joint agreement participated in has changed.

(XI) 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.

(XII) 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 consolidated 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	1 to 30 years
(3) Leasehold improvements	2 to 20 years

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

(XIII) Lease

The consolidated 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 consolidated 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 consolidated 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 consolidated company's incremental borrowing rate is used. Generally, the consolidated 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 consolidated 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 consolidated 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.

The consolidated company chose to adopt the practical expediency for all the rent concessions and leased properties that meet all of the following conditions, without assessing whether it is a lease modification:

(1) Rent reduction as a direct result of the COVID-19 pandemic;

(2) The consideration for the lease revised as a result of the change in lease payment is almost the same as or smaller than the consideration for the lease before the change;

(3) Any reduction in lease payments only affects the payments originally due before June 30, 2022; and

(4) There is no substantive change in other terms and conditions of the lease.

Under the practical expediency, when rent reduction results in changes in lease payments, the change is recognized in profit or loss when the event or circumstance activating the rent reduction occurs.

2. Lessor

For transactions in which the consolidated 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 consolidated company considers relevant specific indicators, including whether the lease period covers the main part of the economic life of the underlying assets.

If the consolidated 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 consolidated company uses IFRS 15 to allocate the consideration in the contract.

(XIV) Intangible assets

1. Recognition and measurement

Other intangible assets with finite useful life that the consolidated 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

Other than goodwill, 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:

(1) 10 years for patents and trademarks

(2) 16 years for franchise

(3) 2 to 5 years for computer software

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

(XV) Impairment of non-financial assets

The consolidated 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.

The recoverable amount is the fair value of an individual asset or cash-generating unit less the cost of disposal and its value in use, whichever is higher. In assessing value in use, the estimated future cash flows are converted to the present value using a pre-tax discount rate that reflects the current market's assessment of the time value of money and the specific risks of the asset or cash-generating unit.

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

(X) Provisions

The provisions shall be recognized when the consolidated company has a present obligation as a result of a past event, and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and the amount of the obligation can be estimated reliably. The provision is discounted at the pre-tax discount rate that reflects the current market's assessment of the specific risk of the time value of money and liabilities; the amortization of the discount is recognized as interest expense.

The warranty provision is recognized upon completion of a project. The warranty provision is measured according to the historical warranty information and all possible outcomes weighted by the relevant probability.

(XVII) 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 consolidated 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 consolidated company are described as follows:

(1) Land development and sales of buildings and land

The consolidated company develops and sells residential real estate, and often pre-sells the real estate during or before the construction period. The consolidated 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 consolidated 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 consolidated 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) Customer loyalty program

The consolidated company provides a customer loyalty program to retail customers, and the points earned by the customers for purchasing products entitle the customers to purchase products from the consolidated company at a discount or exchange for gifts in the future. The consolidated company believes that such credits provide important rights that the customer cannot obtain if the contract has not been signed, and therefore the commitment to provide credits to the customer is a performance obligation. The consolidated company allocates the transaction price to the product and the points based on the relative individual selling price. The management estimates the individual selling price of each point based on the past experience, the discount given when the points are redeemed and the possibility of exchange; the individual selling price of each point is estimated based on the retail price of the product price. The consolidated company recognizes contract liabilities on the above basis when selling products, and re-recognizes the credits to revenue when the credits are exchanged or expired.

(3) Consulting and management services

The consolidated company provides business consulting and management services, and the related income is recognized during the financial reporting period of the provision of labor services. Fixed price contracts are based on the percentage of services actually provided as a percentage of total services as of the reporting date, which is determined by the percentage of services performed as a percentage of total services to be performed.

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 revision.

Under a fixed price contract, the customer makes a fixed amount of payment according to the agreed time schedule. When the service provided exceeds the payment, the contract asset is recognized; if the payment exceeds the service provided, the contract liability is recognized.

(4) Construction contracts

The consolidated 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 consolidated company only recognizes it within the scope of the accumulated revenue level with probable 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 consolidated 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.

The consolidated company provides standard warranty for residential real estate and public constructions in line with the agreed specifications, and has recognized the warranty reserve for the obligation. Please refer to Note 6(17).

(5) Net income from counters (commission income)

Revenues generated when the consolidated company acts as an agent instead of a principal; revenue from counters is recognized based on the net commission received.

(6) Rent 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.

(7) Financial components

The consolidated 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 consolidated company does not adjust the time value of money of the transaction price.

2. Cost of contracts with customers

(1) Incremental cost of obtaining a contract

If the consolidated 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.

(2) Cost of fulfilling the contract

If the cost of performing a contract with customers is not within the scope of other standards (IAS 2 "Inventory", IAS 16 "Property, Plant and Equipment" or IAS 38 "Intangible Assets") "), the consolidated company will only pay the cost if it is directly related to a contract or identifiable expected contract, will generate or strengthen resources that will be used to meet (or continue to meet) the performance obligation in the future, and is expected to be recoverable. Such costs are recognized as assets.

General and administrative costs; costs of raw materials, labor or other resources wasted to fulfill the contract but not reflected in the contract price; costs associated with fulfilled (or partially fulfilled) performance obligations; and the costs related to the obligations or fulfilled (or partially fulfilled) performance obligations are recognized as expenses when incurred.

(XVIII) Government subsidies

The consolidated company will recognize the subsidies without conditions attached as other income when the government subsidies related to COVID-19 are available to the consolidated company. For other asset-related subsidies, when the consolidated company is reasonably sure that it will comply with the conditions attached to the government subsidies and that the subsidies will be received, the subsidies are recognized in deferred income at fair value. Such deferred income is recognized as other income on a systematic basis over the useful lives of the assets. Government subsidies to compensate the consolidated company for expenses or losses are recognized in profit or loss in the same period as the related expenses on a systematic basis.

(XIX) 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 consolidated 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 consolidated 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.

(XX) 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 consolidated 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 any 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 consolidated 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 consolidated 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 consolidated 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 consolidated 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.

(XXI) Earnings per share

The consolidated company presents the basic and diluted earnings per share attributable to the Company's common stock shareholders. The basic earnings per share of the consolidated 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.

(XXII) Segment information

The operating segment is a component of the consolidated company and is engaged in business activities that may earn revenue and incur expenses (including revenue and expenses related to transactions between other components of the consolidated company). The operating results of all operating segments are regularly reviewed by the chief operating decision maker of the consolidated company to make decisions on the allocation of resources to each segment and to evaluate its performance. Each operating segment has its own financial information.

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:

(I) Construction contracts

The consolidated company’s recognition of income and cost of construction contract construction profit and loss is based on the degree of completion of the contract activities. It measures the degree of completion based on the completion of the performance obligation stated in the contract. Since the estimated total cost and contract items are based on the evaluation and judgment of the management based on the nature, expected contract amount, construction duration, engineering implementation and construction methods of different projects, they may affect the calculation of the percentage of completion and project profit and loss.

(II) Valuation of inventories

Since inventories need to be measured at the lower of cost or net realizable value, the consolidated company assesses the amount of inventory on the reporting date as there is no market sales value, and offsets the cost of inventories to the net realizable value. The inventory valuation is mainly based on the prevailing market conditions, so there may be significant changes in the industry due to the political and economic reforms in the industry and the real estate tax system. 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	$ 12,271	12,016
Bank deposits		
Check deposits	1,991,787	3,667,802
Demand deposits	2,646,939	1,341,239
Time deposit	6,953,754	8,412,390
Cash equivalents	2,573,783	2,089,473
	$ 14,178,534	15,522,920

The maturity intervals of the above cash equivalents are January to March 2024 and January to February 2023, respectively, and the interest rate intervals are 1.30% to 1.36% and 0.98% to 1.02%, respectively.

For the interest rate risk and sensitivity analysis disclosure of the consolidated company's financial assets and liabilities, please refer to Note 6(26).

(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	$ 117,984	97,466

1. Please refer to Note 6(25) for the amount remeasured at fair value and recognized in profit or loss.
2. As the non-derivative financial assets listed above are mandatory for measurement at fair value through profit or loss, the consolidated company recognized NTD 2,637 thousand and NTD 5,728 thousand in dividend income in 2023 and 2022, respectively.
3. The consolidated company's financial assets had not been provided as collateral guarantees as of December 31, 2023 and 2022.

