Stock Code: 2520

Annual Report
2023

Kindom Development Co., LTD.

KINDOM

Published date: April 1, 2024

This Annual Report can be accessed from: http://mops.twse.com.tw

I. Spokesperson or Acting Spokesperson of the company:
Spokesperson: Sheng-An Chang
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Acting Spokesperson: Shu-Lian Chang
Title: Senior Assistant Manager
E-mail: schang@kindom.com.tw
Tel: (02) 2378-6789
Fax: (02) 2739-6710

II. Head Office, Branch Offices and Factories: No branch or factory
Address: No. 131, Sec. 3, Heping E. Rd., Da'an Dist., Taipei City 106, Taiwan (R.O.C.)
Tel: (02) 2378-6789
Fax: (02) 2739-6710

III. Share Transfer Agency
Name: CTBC Bank Transfer Agency
Address: 5F., No.83, Sec. 1, Chongqing S. Rd., Zhongzheng Dist., Taipei City 100, Taiwan (R.O.C.)
Tel: (02) 6636-5566
Website: http://www.ctbcbank.com

IV. Certified Public Accountants for the Most Recent Fiscal Year:
Name of Accounting Firm: KPMG Taiwan
Name of CPAs: I-Lien Han, Kuo-Yang Tseng
Address: 68F., No. 7, Sec. 5, Xinyi Rd., Xinyi Dist., Taipei City 110, Taiwan (R.O.C.)
Tel: (02) 8101-6666
Website: http://www.kpmg.com.tw

V. Information on Overseas Securities: None

VI. Company Website: http://www.kindom.com.tw

Table of Contents

I. Report to Shareholders

Dear Shareholders,

The construction business, which accounted for nearly 33% of revenue in 2023 by the Company and within the Group for the three major businesses, has been affected by the tightening monetary policy since the central bank raised interest rates in 2022, the amendment of the Equalization of Land Rights Act, and the cooling of the domestic economy in the construction business and it declined by 16%; construction business which accounted for 58% of the revenue has declined by 9% because some projects from external customers were in the early stage; the department store business which accounted for 9% of the revenue benefited from the return of crowds and spending power to the physical store resulting in increased sales of 13%. As a result of the above factors, the consolidated operating revenue declined from NTD 21.506 billion in 2022 to NTD 19.443 billion, with a decrease of 10%. However, due to the effective use of synergy of the Group and the reduction of operating costs, the net profit after tax attributable to the owners of the parent company in 2023 was NTD 2.395 billion, an increase of 3% from the NTD 2.334 billion in 2022; the earnings after tax per share increased slightly from NTD 4.31 to NTD 4.42.

The Construction and Operation Department's major projects of completion, construction or pre-sale include "Kindom Xinyi B", "Kindom Xinyi C", "Kindom Xinyi F", Kindom Anmuju", “Kindom Dazhi Zhan” and “Kindom Xin Tian Hui", the total number of saleable units is about 647 units. The construction and operation department's contracted projects from external customers are mainly government transportation construction and factory buildings of listed electronics companies. The total contract amount is about NTD 39.8 billion. The Department Store Operation Department has the all-customer shopping malls, "New Taipei Zhonghe" and "Pingtung" and station-type malls "Nangang Station", "Banqiao Station", "Taoyuan A8", "Linkou A9", "Xinzuoying Station" and "Taoyuan A19" with a total of eight stores, a total business area of 68,000 pings. In face of lifestyle changes in post-pandemic time, the virtual platform “Global Mall online” was added and combined with the advantages of transit stations, it can provide members with quality shopping services and the overall sales are of steady growth.

In 2023, the international inflation and continuous interest rate increase cycle effect, the domestic short-term mortgage interest rate exceeded 2%, the interest burden gradually emerged, the tightening monetary policy caused the market capital tide to gradually recede, and the overall economic situation was slowing down. The government has successively implemented selective credit control measures for real estate loans, amended the Equalization of Land Rights Act, and house hoarding tax 2.0 and other housing market control policies, which have caused the domestic housing market to cool down. In terms of construction costs, as the cost of land and prices of building materials remain high, and the shortage of labor has not yet been eased, both buyers and sellers in the housing market have maintained a wait-and-see atmosphere. Therefore, the housing market in 2023 has been in a pattern of shrinking volume and price consolidation. The number of houses transferred for sale nationwide was 306,971 buildings, a decrease of 3.5% from the 318,101 buildings in 2022, and the lowest in the past four years. The cooling of the global economy has slowed down the pace of Taiwanese companies' demand for plant expansion, and the new projects of plant construction have been reduced, so the economy of the construction industry has slowed down. The department store industry, on the other hand, is recovering and expanding after the pandemic, showing a strong growth trend. The investment in the development of new regional department stores is very active. Looking into 2024, the interest rate increase cycle is coming to an end and the rate reduction can be expected. The government launched the "New Youth Safe Enrollment Program 2.0" preferential loans, injecting the demand for rigid first-time buyers, and the domestic economic growth rate is expected to get rid of the trough of 2023 and gradually recover. Due to the effect of inflation, real estate is still the most value-preserving investment in the thoughts of domestic consumers, bringing support to the buying market. However, the control policy of the housing market has not yet been loosened. The trend of green buildings and net zero emission environmental protection building materials will increase construction costs, and there is a price gap between buyers and sellers. Therefore, the housing market will show a small increase in volume and stable prices. The construction industry is expected to benefit from the recovery of private investment, record public construction budgets and business opportunities in green projects. Although the cost of materials and materials remain high, the economy of construction will be improved. Department stores have physical shoppers returning after the pandemic. However, the sudden increase in the number of people going overseas may crowd out domestic spending power. They also face competition from the opening of new stores in the same industry.

Upholding the philosophy of "Integrity, Quality, Service, Innovation, and Sustainability", Kindom Group has integrated buildings, construction, shopping malls, and foundations to form an all-around real estate development team, and continue to devote itself to four pillars of management, namely, "strengthening corporate governance", "implementing internal control systems", "Integration of Group resources", and "Participation in social welfare". The Construction and Operation Department continues to develop quality projects to accommodate the urban and construction development, and successively won a number of indicator projects, such as "Nangang Power Plant Project", "Taiwan Railroad E1E2 Project", "Taipei City Project", and "Taichung City MRT Green Line G9-1 project" will be developed to combine office, commercial, and residential functions, and will be transformed into an urban complex and lifestyle through urban area management, based on the characteristics and requirements of each project, to enhance differentiation and competitive advantage. The Construction and Operation Department has performed steadily in recent years. Aiming at high-tech and high value-added projects, the trend of bulk raw materials is regularly analyzed, and efficient construction management is used to achieve the goal of on-time, quality, and mutual trust and mutual benefit. The Department Store Department will maintain flexibility in operations and commit to digital development, continue to pursue growth in performance, and provide customers with convenient physical and virtual services through the digital empowerment of stores, and is committed to creating a new trend in life.

The severity of climate change cannot be ignored. In response to the United Nations Climate Change and the national sustainable development policy, under the supervision and guidance of the Group's Sustainable Development Committee, we adhere to the five major sustainability strategy blueprint, “Green Homeland”, “Smart City,” “Happy Homeland," "Honest Enterprise," and "Partnership for Innovation," and gradually realize various projects, including the implementation of greenhouse gas inventory, increasing the use of recycled materials, and research on low-carbon design. In 2023, Kindom Development Corp. also passed the official review of the Science-Based Targets Initiative (SBTi), becoming the first construction company in Taiwan to set a target compliant with the "Paris Agreement" scenario of within 1.5°C of warming. Kindom Development Corp.’s adopts sustainability in its DNA, employees are encouraged to actively participate in a number of environmental care activities such as tree planting, beach cleaning, and friendly farming. In the future, we will not only aim to obtain 100% of the green building label and carbon footprint certification as our goal, but also hope to invite local community residents to participate in and protect this land together.

As we enter Kindom Development Corp.’s 45th anniversary, the Company has inherited the founder's philosophy of promoting reading and caring for the disadvantaged in the local area, and realized low-carbon construction through recycling and smart energy-saving technologies and materials to build a sustainable city and improve the quality of life for residents. We are committed to achieving the goal of becoming a "leading brand of all-round real estate developers," and working with upstream and downstream suppliers, customers, and employees to realize the vision of "implementing ESG, building a sustainable city, and delivering the value of happy life."

Wishing you

Safety and prosperity for the whole family

Kindom Development Co., LTD.

Chairman Mike Ma

II. Company Profile

1. Company Profile:

(1) Date of establishment: November 23, 1979.

(2) Company history:

The Company was established in November 1979 at No. 10, Lane 165, Xinsheng South Road, Section 1, Taipei City, with registered capital and paid-in capital of NTD 1 million each.