(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)	$ 1,780	1,783
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 (OTC) listed companies - Global Views Commonwealth Publishing Group	6,428	6,766
Stock of domestic (OTC) listed companies - Taiwan Calcom International Computer Graphic Co., Ltd.	-	-
Stock of domestic non-listed (OTC) companies - Preferred stock of Ta Shee Resort Co., LTD.	25,276	-
Total	$ 35,673	12,509

1. The investments in these equity instruments held by the consolidated company 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. As the consolidated company designated the investment in equity instrument listed above as measured at fair value through other comprehensive gain or loss, the dividend income recognized in 2023 and 2022 were NTD 1,993 thousand and NTD 1,602 thousand respectively.
3. The consolidated company did not dispose of strategic investment in 2023 and 2022, and the accumulated gain or loss during that period was not transferred within the equity.
4. Please refer to Note 6(26) 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	$ 2,637	352
Accounts receivable	1,130,103	2,157,591
Less: Loss allowance	(8,175)	(8,096)
	$ 1,124,565	2,149,847

The consolidated company uses simplified method to estimate expected credit losses for all notes and accounts receivable, that is, using expected credit losses throughout the duration. For this measurement, such notes and 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 loss of the consolidated company's notes and accounts receivable is 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	$ 1,124,565	-	-
Overdue for more than 90 days	8,175	100%	8,175
	$ 1,132,740		8,175

	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**
	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	$ 2,149,847	-	-
Overdue for more than 90 days	8,096	100%	8,096
	$ 2,157,943		8,096

The changes in the allowance for notes and accounts receivable of the consolidated company are as follows:

	2023	2022
Opening balance	$ 8,096	12,876
Recognized impairment loss	243	2,161
Reversal of impairment loss	-	(3,557)
The irrecoverable amount written off in the current year	(164)	(3,384)
Closing balance	$ 8,175	8,096

The consolidated company's accounts receivable were not provided as collateral on December 31, 2023 and 2022.

(V) Inventory

	2023.12.31	2022.12.31
Inventories - Trading	$ 9,166	12,977
Inventories - Construction		
Prepayments for building and land	28,320	4,235
Construction site	1,214,861	2,899,060
Building and land under construction	16,986,514	11,056,039
Buildings and land for sale	7,086,426	7,135,537
Subtotal	25,316,121	21,094,871
Total	**$ 25,325,287**	**21,107,848**

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 3,686,433 thousand and NTD 4,746,933 thousand, respectively.
3. The consolidated 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(25).
4. On December 31, 2023 and 2022, the amount that the consolidated company had entrusted for legal parking spaces for sale was NTD 11,649 thousand and NTD 13,796 thousand, respectively.
5. Please refer to Note 8 for the consolidated company's inventories provided as collaterals as of December 31, 2023 and 2022.

(VI) Investment under equity method

The consolidated company's investment under equity method on the financial reporting date is as follows:

	2023.12.31	2022.12.31
Affiliated enterprise	$ 116,360	114,347
Joint venture	1,027,185	1,021,771
	$ 1,143,545	**1,136,118**

1. Affiliated enterprises

The information on affiliates that are significant to the consolidated company is as follows:

Name of affiliated enterprise	The nature of the relationship with the Company	Principal place of business/Country of incorporation	Proportion of ownership interests and voting rights	
			2023.12.31	**2022.12.31**
Hon Hui Zhu Gao Co., Ltd. (Note 1)	Department stores, supermarkets, non-store retailing, and more.	Taiwan	20%	20%

Note 1: The consolidated company acquired 20% equity of Honghui Chugao Co., Ltd. in December 2022 for NTD 100,000 thousand in cash.

The summarized financial information of the affiliates that are material to the consolidated company are as follows. The financial information has been adjusted with the amounts included in the IFRS financial statements of each affiliate to reflect the fair value adjustment and adjustment for accounting policy difference due to the acquisition of the affiliates:

Summary financial information of Honghui Chugao Co., Ltd.:

	2023.12.31	2022.12.31
Current assets	$ 239,119	299,875
Non-current assets	1,845,065	200,000
Current liabilities	(1,209)	(100)
Non-current liabilities	(1,581,830)	-
Net assets	**$ 501,145**	**499,775**
Net assets attributable to the consolidated company	**$ 100,229**	**99,955**

	2023	2022
Operating revenue	**$ -**	**-**
Net income (loss) from continuing operations	1,370	(225)
Total comprehensive income	**$ 1,370**	**(225)**
Total comprehensive income attributable to the consolidated company	**$ 274**	**(45)**

The consolidated company's affiliated companies under equity method are individually insignificant, and their summarized financial information is as follows. The financial information is the amount included in the consolidated financial statements of the consolidated company:

	2023.12.31	2022.12.31
Summarized book value of equity in affiliated companies that are not significant at the end of the period	**$ 16,131**	**14,392**

	2023	2022
Shares attributable to the consolidated company:		
Net income (loss) from continuing operations	$ 1,739	(728)
Total comprehensive income	**$ 1,739**	**(728)**

2. Joint ventures

The consolidated 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 Ta Cheng Co., Ltd., and the proportion of shareholding as of 2023 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 TA CHENG 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 consolidated company's equity in TA CHENG 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 consolidated 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

As of December 31, 2023 and 2022, the consolidated company's investments under the equity method were not provided as collateral.

(VII) Subsidiaries with significant non-controlling interests

The non-controlling interests of the subsidiaries that are significant to the consolidated company are as follows:

Name of subsidiary	Principal place of business/country of incorporation	Proportion of ownership interests and voting rights in non-controlling interests	
		2023.12.31	2022.12.31
Kedge Construction and its subsidiaries	Taiwan	65.82%	65.82%

The summarized financial information of the above subsidiaries is as follows. The financial information has been prepared in accordance with the IFRSs recognized by the FSC and has reflected the fair value adjustment made by the consolidated company on the acquisition date and the adjustment made for the difference in accounting policy. The financial information is the amount of the consolidated company's transactions before writing off:

Summarized financial information of the Kedge Construction and its subsidiaries:

	2023.12.31	2022.12.31
Current assets	$ 11,819,601	11,146,094
Non-current assets	765,294	652,598
Current liabilities	(7,586,014)	(7,416,157)
Non-current liabilities	(192,984)	(196,104)
Net assets	$ 4,805,897	4,186,431
Book value of non-controlling equity at the end of period	$ 2,476,890	2,195,666

	2023	2022
Operating revenue	$ 14,292,411	14,204,563
Net income for the period	990,357	1,047,936
Other comprehensive income	113,068	(97,090)
Total comprehensive income	$ 1,103,425	950,846
Net income for the period attributable to non-controlling interests	$ 599,567	733,055
Total comprehensive income attributable to non-controlling interests	$ 599,733	734,940
Cash flow from operating activities	$ 1,215,477	929,487
Cash flow from investing activities	(15,665)	(14,236)
Cash flow from financing activities	(885,121)	7,534
Increase in cash and cash equivalents	$ 314,691	922,785
Dividends paid to non-controlling interests	$ 318,582	181,449

(VIII) Property, plant and equipment

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

	Land	Buildings	Leasehold improvements	Other equipment (including transportation, office, machinery, other equipment and leased assets)	Construction in progress	Total
Cost or recognized cost:						
Balance as of January 1, 2023	$ 3,607,479	4,367,565	1,025,254	431,222	8,471	9,439,991
Addition	-	16,832	1,408	45,586	560	64,386
Transfer in (out)	-	10,202	-	6,701	(8,166)	8,737
Disposal and scrap	-	(1,024)	(4,335)	(50,670)	-	(56,029)
Decoration engineering adjustment	-	(11,925)	(6,870)	-	(305)	(19,100)
Balance as of December 31, 2023	$ 3,607,479	4,381,650	1,015,457	432,839	560	9,437,985

	Land	Buildings	Leasehold improvements	Other equipment (including transportation, office, machinery, other equipment and leased assets)	Construction in progress	Total
Balance as of January 1, 2022	$ 3,567,078	4,355,494	1,047,652	391,669	3,452	9,365,345
Addition	-	23,319	6,869	44,037	8,471	82,696
Reclassified from prepayments	-	339	-	357	-	696
Disposal and scrap	-	(21,345)	-	(4,407)	-	(25,752)
Decoration engineering adjustment	-	(5,060)	(29,267)	377	(3,452)	(37,402)
Reclassification	40,401	14,818	-	(811)	-	54,408
Balance as of December 31, 2022	$ 3,607,479	4,367,565	1,025,254	431,222	8,471	9,439,991
Depreciation and impairment loss:						
Balance as of January 1, 2023	$ 14,000	1,953,912	805,394	287,458	-	3,060,764
Depreciation in the current year	-	115,399	43,887	56,935	-	216,221
Impairment loss	-	-	974	26	-	1,000
Disposal and scrap	-	(1,024)	(3,700)	(49,120)	-	(53,844)
Balance as of December 31, 2023	$ 14,000	2,068,287	846,555	295,299	-	3,224,141
Balance as of January 1, 2022	$ -	1,857,836	755,840	248,433	-	2,862,109
Depreciation in the current year	-	111,244	49,254	43,797	-	204,295
Impairment loss	-	-	300	-	-	300
Disposal and scrap	-	(21,345)	-	(4,407)	-	(25,752)
Reclassification	14,000	6,177	-	(365)	-	19,812
Balance as of December 31, 2022	$ 14,000	1,953,912	805,394	287,458	-	3,060,764
Book value:						
December 31, 2023	$ 3,593,479	2,313,363	168,902	137,540	560	6,213,844
January 1, 2022	$ 3,567,078	2,497,658	291,812	143,236	3,452	6,503,236
December 31, 2022	$ 3,593,479	2,413,653	219,860	143,764	8,471	6,379,227

1. Impairment losses

The impairment loss on related property, plant and equipment recognized by the consolidated company in 2023 and 2022 were NTD 1,000 thousand and NTD 300 thousand respectively, recorded under other gains and losses, please refer to Note 6(25).