1982	Reorganized and increased capital to NTD 30 million.
March 1984	Capital increase to NTD 50 million.
August 1988	Relocated to 12F-1, No. 237, Section 1, Fuxing South Road, Taipei City.
June 1989	Capital increase to NTD 170 million.
December 1990	Capital increase to NTD 390 million.
October 1991	Capital increase to NTD 420 million.
July 1992	Capital increase to NTD 525 million.
April 1993	Relocated to No. 131, Sec. 3, Heping East Rd., Taipei City.
July 1993	The capital was increased to NTD 656.25 million.
October 1993	The Company's shares were officially listed for trading.
April 1994	Capital increase to NTD 1,000 million.
July 1994	Capital increase to NTD 1,250 million.
September 1995	The capital was increased to NTD 1,562,500,000.
August 1996	The capital was increased to NTD 1,953,125,000.
August 1997	The capital was increased to NTD 2,441,406,000.
October 1997	The capital was increased to NTD 2,741,406,000.
July 1998	The capital was increased to NTD 3,426,758,000.
June 1999	The capital was increased to NTD 4,283,447,000.
July 2023	The capital was increased to NTD 5,140,137,000.
April 2001	Capital reduction amounted to NTD 5,043,767,000.
October 2001	The capital reduction amounted to NTD 4,894,037,000.
January 2011	The capital increased to NTD 4,922,736,000.
April 2011	The capital was increased to NTD 4,926,189,000.
October 2011	The capital was increased to NTD 4,933,453,000.
July 2012	The capital was increased to NTD 4,965,081,000.
October 2012	The capital was increased to NTD 4,987,221,000.
April 2013	The capital was increased to NTD 5,015,102,000.
July 2013	The capital was increased to NTD 5,037,910,000.
September 2021	The capital was increased to NTD 5,541,700,000.

(III) Mergers and acquisitions, reinvestment in affiliates, and restructuring in the last year up till the publication date of this annual report : None.

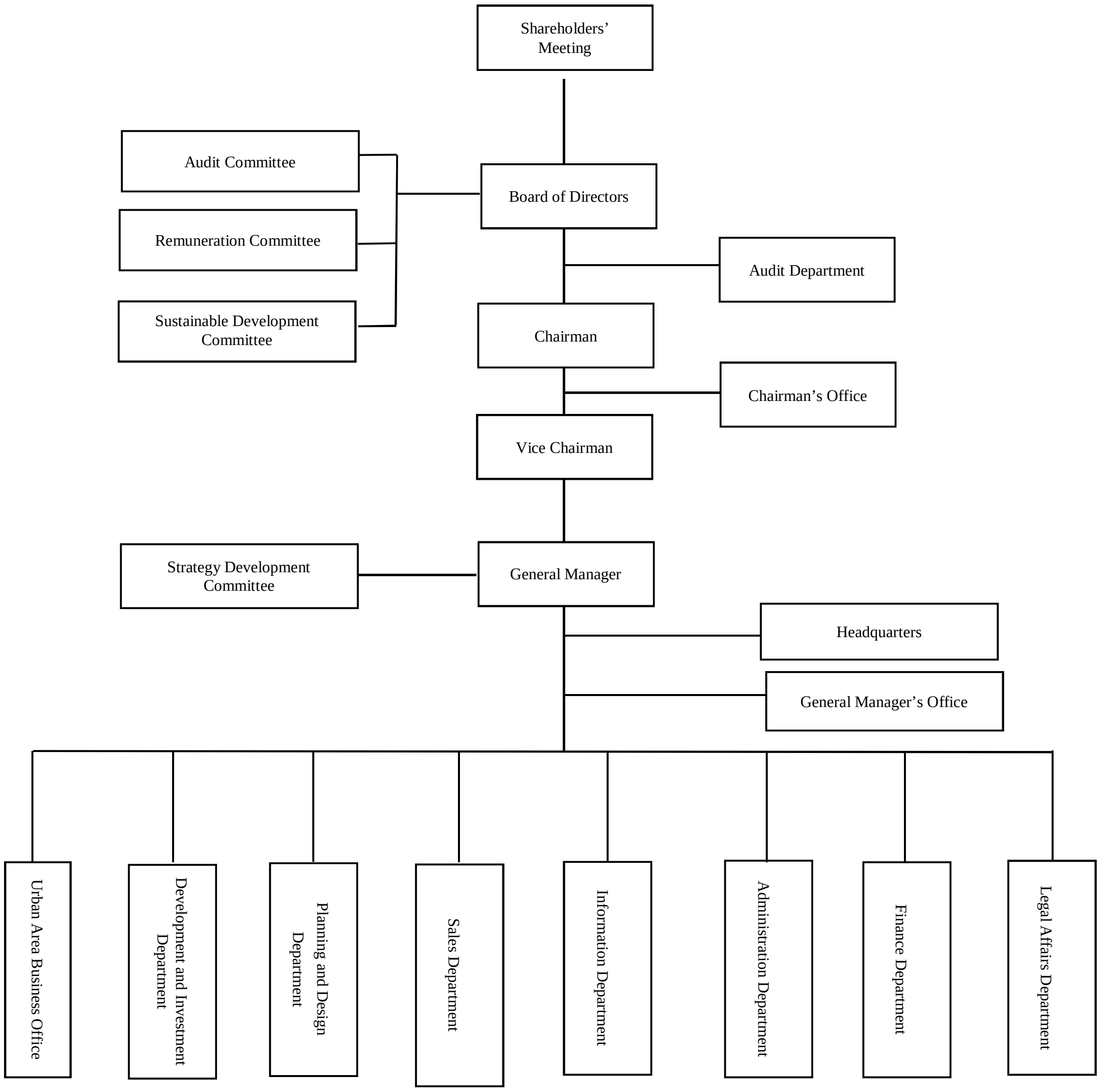
(IV) Massive transfer or replacement of equity interests of directors, supervisors or major shareholders holding more than 10% of the shares in the most recent year and up to the date of publication of the annual report: None.

(V) Any changes in management right, major changes in the method of operation or business contents, or other significant changes in the most recent year and up to the date of publication of the annual report that could affect shareholders' equity and their effect on the Company: None.

III. Corporate Governance Report

I. Organizational system:

(I) Organizational structure of the Company:



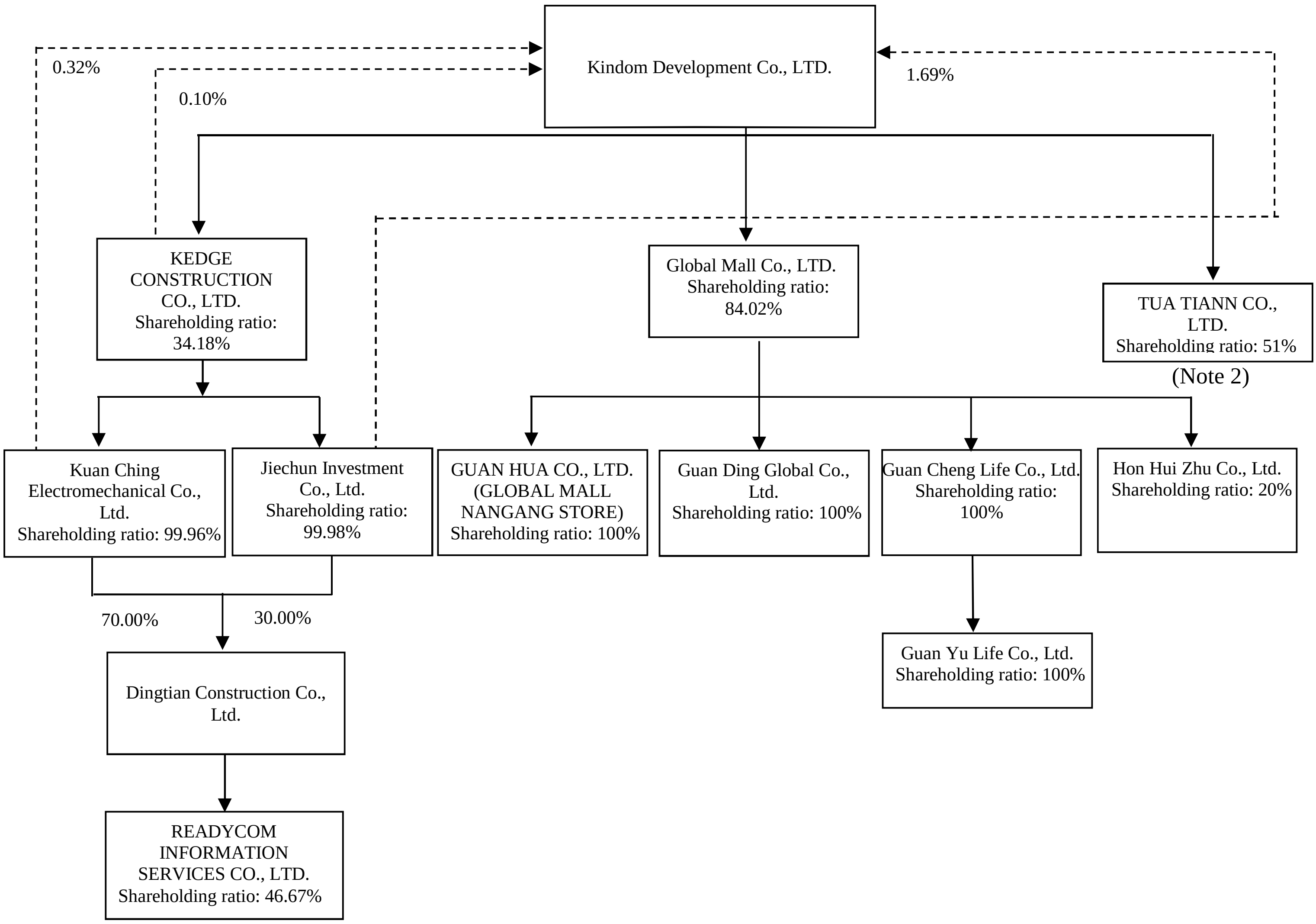
(II) Business activities of each main department:

1. Audit Department: Responsible for establishing and executing the audit system, evaluating the Company's performance, and reviewing the internal control system of the Company and its subsidiaries, as well as offering suggestions for improvement.
2. Chairman's Office: Responsible for performing project research analysis and planning execution assigned by the Chairman.
3. Headquarters: Responsible for major financial, business, and procurement matters of each company within the Group, and providing staff suggestions.
4. President's Office: Responsible for the management of the Company's operations and matters related to building and land administration.
5. Urban District Management Department: Responsible for formulating product positioning, product services, and management plans.
6. Development and Investment Department: Responsible for land development, new business evaluation, investment, and the management of business reinvestment.
7. Planning and Design Department: Responsible for planning and design of individual construction projects.
8. Sales Department: Responsible for sales, advertising, and customer service-related matters.
9. Information Department: Responsible for planning and implementing the Company's computerization, resource scheduling, and maintenance of computer hardware, and supervision

of information-related affairs of the Group’s various subsidiaries.