2. Guarantee

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

(IX) Right-of-use assets

The details of changes in the cost and depreciation of the land, buildings and transportation equipment leased by the consolidated company are as follows:

		Land	Buildings	Transportation equipment	Total
Cost of right-of-use assets:					
Balance as of January 1, 2023	$	2,302	3,841,187	25,368	3,868,857
Addition		15,576	3,971	7,901	27,448
Transferred out - lease expiry		-	-	(12,445)	(12,445)
Transfer out - early termination		-	-	(591)	(591)
Reclassification		87	-	-	87
Balance as of December 31, 2023	**$**	**17,965**	**3,845,158**	**20,233**	**3,883,356**
Balance as of January 1, 2022	$	-	3,884,636	16,789	3,901,425
Addition		2,302	6,543	10,860	19,705
Lease modification		-	(49,992)	-	(49,992)
Transferred out - lease expiry		-	-	(2,281)	(2,281)
Balance as of December 31, 2022	**$**	**2,302**	**3,841,187**	**25,368**	**3,868,857**
Depreciation and impairment loss of right-of-use assets:					
Balance as of January 1, 2023	$	-	757,943	12,478	770,421
Current depreciation		6,979	204,758	8,908	220,645
Transferred out - lease expiry		-	-	(12,445)	(12,445)
Transfer out - early termination		-	-	(419)	(419)
Balance as of December 31, 2023	**$**	**6,979**	**962,701**	**8,522**	**978,202**
Balance as of January 1, 2022	$	-	555,481	9,215	564,696
Current depreciation		-	202,462	5,544	208,006
Transferred out - lease expiry		-	-	(2,281)	(2,281)
Balance as of December 31, 2022	**$**	**-**	**757,943**	**12,478**	**770,421**
Book value:					
December 31, 2023	**$**	**10,986**	**2,882,457**	**11,711**	**2,905,154**
January 1, 2022	**$**	**-**	**3,329,155**	**7,574**	**3,336,729**
December 31, 2022	**$**	**2,302**	**3,083,244**	**12,890**	**3,098,436**

(X) Investment property

The consolidated company's investment property is detailed as follows:

		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	$	335,287	216,663	551,950
Transferred to property, plant and equipment		(53,200)	(2,019)	(55,219)
Reclassification		-	(830)	(830)
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	$	-	50,288	50,288
Depreciation in the current year		-	4,255	4,255
Transferred to property, plant and equipment		-	(20,177)	(20,177)
Reclassification		-	(830)	(830)
Balance as of December 31, 2022	$	-	33,536	33,536
Carrying amount:				
December 31, 2023	$	282,087	176,086	458,173
January 1, 2022	$	335,287	166,375	501,662
December 31, 2022	$	282,087	180,278	462,365
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(18) 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 and 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 range of yields adopted in 2023 and 2022 were 1.56% and 1.55%, respectively.

Please refer to Note 8 for the consolidated company's investment property provided as collateral as of December 31, 2023 and 2022.

(XI) Intangible assets

The cost and amortization of the intangible assets of the consolidated company in 2023 and 2022 are as follows:

		Concession right	Trademarks and Patents	Computer software and others	Total
Cost:					
Balance as of January 1, 2023	$	54,199	500	137,541	192,240
Acquired separately		-	-	19,571	19,571
Reclassified from prepayments		-	-	7,546	7,546
Disposal		-	-	(59,256)	(59,256)
Balance as of December 31, 2023	**$**	**54,199**	**500**	**105,402**	**160,101**
Balance as of January 1, 2022	$	54,199	500	127,972	182,671
Acquired separately		-	-	10,070	10,070
Reclassified from prepayments		-	-	90	90
Disposal		-	-	(591)	(591)
Balance as of December 31, 2022	**$**	**54,199**	**500**	**137,541**	**192,240**
Amortization and impairment loss:					
Balance as of January 1, 2023	$	36,622	500	101,244	138,366
Current amortization		3,474	-	24,398	27,872
Disposal		-	-	(59,256)	(59,256)
Balance as of December 31, 2023	**$**	**40,096**	**500**	**66,386**	**106,982**
Balance as of January 1, 2022	$	33,147	500	94,620	128,267
Current amortization		3,475	-	7,215	10,690
Disposal		-	-	(591)	(591)
Balance as of December 31, 2022	**$**	**36,622**	**500**	**101,244**	**138,366**
Book value:					
December 31, 2023	**$**	**14,103**	-	**39,016**	**53,119**
January 1, 2022	**$**	**21,052**	-	**33,352**	**54,404**
December 31, 2022	**$**	**17,577**	-	**36,297**	**53,874**

1. For the amortization expenses of intangible assets in 2023 and 2022, as stated in the consolidated statements of comprehensive income, please refer to Note 12.
2. On December 31, 2023 and 2022, the consolidated company did not provide any such collateral as collateral.

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

	2023.12.31	2022.12.31
Other financial assets - current	$ 2,504,580	3,675,772
Incremental cost of obtaining a contract	33,295	9,978
	$ 2,537,875	3,685,750

1. Other financial assets - current

Restricted assets (borrowings, reserve accounts of corporate bonds, and trust payments), construction deposits, certificates of deposit not meeting the definition of cash equivalents, and bank accounts are used as collateral, refer to Note 8 for the details.

2. Incremental cost of obtaining a contract - current

The consolidated 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.

(XIII) Short-term bills payable

The details of short-term bills payable by the consolidated company 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 1,342,000 thousand and NTD 110,000 thousand, respectively, with the interest rates ranging from 2.190% to 2.60% and 1.738% to 2.238%, respectively; the repayments were NTD 1,312,000 thousand and NTD 110,000 thousand, respectively.

(XIV) Long-term and short-term loans/Long-term loans due within one year or one operating cycle

The details, conditions and terms of the long-term and short-term loans of the consolidated company are as follows:

	2023.12.31			
	Type of currency	Interest rate range	Year to maturity	Amount
Secured bank loan	NTD	2.05%~2.57%	113~117	$ 12,838,945
Unsecured bank borrowings	NTD	1.69%~2.83%	113~117	3,480,433
Total				$ 16,319,378
Liquidity				$ 15,385,818
Non-current				933,560
Total				$ 16,319,378

	2022.12.31			
	Type of currency	Interest rate range	Year to maturity	Amount
Secured bank loan	NTD	1.79%~2.56%	112~116	$ 12,223,318
Unsecured bank borrowings	NTD	1.57%~2.44%	112~113	4,445,378
Total				$ 16,668,696
Liquidity				$ 15,230,496
Non-current				1,438,200
Total				$ 16,668,696

1. Issuance and repayment of loans

The new amounts in 2023 and 2022 were NTD 9,178,010 thousand and NTD 5,092,369 thousand, respectively; the amount repaid was NTD 9,527,328 thousand and NTD 5,020,638 thousand, respectively.

2. Collateral for bank borrowings

For the consolidated company's assets pledged as collateral for bank loans, please refer to Note 8.

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

The consolidated 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 consolidated 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.

(XVI) Lease liabilities

The carrying amount of the consolidated company's lease liabilities is as follows:

	2023.12.31	2022.12.31
Current	$ 201,443	191,062
Non-current	$ 2,941,468	3,123,422

Please refer to Note 6(26) Financial Instruments for maturity analysis.

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

	2023	2022
Interest expense of lease liabilities	$ 56,656	59,318
Expenses of short-term and low-price leases	$ 33,491	11,057
COVID-19 related rent subsidies (other income)	$ -	21,553

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

	2023	2022
Variable lease payments not included in the measurement of lease liabilities	$ 116,821	83,867
Total cash outflow for leases	$ 405,817	331,587

1. Lease of buildings and structures

(1) The consolidated company leased the land of Pingtung Gongyuan Section of Pingtung Farmland Hydraulic Association of Taiwan. The lease term was originally 20 years. The rent was calculated and paid at a certain percentage of the declared land value in accordance with the contract. In the second half of 2011, the lease term was extended for ten years and a royalty of NTD 16,000 thousand was paid. The consolidated company may sign a contract with the lessor two years before the lease contract expires, and the priority is given to the lessee according to the renewal terms negotiated by both parties .

(2) The consolidated company leased the Nangang Station Shopping Mall from the Taiwan Railways Administration, Ministry of Transportation and Communications, for a lease term of 16 years (including a construction period of one year), lease payment’s royalty has to be paid in a fixed amount each year, and the operating royalty has to be paid according to a certain percentage of turnover.