10. Administration Department: Responsible for the Company’s human resources and general affairs-related business, and supervision of administration-related affairs of the Group’s various subsidiaries.
11. Finance Department: Responsible for accounting, stock affairs, and capital planning and management, as well as the supervision of financial related affairs of the Group’s various subsidiaries.
12. Legal Affairs Department: Responsible for drafting various contracts, and reviewing and managing internal/external letters to facilitate risk management. It is also in charge of processing various litigation cases, legal compliance, and legal risk control, as well as the supervision of legal affairs of the Group’s various subsidiaries.

(III) Organizational chart of the affiliated investor (Note 1):



Note 1: According to Article 369-2 of the Company Act, it is presumed that the holding company's voting shares or capital contribution exceeds half of the total number of voting shares or capital contribution of another company, which is the controlling company, and the other company is a subsidiary.

Note 2: The Company, Clevo Co. and Huatai Investment Co., Ltd. jointly participated in Taipei Station Special Area E1E2 Street Public Urban Regeneration Project, and Tua Tiann Co., Ltd. was established in August, 2022 in accordance with the terms of the joint venture agreement.

II. Information on directors, independent directors, President, Vice Presidents, Assistant Vice Presidents, and the heads of various departments and branches:

(I) Information of directors:

April 1, 2024 (Unit: shares)

Title (Note 1)	Nationality or place of registration	Name	Gender /age	Election (assumption) date	Term of office (years)	Date of initial election	Shares Held at the Time of Election		Current number of shares held		Shares held by spouse and underage children		Shares held in someone else's name		Main experience (academic)	Positions in the Company and other companies	Other supervisors, directors, or supervisors who are spouses or relatives within 2nd degree kinship			Remarks
							Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio			Title	Name	Relationship	
Chairman	Republic of China	Representative of Yu-De Investment Co., Ltd.: Mike Ma	Male 46-50 years old	2022.6.29	3 years	2016.6.28	105,935,137 9,900,000	19.12 1.79	105,935,137 11,480,230	19.12 2.07	- -	- -	- 6,040,599	- 1.09	Master of Statistics, Columbia University	Chairman of Global Shopping Malls Director of Kedge Construction Director of Yu-De Investment Co., Ltd. Director of Guan Ding Global Director of Kuan Ching M&E Director of Jiequn Investment Co., Ltd. Director of Kindom Yushan Educational Foundation	Directors	Mei-Chu Liu	Mother and son	
Directors	Republic of China	Yu-De Investment Co., Ltd. Representative: Mei-Chu Liu	Female 80- 85 years old	2022.6.29	3 years	2017.12.22	105,935,137 67,215,292	19.12 12.13	105,935,137 65,635,062	19.12 11.84	- -	- -	- -	- -	Department of Chinese, Tamkang University	Chairman of Yu-De Investment Co., Ltd.	Chairman	Mike Ma	Mother and son	
Directors	Republic of China	Representative of Yu-De Investment Co., Ltd.: Chang-Jung Hsieh	Male 61-65 years old	2023.1.19	3 years	2023.1.19	105,935,137 0	19.12 -	105,935,137 0	19.12 -	- -	- -	- -	- -	MBA, University of Iowa	General Manager	-	-	-	(Note 2)
Directors	Republic of China	Representative of Yu-De Investment Co., Ltd.: Sheng-An Chang	Male 56-60 years old	2022.6.29	3 years	2017.9.30	105,935,137 8,764	19.12 -	105,935,137 8,764	19.12 -	- -	- -	- -	- -	Department of Land Management, Feng Chia University	General Manager Vice CEO of Kindom Yu San Education Foundation	-	-	-	

Title (Note 1)	Nationality or place of registration	Name	Gender /age	Election (assumption) date	Term of office (years)	Date of initial election	Shares Held at the Time of Election		Current number of shares held		Shares held by spouse and underage children		Shares held in someone else's name		Main experience (academic)	Positions in the Company and other companies	Other supervisors, directors, or supervisors who are spouses or relatives within 2nd degree kinship			Remarks
							Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio			Title	Name	Relationship	
Directors	Republic of China	Representative of Yu-De Investment Co., Ltd.: Chen-Tan He	Male 71-75 years old	2022.6.29	3 years	2022.6.29	105,935,137 0	19.12 -	105,935,137 0	19.12 -	- 2,000	- -	- -	- -	Master's Degree, University of Virginia	Independent director of Internet Home Independent director of Xianguan Technology Co., Ltd. Independent director of Yang Ming Marine Lines Representative director of Kedge Construction	-	-	-	
Directors	Republic of China	Representative of Yu-De Investment Co., Ltd.: Liang Sui-Chang	Male 65-70 years old	2022.6.29	3 years	2022.6.29	105,935,137 0	19.12 -	105,935,137 0	19.12 -	- -	- -	- -	- -	Department of Law, National Taiwan University	Responsible person of Sui-Chang Leung & Associates Supervisor of Kindom Yu San Education Foundation	-	-	-	
Independent Directors	Republic of China	Hung-Chin Huang	Male 56-60 years old	2022.6.29	3 years	2016.6.28	-	-	-	-	-	-	-	-	Master of Accounting, Shanghai University of Finance and Economics	CPA of Heng Hui Accounting Firm Assistant Professor, Department of Accounting, Fu Jen Catholic University Independent director of Kedge Construction	-	-	-	
Independent Directors	Republic of China	Shen-Yu Kung	Male 66-70 years old	2022.6.29	3 years	2016.6.28	-	-	-	-	-	-	-	-	Master of Business Administration, National Chengchi University	Investment Director of Sinar Mas Corporation (China) Investment Co., Ltd. Independent director of Kedge Construction Juridical Person Director Representative of Pharmaceuticals	-	-	-	

Title (Note 1)	Nationality or place of registration	Name	Gender /age	Election (assumption) date	Term of office (years)	Date of initial election	Shares Held at the Time of Election		Current number of shares held		Shares held by spouse and underage children		Shares held in someone else's name		Main experience (academic)	Positions in the Company and other companies	Other supervisors, directors, or supervisors who are spouses or relatives within 2nd degree kinship			Remarks
							Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio			Title	Name	Relationship	
Independent Directors	Republic of China	Kuo-Feng Lin	Male 66-70 years old	2022.6.29	3 years	2019.6.10	-	-	-	-	-	-	-	-	PhD, Civil Engineering, University of Pittsburgh, USA	Distinguished Professor, Department of Civil Engineering, National Taiwan University Independent director of Kedge Construction Independent director of Runhong Precision Engineering Business Independent director of Zhongyu New Pharma	-	-	-	

Note 1: The institutional shareholders shall list the names of the institutional shareholders and their representatives (representatives of institutional shareholders shall indicate the name of the institutional shareholders) and fill in the following table.
Note 2: Yu-De Investment Co., Ltd. reappointed director Chang-Rong Hsieh as the corporate director representative, effective January 19, 2023.

(II) Major shareholders of institutional shareholders:

April 1, 2024

Name of corporate shareholder (Note 1)	Major shareholders of corporate shareholders (Note 2)
Yu-De Investment Co., Ltd.	Cathay United Trust Property Segregation Account (43.70%); Mike Ma (29.92%); Siu-Ling Ma (13.19%); Ming-Hua Ma (13.19%)

Note 1: If a director or supervisor is a representative of a corporate shareholder, the name of the corporate shareholder shall be filled in.

Note 2: Fill in the names and shareholding ratios of the major shareholders (top 10 shareholders) of the corporate shareholders. If the dominant shareholder is a juristic person, please fill in the following table.

Note 3: If the institutional shareholder is not a company organizer, the names of shareholders and shareholdings that should be disclosed beforehand are the names of the contributors or donors and their contribution or donation ratio.

(III) Major shareholders of the institutional shareholder who are representatives of the institutional shareholder: None

(IV) Disclosure of information on directors' professional qualifications and independence of independent directors:

Condition / Name	Professional qualifications and experience (Note 1)	Compliance with independence (Note 2)	Concurrent position in other public companiesNumber of directors
Chairman Mike Ma	(1) Possessed work experience in commerce, legal affairs, finance, accounting, or corporate operations. (2) At present, he is the Chairman of the Company and Director of Kenji Construction Co., Ltd. (3) He served as the director of the Company successively. (4) None of the conditions stated in Article 30 of the Company Act.	Not applicable	None
Directors Mei-Chu Liu	(1) Possessed work experience in commerce, legal affairs, finance, accounting, or corporate operations. (2) Chairman of Yu-De Investment Co., Ltd. (3) She served as the director of the Company successively. (4) None of the conditions stated in Article 30 of the Company Act.	Not applicable	None
Directors Chang-Jung Hsieh	(1) Possessed work experience in commerce, legal affairs, finance, accounting, or corporate operations. (2) Report to the Company’s President (3) The Company's director (4) None of the conditions stated in Article 30 of the Company Act.	Not applicable	None
Directors Sheng-An Chang	(1) Possessed work experience in commerce, legal affairs, finance, accounting, or corporate operations. (2) President of the Company and Vice CEO of Kindom Yu San Education Foundation. (3) He served as the director of the Company successively. (4) None of the conditions stated in Article 30 of the Company Act.	Not applicable	None