(3) The consolidated company signed a lease contract for the shopping mall and parking lot of the co-construction building of MRT Airport Chang Gung Hospital (A8) Station with Asia Pacific Development Corporation. The lease term is 20 years from the commencement of operation, and the shopping mall part is calculated at a minimum of basic rent and the commission from operating, whichever is higher is used for calculation.

(4) The consolidated company signed the following lease contracts “Taoyuan International Airport MRT Linkou Station Shopping Mall” and the “Taiwan Taoyuan International Airport MRT A19 Station Shopping Mall Lease Project” with the High-speed Railway Engineering Bureau and the Ministry of Transportation's Railway Bureau, respectively. For lease contracts, the lease period is 20 years from the day after the signing of the contract, and the royalty payment is the higher of the bidding operating royalty or the actual operating royalty. The actual business royalty is calculated based on a certain percentage of the turnover and non-operating income; the land rent and building rent are also required to be paid.

(5) The consolidated company leased the Banqiao Station Shopping Mall from the Taiwan Railways Administration for office space and storefronts. The lease term is 16 years. The rent is paid with the fixed royalty, which is unchanged from the first to the fourth year. The amount was increased by 3% of the previous year rent starting from the fifth year. In addition to the fixed royalty, there was still an operating royalty to be paid based on a certain percentage of turnover.

(6) The consolidated company signed the “New Zuoying Station Building” operation investment contract with the Taiwan Railways Administration, Ministry of Transportation and Communications (hereinafter referred to as “TRA”). TRA will provide the commercial space on the east and west sides of the shopping mall from the underground 1F to the above ground 4F of the New Zuoying Station Building , and the consolidated company is entrusted for renovation (for one year) and operation (for twelve years). After the expiration, the operation right will belong to TRA. In addition to a fixed royalty every year, rent payments include operating royalty based on a certain percentage of turnover.

2. Other leases

The consolidated company leases land and transportation equipment for a lease term of two to four years. In addition, the consolidated company leases office equipment, outdoor advertising, and reception centers. These leases are short-term and low-value leases that the consolidated company chooses to be exempted from recognition but do not recognize its related right-of-use assets and lease liabilities.

(XVII) Provisions

	Warranty
Balance as of January 1, 2023	$ 183,236
Liability reserve increased in the current period	17,902
Liability reserve used in the current period	(19,468)
Balance as of December 31, 2023	**$ 181,670**
Balance as of January 1, 2022	$ 181,626
Liability reserve increased in the current period	23,543
Liability reserve used in the current period	(21,933)
Balance as of December 31, 2022	**$ 183,236**

The consolidated company's warranty provision in 2023 and 2022 is mainly related to the contracting of projects. The warranty provision is estimated based on the historical warranty data of various projects. The consolidated company expects the liabilities to be incurred in more than one year after the inspection and acceptance of the project.

(XVIII) Operating lease - lessor's lease

The consolidated company leases out its investment properties. Since it has not transferred almost all the risks and rewards attached to the ownership of the underlying assets, the lease contracts are classified as operating leases. Please refer to Note 6(10) 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.

(XIX) Employee benefits

1. Defined benefit plan

The present value of the consolidated company's defined benefit obligation and the fair value of the plan assets are adjusted as follows:

	2023.12.31	2022.12.31
Present value of defined benefit obligation	$ 18,199	23,413
Fair value of plan assets	(25,215)	(28,412)
Net defined benefit obligation (assets) and liabilities	$ (7,016)	(4,999)

The consolidated company's employee benefit liabilities are detailed as follows:

	2023.12.31	2022.12.31
Short-term paid leave of absence	$ 17,054	20,174

The consolidated 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 consolidated 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 consolidated company's labor pension fund account at the Bank of Taiwan was with a balance of NTD 25,215 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 consolidated company's defined benefit obligations as of 2023 and 2022 are as follows:

		2023	2022
Defined benefit obligation as of January 1	$	23,413	31,567
Current service cost and interest		292	174
Remeasurement of net defined benefit liabilities (assets)			
- Actuarial gains and losses due to changes in financial assumptions		-	(1,437)
- Experience adjustment		(1,202)	(1,107)
Benefits paid by the plan		(4,304)	(5,784)
Defined benefit obligation as of December 31	**$**	**18,199**	**23,413**

(3) Changes in the fair value of plan assets

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

		2023	2022
Fair value of the plan assets on January 1	$	28,412	31,070
Interest revenue		359	183
Remeasurement of net defined benefit liabilities (assets)			
- Return on plan assets (excluding interest for the current period)		226	2,248
Amount appropriated to the plan		522	695
Benefits paid by the plan		(4,304)	(5,784)
Fair value of the plan assets on December 31	**$**	**25,215**	**28,412**

(4) In 2023 and 2022, the consolidated company had no ceiling effect on the defined benefit plan assets.

(5) Expenses recognized in profit or loss

The details of expense reported by the consolidated company in 2023 and 2022 are as follows:

		2023	2022
Current service cost	$	81	55
Net interest of net defined benefit liabilities (assets)		(148)	(64)
	$	**(67)**	**(9)**
Operating cost	$	(76)	(15)
Administrative expenses		9	6
	$	**(67)**	**(9)**

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

The remeasurement of the net defined benefit liabilities (assets) cumulatively recognized as other comprehensive income by the consolidated company in 2023 and 2022 is as follows:

		2023	2022
Accumulated balance on January 1	$	(6,104)	(10,896)
Recognized in current period		1,428	4,792
Accumulated balance on December 31	$	(4,676)	(6,104)

(7) Actuarial assumptions

The significant actuarial assumptions used to determine the present value of the defined benefit obligation by the consolidated company 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%~2.00%	1.75%~2.00%

The consolidated company expects to have an amount of NT$522 thousand appropriated for the payment of 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 to 10.6 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 by 0.25%	Decrease by 0.25%
December 31, 2023		
Discount rate (changed by 0.25%)	(416)	428
Future salary increase (1% change)	1,774	(1,603)
December 31, 2022		
Discount rate (changed by 0.25%)	(483)	499
Future salary increase (1% change)	2,075	(1,864)

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 consolidated 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 consolidated company has no legal or constructive obligation to make additional payments.

The consolidated company's pension expense under the defined contribution plan was NTD 43,370 thousand and NTD 41,720 thousand in 2023 and 2022, respectively, which had been appropriated to the Bureau of Labor Insurance.

(XX) Income tax

1. Income tax expenses

The consolidated company's expenses for 2023 and 2022 are as follows:

		2023	2022
Current income tax expense			
Occurred in the current period	$	580,260	529,333
Imposition on undistributed earnings		87,243	108,659
Adjustment of the current income tax of the previous period		553	(3,402)
Land Value Increment Tax		89,966	64,870
		758,022	699,460
Deferred income tax expense			
Occurrence and reversal of temporary difference		1,668	10,755
Income tax expenses of continuing operations	**$**	**759,690**	**710,215**

In 2023 and 2022, the consolidated company had no income tax expense recognized directly in equity and recognized in other comprehensive income.

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

		2023	2022
Net income before tax	$	3,827,115	3,839,912
Income tax calculated in accordance with the domestic tax rate in the place where the Company is located	$	765,423	767,982
Non-deductible expenses		530	852
Tax-exempted income		(151,031)	(151,092)
Tax differences on deferred interest expenses		(21,681)	(9,436)
Tax differences on deferred sales and marketing expenses		7,837	(2,650)
Domestic investment gains under equity method		(1,804)	(200)
Valuation loss (profit) of financial assets at fair value through profit or loss		(4,070)	5,427
Changes in unrecognized temporary differences		(1,144)	(2,076)
Current taxation loss of unrecognized deferred income tax assets		1,615	3,854
Loss carryforwards		(5,436)	(51,478)
Previous underestimation (overestimation)		553	(3,401)
Land Value Increment Tax		89,966	64,870
Total land price increase		(14,597)	(16,437)
Imposition on undistributed earnings		87,243	108,659
Realized investment losses		-	(19,259)
Other		6,286	14,600
	$	**759,690**	**710,215**

2. Deferred income tax assets and liabilities

(1) Unrecognized deferred income tax assets

The items that have not been recognized by the consolidated company as deferred income tax assets are as follows:

	2023.12.31	2022.12.31
Deductible temporary difference	$ 803	803
Tax losses	40,483	51,410
	$ 41,286	52,213

According to the Income Tax Act, the losses for the past ten years as assessed by the tax authorities may be deducted from the net profits of the current year before levying the income tax. Such items are not recognized as deferred income tax assets because the consolidated company is not likely to have sufficient taxable income in the future for the use of temporary differences.

As of December 31, 2023, the taxation losses recognized by the consolidated company and those yet to be recognized as deferred income tax assets were deducted by the following deadlines:

Years of loss	Losses not yet deducted	Last year for deduction
Authorized deficit in 2014	$ 17,243	2024
Authorized deficit in 2015	34,098	2025
Authorized deficit in 2016	29,999	2026
Authorized deficit in 2017	20,447	2027
Authorized deficit in 2018	17,364	2028
Authorized deficit in 2019	16,776	2029
Authorized deficit in 2020	15,141	2030
Authorized deficit in 2021	23,988	2031
Deficit declaration in 2022	19,283	2032
Estimated deficit in 2023	8,075	2033
	$ 202,414	

(2) Recognized deferred income tax assets and liabilities

2023 and 2022 movements in deferred income tax assets are as follows:

Deferred income tax assets:

	Defined benefit plan	Provision for liabilities	Loss carryforwards	Other	Total
January 1, 2023	$ 1,032	36,642	-	19,487	57,161
Credit (debit) income statement	(574)	(313)	-	(877)	(1,764)
December 31, 2023	$ 458	36,329	-	18,610	55,397
January 1, 2022	$ 1,002	36,321	183	29,490	66,996
Credit (debit) income statement	30	321	(183)	(10,003)	(9,835)
December 31, 2022	$ 1,032	36,642	-	19,487	57,161

Deferred income tax liabilities:

	Unrealized exchange gain
Balance as of January 1, 2023	$ 921
Credit to the income statement	(96)
Balance as of December 31, 2023	**$ 825**
Balance as of January 1, 2022	**$ -**
Credit to the income statement	921
Balance as of December 31, 2022	**$ 921**

3. The income tax returns of the consolidated company's profit-seeking business have been audited by the tax authorities up to 2021.

(XXI) Capital and other equity

The Company's authorized capital amounted to NTD 6,500,000 thousand on December 31, 2023 and 2022, respectively, with 650,000 thousand shares issued at NTD 10 par value. 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 proposals for distribution of earnings to the shareholders with the following dividends 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 10 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 consolidated company's shares held on December 31, 2023 and 2022 are as follows:

Unit: Thousand shares

Name of subsidiary	2023.12.31 Number of shares	Book value (Note)	Market price	2022.12.31 Number of shares	Book value (Note)	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	Non-controlling interests	Total
Balance as of January 1, 2023	$ (29,493)	2,949	(5,172)	(31,716)
Exchange differences arising from the translation of net assets of foreign operations	(3)	-	(1)	(4)
Unrealized gains or losses on financial assets at fair value through other comprehensive income	-	(1,888)	(224)	(2,112)
Balance as of December 31, 2023	**$ (29,496)**	**1,061**	**(5,397)**	**(33,832)**
Balance as of January 1, 2022	$ (29,652)	2,925	(5,223)	(31,950)
Exchange differences arising from the translation of net assets of foreign operations	159	-	30	189
Unrealized gains or losses on financial assets at fair value through other comprehensive income	-	24	21	45
Balance as of December 31, 2022	**$ (29,493)**	**2,949**	**(5,172)**	**(31,716)**

(XXII) Earnings per share

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

1. Basic earnings per share

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

	2023	2022
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	2022
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

(XXIII) Revenue from customer contracts

1. Breakdown of revenue

	2023			
	Building department	Construction Department	Department of Department Stores	Total
Key regional markets:				
Taiwan	$ 6,467,937	11,282,462	1,692,102	19,442,501
Main product/service lines:				
Revenue from sales of real estate	$ 6,157,863	-	-	6,157,863
Construction contract revenue	297,512	11,282,462	-	11,579,974
Net income from counters	-	-	1,343,438	1,343,438
Revenue from service provision	2,000	-	30,100	32,100
Rental income	10,562	-	152,810	163,372
Other income	-	-	165,754	165,754
	$ 6,467,937	11,282,462	1,692,102	19,442,501
Timing of revenue recognition:				
Commodities transferred at a certain point in time	$ 6,157,863	-	1,519,875	7,677,738
Income gradually transferred over time	12,562	-	172,227	184,789
Construction transferred over time	297,512	11,282,462	-	11,579,974
	$ 6,467,937	11,282,462	1,692,102	19,442,501

	2022			
	Building department	**Construction Department**	**Department of Department Stores**	**Total**
Key regional markets:				
Taiwan	$ 7,658,037	12,355,600	1,492,465	21,506,102
Main product/service lines:				
Revenue from sales of real estate	$ 7,498,364	-	-	7,498,364
Construction contract revenue	137,988	12,355,611	-	12,493,599
Net income from counters	-	-	1,203,276	1,203,276
Revenue from service provision	13,234	-	27,947	41,181
Rental income	8,451	(11)	126,548	134,988
Other income	-	-	134,694	134,694
	$ 7,658,037	12,355,600	1,492,465	21,506,102
Timing of revenue recognition:				
Commodities transferred at a certain point in time	$ 7,511,598	-	1,346,755	8,858,353
Income gradually transferred over time	8,451	(11)	145,710	154,150
Construction transferred over time	137,988	12,355,611	-	12,493,599
	$ 7,658,037	12,355,600	1,492,465	21,506,102

2. Contract balance

	2023.12.31	**2022.12.31**	**2022.1.1**
Notes and accounts receivable	$ 1,132,740	2,157,591	1,265,714
Less: Loss allowance	(8,175)	(8,096)	(12,876)
Total	$ 1,124,565	2,149,495	1,252,838
Contract assets - construction projects	$ 2,996,809	1,675,939	1,975,776
Less: Loss allowance	-	-	-
Total	$ 2,996,809	1,675,939	1,975,776
Contract liabilities - construction projects	$ 2,036,374	1,635,353	454,424
Contract liabilities - sales of buildings and land	1,102,830	306,601	1,045,946
Contract liabilities - gym	12,491	12,011	11,584
Contract liabilities - bonus points	17,681	17,009	26,516
Contract liabilities - gift vouchers	80,275	74,831	70,186
Total	$ 3,249,651	2,045,805	1,608,656

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

The opening balance of contract liabilities on January 1, 2023 and 2022 was recognized as income in the amounts of NTD 384,892 thousand and NTD 1,088,480 thousand in 2023 and 2022.

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

As of December 31, 2023, for the consolidated company's pre-sale of buildings and land projects, the amount of the advances and the interest paid in trust was NTD 69,558 thousand, which had been paid into the trust accounts of each bank, booked in the "Other financial assets - current" account. Relevant trust accounts are as follows:

Project Code	**2023.12.31**
101A	$ 69,558

(XXIV) 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 to employees and directors distributed as resolved by the above-mentioned board meeting has no discrepancy with the amount estimated in the Company's 2023 and 2022 consolidated financial statement.

(XXV) Non-operating income and expenses

1. Interest revenue

The interest income of the consolidated company for 2023 and 2022 is as follows:

	2023	**2022**
Bank deposits (including interest of short-term commercial papers)	$ 146,556	69,696
Loans and receivables	410	435
Construction deposits paid (including deposits)	147	584
Other interest income	26	1,106
	$ 147,139	71,821

2. Other income

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

	2023	**2022**
Dividend income	$ 4,630	7,330

3. Other gains and losses

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

		2023	2022
Foreign exchange gain (loss)	$	(342)	4,290
Gain (loss) on financial assets at fair value through profit or loss		20,350	(27,134)
Losses from disposal of property, plant and equipment		(318)	-
Impairment loss		(1,000)	(300)
Subsidy income		-	21,825
Rental income		1,087	665
Other income		93,042	59,033
Other expenses		(110,619)	(24,135)
	$	**2,200**	**34,244**

4. Financial costs

Financial costs of the consolidated company in 2023 and 2022 are as follows:

		2023	2022
Interest expense			
Bank borrowings	$	393,339	319,902
Interests paid in lieu of cash		149	62
Corporate bond interest and service charge		52,298	69,916
Interest on lease liabilities		56,287	59,318
Other		1,193	975
Less: capitalized interest		(235,156)	(147,308)
	$	**268,110**	**302,865**

(XXVI) 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 customers of the consolidated company are concentrated in public construction projects and consumers. The accounts receivable of the department store department of the consolidated company are mainly from credit card transactions which are the receivables from financial institutions. The accounts receivable of the construction department are the constructions receivable and the housings and lands receivable of the building department; receivables from financial institutions are paid directly to the consolidated company, and the counterparties of housings and lands receivable are mostly individuals whose payments are conducted in the forms of remittance, cash collection, and bank mortgage financing. The related credit risk is considered low, thus, the Company takes effective control of the credit risk.