Condition / Name	Professional qualifications and experience (Note 1)	Compliance with independence (Note 2)	Concurrent position in other public companiesNumber of directors
Directors Chen-Tan He	(1) Possessed work experience in commerce, legal affairs, finance, accounting, or corporate operations. (2) At present, director of the Company, independent director of Internet Home Co., Ltd., independent director of Xianguan Technology Co., Ltd., independent director of Yang Ming Marine Transport Co., Ltd., and representative director of juridical person of Kedge Construction Co., Ltd. (3) None of the conditions specified in Article 30 of the Company Act.	Not applicable	3
Directors Sui-Chang Liang	(1) Possessed work experience in commerce, legal affairs, finance, accounting, or corporate operations. (2) Representatives of the Company's directors and juridical person directors of Kedge Construction Co., Ltd. (3) None of the conditions specified in Article 30 of the Company Act.	Not applicable	None
Independent Directors Hung-Chin Huang	(1) Possessed work experience in commerce, legal affairs, finance, accounting, or corporate operations. (2) At present, independent director of the Company, independent director of Kedge Construction Co., Ltd., and assistant professor of accounting department of Fu Jen Catholic University. (3) None of the conditions specified in Article 30 of the Company Act.	(1) The Company's independent directors meet the requirements of independence. (2) The independent directors themselves, their spouses, and relatives within the second degree of kinship do not serve as directors, supervisors, or employees of the Company or any other affiliated companies; do not hold shares of the Company, nor serve as seats in companies specifically related to director, supervisor, or employee of the Company. (3) No remuneration for providing commercial, legal, financial or accounting services to the Company or other affiliated companies in the last 2 years.	1

Condition / Name	Professional qualifications and experience (Note 1)	Compliance with independence (Note 2)	Concurrent position in other public companiesNumber of directors
Independent Directors Shen-Yu Kung	(1) Possessed work experience in commerce, legal affairs, finance, accounting, or corporate operations. (2) At present, Independent Director of the Company, Chief Investment Officer of Sinar Mast (China) Investment Co., Ltd., Independent Director of Kedge Construction Co., Ltd., Representative of juridical person of China Pharmaceuticals Corp., and Independent Director of Chang-Sheng Electricity Co., Ltd. (3) Independent director of Dongpu Precision Optoelectronics Co., Ltd. (4) None of the conditions stated in Article 30 of the Company Act.	(1) The Company's independent directors meet the requirements of independence. (2) The independent directors themselves, their spouses, and relatives within the second degree of kinship do not serve as directors, supervisors, or employees of the Company or any other affiliated companies; do not hold shares of the Company, nor serve as seats in companies specifically related to director, supervisor, or employee of the Company. (3) No remuneration for providing commercial, legal, financial or accounting services to the Company or other affiliated companies in the last 2 years.	1
Independent Directors Kuo-Feng Lin	(1) Possessed work experience in commerce, legal affairs, finance, accounting, or corporate operations. (2) At present, Independent Director of the Company, Independent Director of Kedge Construction Co., Ltd., Independent Director of Ruentex Engineering & Construction Co., Ltd. and Taimed Biologics Inc., Distinguished Professor of Department of Civil Engineering, National Taiwan University. (3) None of the conditions specified in Article 30 of the Company Act.	(1) The Company's independent directors meet the requirements of independence. (2) The independent directors themselves, their spouses, and relatives within the second degree of kinship do not serve as directors, supervisors, or employees of the Company or any other affiliated companies; do not hold shares of the Company, nor serve as seats in companies specifically related to director, supervisor, or employee of the Company. (3) No remuneration for providing commercial, legal, financial or accounting services to the Company or other affiliated companies in the last 2 years.	3

Note 1: Professional qualifications and experience: The professional qualifications and experience of individual directors and supervisors are stated. If a member of the Audit Committee has accounting or finance expertise, the accounting or finance background and work experience should be disclosed, and circumstances under Article 30 of the Company Act.

Note 2:Independent directors shall specify their independence, including but not limited to whether themselves, their spouse, relatives within 2nd degree of kinship are directors, supervisors, or employees of the Company or its affiliated companies; Number and percentage of shares held by relatives (or in the name of another person); whether or not he/she holds a position in a company that has a specific relationship with the Company (refer to Article 3, Paragraph 1, Subparagraphs 5 - 8 of the Regulations for Appointment of Independent Directors and Compliance Matters). The amount of remuneration for directors, supervisors, or employees for providing commercial, legal, financial, accounting services to the Company or its affiliates in the last 2 years.