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	Over 5 years
December 31, 2023						
Non-derivative financial liabilities						
Long-term and short-term borrowings (including current portion)	$ 16,319,378	17,849,165	11,196,087	1,465,535	5,187,543	-
Short-term bills payable	30,000	30,000	30,000	-	-	-
Ordinary corporate bonds (within one year)	3,000,000	3,101,984	1,007,605	1,010,619	1,083,760	-
Notes, accounts and other payables	7,351,046	7,351,045	5,395,040	1,956,005	-	-
Guarantee deposits received	95,271	95,271	-	95,271	-	-
Other current and non-current liabilities (long-term liabilities)	16,336	16,402	16,402	-	-	-
Lease liabilities (including those due within one year)	3,142,911	3,618,252	251,400	467,004	465,898	2,433,950
	$ 29,954,942	32,062,119	17,896,534	4,994,434	6,737,201	2,433,950
December 31, 2022						
Non-derivative financial liabilities						
Long-term and short-term borrowings (including current portion)	$ 16,668,696	17,134,531	10,927,881	4,413,182	1,793,468	-
Ordinary corporate bonds (within one year)	4,000,000	4,039,600	2,007,375	2,032,225	-	-
Notes, accounts and other payables	7,257,175	7,257,175	5,373,925	1,883,250	-	-
Guarantee deposits received	96,204	96,204	-	96,204	-	-
Other current and non-current liabilities (long-term liabilities)	32,672	32,892	16,490	16,402	-	-
Lease liabilities (including those due within one year)	3,314,484	3,845,738	245,058	470,844	464,549	2,665,287
	$ 31,369,231	32,406,140	18,570,729	8,912,107	2,258,017	2,665,287

The consolidated company does not expect the maturity of the cash flows will be significantly earlier or the actual amount will be significantly different.

3. Interest rate analysis

The interest rate exposure of the consolidated 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 in the consolidated company's internal reporting of interest rates to key management 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 increases or decreases by 1%, with all other variables unchanged, the consolidated company's 2023 and 2022 net income before tax would decrease or increase by NTD 163,194 thousand and NTD 166,687 thousand, respectively. The translated net profit would decrease or increase by NTD 86,940 thousand and NTD 112,143 thousand, mainly due to the consolidated company's borrowings with floating 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%	$ 3,567	11,798	1,251	9,747
Down 10%	$ (3,567)	(11,798)	(1,251)	(9,747)

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 consolidated 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	$ 117,984	117,984	-	-	117,984
Financial assets measured at fair value through other comprehensive income	$ 35,673	2,225	25,276	8,172	35,673
Financial assets measured at amortized cost					
Cash and cash equivalents	$ 14,178,534	-	-	-	-
Notes and accounts receivable	1,124,565	-	-	-	-
Other financial assets- Liquidity	2,504,580	-	-	-	-
Other financial assets- Non-current	63,039	-	-	-	-
Subtotal	17,870,718	-	-	-	-
Total	**$ 18,024,375**	**120,209**	**25,276**	**8,172**	**153,657**
Financial liabilities measured at amortized cost					
Long-term and short-term borrowings (within one year)	$ 16,319,378	-	-	-	-
Short-term bills payable	30,000	-	-	-	-
Notes, accounts and other payables	7,351,046	-	-	-	-
Corporate bonds payable (within one year)	3,000,000	-	-	-	-
Other current liabilities (long-term payables)	16,336	-	-	-	-
Lease liabilities (within one year)	3,142,911	-	-	-	-
Guarantee deposits received	95,271	-	-	-	-
Total	**$ 29,954,942**	**-**	**-**	**-**	**-**

	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	$ 97,466	97,466	-	-	97,466
Financial assets measured at fair value through other comprehensive income	$ 12,509	2,438	-	10,071	12,509

	2022.12.31				
		Fair value			
	Carrying amount	Level 1	Level 2	Level 3	Total
Financial assets measured at amortized cost					
Cash and cash equivalents	$ 15,522,920	-	-	-	-
Notes and accounts receivable	2,149,847	-	-	-	-
Other financial assets- Liquidity	3,675,772	-	-	-	-
Other financial assets- Non-current	73,566	-	-	-	-
Subtotal	21,422,105	-	-	-	-
Total	$ 21,532,080	99,904	-	10,071	109,975
Financial liabilities measured at amortized cost					
Long-term and short-term borrowings (within one year)	$ 16,668,696	-	-	-	-
Notes, accounts and other payables	7,257,175	-	-	-	-
Corporate bonds payable (within one year)	4,000,000	-	-	-	-
Other current liabilities (long-term payables)	16,336	-	-	-	-
Other non-current liabilities (long-term payables)	16,336	-	-	-	-
Lease liabilities (within one year)	3,314,484	-	-	-	-
Guarantee deposits received	96,204	-	-	-	-
Total	$ 31,369,231	-	-	-	-

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

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 consolidated 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 consolidated 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	$ 10,071
December 31, 2023	$ 8,172
January 1, 2022	$ 9,547
December 31, 2022	$ 10,071

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")	$ (1,899)	524

(XXVII) Financial risk management

1. Overview

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

(1) Credit risk
(2) Liquidity risk
(3) Market risk

The consolidated company's risk exposure information and the objectives, policies and procedures of the consolidated company's risk measurement and management are disclosed in the notes. 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 consolidated 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 consolidated 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 consolidated company due to the failure of customers or financial instrument trading counterparts to fulfill contractual obligations, which mainly comes from the consolidated company's accounts receivable from customers and securities investment.

(1) Accounts receivable and other receivables

The consolidated 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 consolidated company's customer base, including the default risk of the industry and country of the customer, as these factors may affect credit risk. The consolidated company's revenue in 2023 and 2022 were both derived from sales to domestic customers. The accounts receivable of the department store department of the consolidated company are mainly from credit card transactions which are the receivables from financial institutions. The accounts receivable of the construction department are the constructions receivable and the housings and lands receivable of the building department; receivables from financial institutions are paid directly to the consolidated company, counterparties are requested to provide collaterals or guarantees for the construction receivable when necessary, and the counterparties of housings and lands receivable are mostly individuals whose payments are conducted in the forms of remittance, cash collection, and bank mortgage financing. Thus, the related credit risk is considered low.

The consolidated 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 consolidated company's Finance Department. As the counterparties of the consolidated 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

The consolidated company's policy requires that it can provide financial guarantees to its joint partners and business dealing companies. As of December 31, 2023 and 2022, the consolidated company had not provided the endorsement/guarantee referred to above.

4. Liquidity risk

Liquidity risk is the risk that the consolidated company may not be able to deliver cash or other financial assets to settle financial liabilities and fail to fulfill related obligations. The consolidated company manages liquidity by ensuring that, under normal and stressed circumstances, the consolidated company has sufficient liquidity to meet its liabilities as they fall due, without incurring unacceptable losses or risk of damage to the consolidated 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 consolidated 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 consolidated 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 consolidated company's available-for-sale equity instruments held to partially fill the unappropriated position of the defined benefit retirement obligation. The consolidated 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.

(XXVIII) Capital management

The objectives of the consolidated 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 consolidated 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 consolidated 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 components of equity (i.e. capital stock, capital reserve, retained earnings, other equity and non-controlling interests) plus net liabilities.

The consolidated company's capital management strategy in 2023 is consistent with that in 2022, which is to maintain the debt capital ratio between 40% and 60% 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	$ 34,224,285	34,297,409
Less: Cash and cash equivalent	(14,178,534)	(15,522,920)
Net liabilities	20,045,751	18,774,489
Total equity	23,340,341	21,565,448
Adjusted capital	**$ 43,386,092**	**40,339,937**
Debt capital ratio	**46.20%**	**46.54%**

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

The non-cash transaction investing activities and financing activities of the consolidated company in 2023 and 2022 are as follows:

1. Please refer to Note 6(9) for the assets used by the Company by way of lease.
2. The property, plant and equipment acquired are as follows:

	2023	2022
Purchase of property, plant and equipment	$ 64,386	82,696
Add: Payables for equipment, beginning	27,286	80,080
Less: Payables for equipment, ending	(34,719)	(27,286)
	$ 56,953	**135,490**

7. Transactions with related parties

(I) Names of related parties and their relationships

The transaction related parties of the consolidated company during the period of the consolidated financial statements are as follows:

Name of related party	Relationship with the consolidated company
Kindom Yu San Education Foundation	Its Chairman is a relative of second degree of kinship to the Chairman of the Company
Ta Cheng Co., Ltd.	Joint venture of the consolidated company
Readycom Information Services Co., Ltd.	An affiliate of the consolidated company

(II) Transactions with related parties

1. The consolidated company donated NTD 18,000 thousand and NTD 20,000 thousand to other related parties in 2023 and 2022, respectively, for the promotion of affairs of the Foundation.
2. The consolidated company leased parts of its office building to other related parties and the joint venture with lease terms of one and three years, respectively. The rental incomes in 2023 and 2022 were NTD 129 thousand and NTD 84 thousand, respectively.

3. The consolidated company signed an information professional consulting service contract with READYCOM INFORMATION SERVICES CO., LTD. in December 2021 for a total contract value of NTD 50 thousand per month. As of December 31, 2023, NTD 150 thousand has been paid and the contract was terminated in 2023.
4. Creditors' rights and liabilities

The claim and liabilities between the consolidated company and the related parties are as follows:

Presentation item	Category of related party	2023.12.31	2022.12.31
Other payables	Affiliated enterprise	$ -	150

(III) Transactions by key management personnel

Remuneration to key management personnel includes:

	2023	2022
Short-term employee benefits	$ 165,381	132,843
Post-employment benefits	286	308
	$ 165,667	133,151

VIII. Pledged assets

The book value of the assets pledged and pledged by the consolidated company as collateral for restricted assets is as follows:

Asset name	Subject matter of pledge guarantee	2023.12.31	2022.12.31
Buildings and land for sale	Bank borrowings	$ 5,304,017	6,150,657
Construction site	〃	211,953	1,724,867
Building and land under construction	〃	15,623,646	8,876,318
Investment property and property, plant and equipment, net	Bank borrowings and corporate bonds payable	6,217,019	6,299,267
Other financial assets- Liquidity	Bank borrowings, pre-payment trust, performance bonds, and corporate bonds payable and restricted assets	1,763,834	2,541,820
Other financial assets - non-current	Performance bond and trust	51,334	50,802
		$ 29,171,803	25,643,731

Note: The consolidated company provided 223,414 thousand shares of subsidiaries on December 31, 2023 and 2022, in total, as collateral for bank loans.

IX. Significant contingent liabilities and unrecognized contractual commitments

(I) Significant unrecognized contractual commitments:

1. The total amount of major construction contracts undertaken by the consolidated company is as follows:

	2023.12.31	2022.12.31
Total contract amount	$ 40,467,060	42,465,890
Amount received	$ 18,833,690	14,488,226

2. The contractual price of the pre-sale of new houses and sale of existing houses signed between the consolidated company and the customers are 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. For information on the lease contracts signed by the consolidated company on December 31, 2023 and 2022 for the operation of shopping malls, please refer to Note 6(16); also, details of the performance guaranty letter paid as per contract are as follows:

	2023.12.31	2022.12.31
Guaranteed notes	$ 232,550	232,550

4. The refundable deposits and guaranteed notes paid by the consolidated company for the joint construction and allocation of housing units 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

5. The unrecognized contractual commitments of the consolidated company due to the payment of royalties for the purchase of construction land and conversion of rights are as follows:

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

6. On December 31, 2023 and 2022, the guaranteed notes issued by the consolidated company for construction projects were both NTD 57,992 thousand.
7. The bank guarantees issued by the consolidated company for construction warranty, performance bond and prepayment guarantee on December 31, 2023 and 2022 amounted to NTD 3,339,852 thousand and NTD 4,279,154 thousand, respectively.
8. The consolidated company's letter of credit issued but not used on December 31, 2023 was USD 1,008 thousand.
9. In 2023 and 2022, the Board of Directors approved the proposal to donate to the “Kindom Yu San Education Foundation”, and promised to donate in 2024 and 2023, NTD 14,000 thousand and NTD 18,000 thousand, respectively, for the promotion of business affairs of the Foundation.
10. The consolidated 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.
11. As indicated in Note 6(6), the joint venture of the consolidated company (Ta Cheng Co., Ltd.) signed the “Taipei Station Special Zone for E1E2 Street Government Urban Renewal Project” contract with the Taipei City Housing and Urban Renewal Center in September 2022. The consolidated company shall be jointly and severally liable for damages and performance of the contract.

12. The consolidated 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 consolidated 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

(I) 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	608,046	701,417	1,309,463	528,547	655,153	1,183,700
Labor and national health insurance expenses	50,663	53,366	104,029	43,153	48,457	91,610
Pension expense	19,748	23,555	43,303	18,532	23,179	41,711
Other employee benefit expenses	16,129	42,623	58,752	14,765	39,334	54,099
Depreciation expense	23,128	417,930	441,058	9,239	407,317	416,556
Amortization expense	382	27,490	27,872	-	10,690	10,690

XIII. Disclosures in Notes

(I) Information on significant transactions

According to the Regulations Governing the Preparation of Financial Reports by Securities Issuers, the consolidated 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.

Note 6: The above transactions have been eliminated when the consolidated financial statements were prepared.

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				Highest shareholding or contribution during the period	Remarks
				Number of shares	Carrying amount	Shareholding ratio	Fair value (Note)		
Kindom Development Corp.	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	0.20%	
〃	Stock - Gongxin	-	〃	29	445	0.05 %	445	0.05%	
〃	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 %	-	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	-	Financial assets measured at fair	10	534	- %	534	- %	

	Shares C (FBFHCPSC)		value through other comprehensive income - non-current						
〃	Stock - Global Views Commonwealth Publishing Group	-	〃	177	6,428	0.59 %	6,428	0.59%	

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

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 1)	Percentage in total purchase (sales)	Credit period	Unit price	Credit period	Balance	Ratio to total notes and accounts receivable (payable)	
Kindom Development Corp.	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)%	Note 2
Kedge Construction	Kindom Development Corp.	An investment in Kedge Construction under the equity method	Contract engineering projects	(2,698,401)	(18.62)%	The monthly payment collection according to the contract is generally slightly longer.	〃	〃	835,517	22.92%	〃

Note 1: Refers to the denominated amount in the current period.
Note 2: The above transactions have been eliminated when the consolidated financial statements were prepared.

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 Development Corp.	An investment in Kedge Construction under the equity method	835,517	4.05	-	-	160,386	-

Note: The above transactions have been eliminated when the consolidated financial statements were prepared.

9. Engagement in derivative transactions: None.

10. Business relationships and important transactions between the parent company and its subsidiaries:

Serial number	Trader's Name	Trading counterpart	Relationship with the counterparty	Transactions with each other			
				Account title	Amount	Trading terms and conditions	As a percentage of consolidated total operating revenue or total assets
0	The Company	Kedge Construction	**1**	Construction cost	2,933,818	50% at sight, 50% over 60 days	15.09%
0	The Company	Kedge Construction	**1**	Buildings and land for sale	122,114	50% at sight, 50% over 60 days	0.21%
0	The Company	Kedge Construction	**1**	Building under construction	155,140	50% at sight, 50% over 60 days	0.27%
0	The Company	Kedge Construction	**1**	Notes and accounts payable- Related party	835517	50% at sight, 50% over 60 days	1.45%
0	The Company	Kedge Construction	**1**	Operating revenue	6,572	Monthly payment	0.03%
0	The Company	Kedge Construction	**1**	Non-operating revenue	2,857	100% at sight	0.01%
0	The Company	Kedge Construction	**1**	Operating expenses	3,360	Monthly payment	0.02%
0	The Company	Dingtian Construction	**1**	Construction cost	72,771	50% at sight, 50% over 60 days	0.37%
0	The Company	Dingtian Construction	**1**	Building and land under construction	3,888	50% at sight, 50% over 60 days	0.01%
0	The Company	Dingtian Construction	**1**	Notes and accounts payable- Related party	9,640	50% at sight, 50% over 60 days	0.02%
0	The Company	Dingtian Construction	**1**	Operating revenue	98	Monthly payment	0.00%
0	The Company	Kuan Ching Electromechanical	**1**	Operating revenue	98	Monthly payment	0.00%
0	The Company	Global Mall	**1**	Non-operating revenue	2,857	Monthly payment	0.01%
1	Kedge Construction	The Company	**2**	Operating revenue	2,933,818	50% at sight, 50% over 60 days	15.09%
1	Kedge Construction	The Company	**2**	Operating cost	277,254	50% at sight, 50% over 60 days	1.43%
1	Kedge Construction	The Company	**2**	Notes and accounts receivable- Related party and contract assets	835,517	50% at sight, 50% over 60 days	1.45%
1	Kedge Construction	The Company	**2**	Operating revenue	3,360	Monthly payment	0.02%
1	Kedge Construction	The Company	**2**	Operating expenses	6,572	Monthly payment	0.03%
1	Kedge Construction	The Company	**2**	Operating expenses	2,857	100% at sight	0.01%

2	Dingtian Construction	The Company	**2**	Operating revenue	72,771	50% at sight, 50% over 60 days	0.37%
2	Dingtian Construction	The Company	**2**	Operating cost	3,888	50% at sight, 50% over 60 days	0.02%
2	Dingtian Construction	The Company	**2**	Notes and accounts receivable- Related party and contract assets	9,640	50% at sight, 50% over 60 days	0.02%
2	Dingtian Construction	The Company	**2**	Lease liabilities	98	Monthly payment	0.00%
3	Kuan Ching Electromechanical	The Company	**2**	Lease liabilities	98	Monthly payment	0.00%
4	Global Mall	The Company	**2**	Operating expenses	2,857	Monthly payment	0.01%
4	Global Mall	Guan Cheng Co.,Ltd. (Global Mall Banqiao Store)	**3**	Accounts receivable- Related party	60,002	Annual payment, O/A 30 days	0.10%
4	Global Mall	Guan Cheng Co.,Ltd. (Global Mall Banqiao Store)	**3**	Operating revenue	55,514	Annually	0.29%

Notes to the consolidated financial statements (Continued)

Serial number	Trader's Name	Trading counterpart	Relationship with the counterparty	Transactions with each other			
				Account title	Amount	Trading terms and conditions	As a percentage of consolidated total operating revenue or total assets
4	Global Mall	Guan Hua Co., Ltd. (Global Mall Nangang Store)	3	Accounts receivable- Related party	18,004	Annual payment, O/A 30 days	0.03%
4	Global Mall	Guan Hua Co., Ltd. (Global Mall Nangang Store)	3	Operating revenue	17,369	Annually	0.09%
4	Global Mall	GUAN YOU CO., LTD.(GLOBAL MALL ZUOYING STORE)	3	Accounts receivable- Related party	5,070	Annual payment, O/A 30 days	0.01%
4	Global Mall	GUAN YOU CO., LTD.(GLOBAL MALL ZUOYING STORE)	3	Operating revenue	4,435	Annually	0.02%
5	Guan Cheng Co.,Ltd. (Global Mall Banqiao Store)	Global Mall	3	Accounts payable- Related parties, other payables- Related party	60,002	Annual payment, O/A 30 days	0.10%
5	Guan Cheng Co.,Ltd. (Global Mall Banqiao Store)	Global Mall	3	Operating expenses	55,514	Paid once a year	0.29%
6	Guan Hua Co., Ltd. (Global Mall Nangang Store)	Global Mall	3	Accounts payable- Related parties, other payables- Related party	18,004	Annual payment, O/A 30 days	0.03%
6	Guan Hua Co., Ltd. (Global Mall Nangang Store)	Global Mall	3	Operating expenses	17,369	Paid once a year	0.09%
7	Guan You Co., Ltd.(Global Mall Zuoying Store)	Global Mall	3	Other payables- Related party	5,070	Annual payment, O/A 30 days	0.01%
7	Guan You Co., Ltd.(Global Mall Zuoying Store)	Global Mall	3	Operating expenses	4,435	Paid once a year	0.02%

Note 1. The method of filling in the serial number is as follows:

1.0 for the parent company.

2. Subsidiaries are numbered sequentially starting from 1 according to the company type.

Note 2: Relationships with counterparties are indicated as follows:

1. Parent company to subsidiaries
2. Subsidiary to parent company.
3. Subsidiary to subsidiary

Note 3: The above transactions have been eliminated when the consolidated financial statements were prepared.

(II) Information on the reinvestment business:

The consolidated company's reinvestment 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: End of current period	Initial investment amount: End of last year	Held at end of period: Number of shares	Held at end of period: Ratio	Held at end of period: Carrying amount	Highest shareholding or contribution during the period	Investee profit or loss for the period	Investment gains and losses recognized in the current period	Remarks
Kindom Development Corp.	Kedge Construction	Taiwan	Comprehensive Construction Activities, etc.	374,353	374,353	41,268	34.18%	1,388,069	34.18%	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	84.02%	454,851	382,152	〃
〃	Tua Tiann	Taiwan	Commercial Real Estate Development	1,020,000	1,020,000	102,000	51.00%	1,027,185	51.00%	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	99.98%	27,032	27,026	Sub-subsidiary
〃	Guanqing Electromechanical	Taiwan	Electrical Appliance Installation and Fire Safety Equipment Installation Engineering	81,326	81,326	7,747	99.96%	260,217	99.96%	14,977	14,971	〃
Jiequn Investment Co., Ltd.	Dingtian Construction	Taiwan	Comprehensive Construction Activities, etc.	16,500	16,500	-	30.00%	16,582	30.00%	7,494	2,248	Third-Tier Subsidiary
Kuan Ching Electromechanical	Dingtian Construction	Taiwan	Comprehensive Construction Activities, etc.	11,105	11,105	-	70.00%	38,692	70.00%	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	46.67%	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	100.00%	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	100.00%	13,039	13,039	〃
〃	KGM	Hong Kong	Investing and operating the overall planning of shopping malls in mainland China, supporting engineering consulting, shopping mall leasing planning and consulting.	9,339 (HKD390 thousand)	9,339 (HKD390 thousand)	- (Limited company)	100.00%	1,740	100.00%	(56)	(56)	〃
〃	Hon Hui Zhu	Taiwan	Department stores, supermarkets, non-store retailing, and more.	100,000	100,000	10,000	20.00%	100,229	20.00%	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	100.00%	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 (CNY 227,649) (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

(I) General information

The consolidated company's reportable segments are divided into three categories: Building, Construction, and Department Stores. Since each business group has different market attributes and marketing strategies, the descriptions are as follows:

Building sector: The rental or sale business of commissioning construction companies to build public housing and commercial buildings.

Construction Department: Integrate the overall work of the construction and management of maintenance works.

Department Stores: Department stores, supermarkets, and import/export of international trade.

(II) Information on the profit and loss, assets and liabilities of the reportable segment and their measurement basis and adjustment

The consolidated company uses the departmental profit or loss before tax (excluding non-recurring profit and loss and exchange profit and loss) of the internal management report reviewed by the chief operating decision-maker as the basis for management resource allocation and performance evaluation. Since income tax, non-recurring gains and losses, and exchange gains and losses are managed on a group basis, the consolidated company has not allocated income tax expenses (profits), non-recurring gains and losses, and exchange gains and losses to the reporting segments. In addition, not all profit or loss of the reportable segments include significant non-cash items other than depreciation and amortization. The reported amount is consistent with the amount used in the report by the operational decision makers.

The accounting policies of each operating segment are the same as those described in Note 4 “Summary of Significant Accounting Policies”, except that the pension expense of each operating segment is recognized and measured on the basis of cash paid into the pension plan.

The consolidated company treats sales and transfers between departments as transactions with a third party. Measured at the current market price.

Information and adjustments of the operating segments of the consolidated company are as follows:

	2023				
	Building department	**Construction Department**	**Department of Department Stores**	**Adjustment and elimination**	**Total**
Revenue:					
Revenue from external customers	$ 6,467,937	11,282,462	1,692,102	-	19,442,501
Inter-segment revenue	6,768	3,009,949	-	(3,016,717)	-
Interest revenue	70,460	51,675	25,004	-	147,139
Total revenue	$ 6,545,165	14,344,086	1,717,106	(3,016,717)	19,589,640
Interest expense	$ 175,715	4,364	88,100	(69)	268,110
Depreciation and amortization	24,423	37,515	414,242	(7,250)	468,930
Share of profit or loss of affiliated companies and joint ventures using the equity method	700,788	1,739	274	(693,780)	9,021
Reportable segment income	$ 2,772,794	1,254,881	572,371	(772,931)	3,827,115

	2023				
	Building department	**Construction Department**	**Department of Department Stores**	**Adjustment and elimination**	**Total**
Assets:					
Investment under equity method	$ 7,179,895	16,131	100,229	(6,152,710)	1,143,545
Capital expenditure on non-current assets	11,749	15,622	56,586	-	83,957
Assets of reportable segments	**$ 41,133,948**	**12,584,895**	**11,859,544**	**(8,013,761)**	**57,564,626**
Liabilities of reportable segments	**$ 21,172,140**	**7,778,998**	**6,218,271**	**(945,124)**	**34,224,285**

	2022				
	Building department	**Construction Department**	**Department of Department Stores**	**Adjustment and elimination**	**Total**
Revenue:					
Revenue from external customers	$ 7,658,037	12,355,600	1,492,465	-	21,506,102
Inter-segment revenue	6,768	1,848,963	190	(1,855,921)	-
Interest revenue	40,566	22,872	8,383	-	71,821
Total revenue	$ 7,705,371	14,227,435	1,501,038	(1,855,921)	21,577,923
Interest expense	$ 207,558	4,223	91,084	-	302,865
Depreciation and amortization	20,285	17,435	396,777	(7,251)	427,246
Share of profit or loss of affiliated companies and joint ventures using the equity method	735,853	(728)	(45)	(734,082)	998
Reportable segment income	**$ 2,748,700**	**1,325,771**	**433,652**	**(668,211)**	**3,839,912**
Assets:					
Investment under equity method	$ 6,753,603	14,392	99,955	(5,731,832)	1,136,118
Capital expenditure on non-current assets	12,634	21,109	59,023	-	92,766
Assets of reportable segments	**$ 39,085,228**	**11,798,692**	**12,108,433**	**(7,129,496)**	**55,862,857**
Liabilities of reportable segments	**$ 20,568,749**	**7,612,261**	**6,769,607**	**(653,208)**	**34,297,409**

The major adjustment items of the above-mentioned reportable department are as follows:

The total of reportable segment revenue for 2023 and 2022 netted off inter-segment revenue of NTD 3,016,717 thousand and NTD 1,855,921 thousand, respectively.

(III) Information by product and labor

Please refer to Note 6(23) for the consolidated company's product and service information.

(IV) Information by region

The consolidated company has no export transactions, and thus distinguishing information is not disclosed.

(V) Information on major customers

The consolidated company is engaged in the development and sales of real estate, comprehensive construction and operation of department stores. Its main customers are mostly the vast consumer groups and public construction projects, so there is no specific target.