(V) Diversity of the Board of Directors:

In line with our diversification policy, strengthening corporate governance, and promoting the development of a sound board composition and structure, the Company's nomination of director candidates follows the candidate nomination system as stipulated in Article 16 of the Company's articles of incorporation. This involves assessing each candidate's educational and professional qualifications, evaluating their professional background, integrity, or relevant professional qualifications. After approval by the Board of Directors, these nominations are submitted to the shareholders' meeting for election. For the board members, in addition to that the number of directors concurrently acting as managers of the Company shall not exceed more than one-third of the total number of directors, appropriate diversity policy is also established with respect to the board operation, management type and development needs, including but not limited to:

(1) Basic conditions and values: gender, age, nationality and culture.

(2) Professional knowledge and skills: business judgment, accounting and financial analysis, business management, crisis management, industry knowledge, international market outlook, leadership and decision-making ability.

The Board of Directors of the Company currently consists of 9 directors, including 3 independent directors and 6 non-independent directors. All of them are leaders from industry and academia. Currently, 89% (8 directors) of the Company's Board of Directors are male and 11% (1 director) female. The specific management objectives of the diversity policy of the Board of Directors and the achievement are as follows:

Management objectives	Status of Achievement
The number of independent directors exceeds one third of the total number of directors.	Achieved
It is advisable that the number of directors who also serve as the Company's managerial officers shall not exceed one-third of the total number of directors	Achieved
Independent directors who have served less than 3 terms	Achieved
Adequate and diversified professional knowledge and skills	Achieved

The diversity of the composition of the Board of Directors is shown in the following table:

Diversified Core Items / Name of director		Basic composition			Professional ability					Background						
		Nationality	Gender	Concurrently serving as an employee of the Company	Business judgment	Business administration	Industry knowledge	Financial accounting	Decision-making and leadership	Business	Document processing	Civil Engineering	Land management	Laws	Accounting	Business administration
Directors	Mike Ma	Republic of China	Male		✓	✓	✓	✓	✓	✓						
Directors	Mei-Chu Liu	Republic of China	Female		✓	✓	✓	✓	✓	✓						
Directors	Chang-Jung Hsieh	Republic of China	Male	✓	✓	✓	✓	✓	✓	✓					✓	✓

Diversified Core Items / Name of director		Basic composition			Professional ability					Background						
		Nationality	Gender	Concurrently serving as an employee of the Company	Business judgment	Business administration	Industry knowledge	Financial accounting	Decision-making and leadership	Business	Document processing	Civil Engineering	Land management	Laws	Accounting	Business administration
Directors	Sheng-An Chang	Republic of China	Male	✓	✓	✓	✓		✓	✓			✓			
Directors	Chen-Tan He	Republic of China	Male		✓	✓	✓	✓	✓	✓		✓				
Directors	Sui-Chang Liang	Republic of China	Male		✓	✓	✓		✓					✓		
Independent Directors	Hung-Chin Huang	Republic of China	Male		✓	✓	✓	✓	✓						✓	
Independent Directors	Shen-Yu Kung	Republic of China	Male		✓	✓	✓	✓	✓							✓
Independent Directors	Kuo-Feng Lin	Republic of China	Male		✓	✓	✓		✓			✓				

(VI) Independence of the Board of Directors:

The procedures for the election of all directors of the Company are open and fair, and comply with the Articles of Incorporation, the Regulations Governing the Election of Directors, the Corporate Governance Best Practice Principles, the Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies, and Article 14-2 of the Securities and Exchange Act. There are a total of 9 directors, the composition structure breakdown is as follows: 3 independent directors (33%) possess independence and do not have circumstances as stipulated in Article 26-3 paragraphs 3 and 4 of the Securities Exchange Act; 6 non-independent directors (67%); for details, refer to page 6 "Director Information".

The Company's Board of Directors guides the Company's strategies, supervises the management and is responsible to the Company and shareholders. The operations and arrangements of the corporate governance system are governed by the Company's Articles of Incorporation or resolutions of shareholders' meetings. The Company's Board of Directors emphasizes independence and transparency. Directors and independent directors are independent entities and exercise their powers independently. The three independent directors have also complied with relevant laws and regulations and reviewed the management and control of the Company's existing or potential risks in conjunction with the duties of the Audit Committee, so as to supervise the effective implementation of the Company's internal control, the selection (discharge) and the independence and appropriate preparation of financial statements. The Company has established a board performance evaluation system, conducting an annual internal self-assessment of the board and individual directors. In addition, during the 13th meeting of the 4th board of directors on November 9, 2022, it was decided that at least once every three years, an external professional independent organization or a team of external expert scholars would conduct an assessment. This assessment should be completed by the end of the first quarter of the following year, and the results should be reported to the Board of Directors for disclosure in the Company's annual report and website.

(7) Information on directors, independent directors, President, Vice Presidents, Assistant Vice Presidents, and the heads of various departments and branches:

April 1, 2024

Title	Nationality	Name	Gender	Election (assumption) date	Number of shares held		Shares held by spouse and underage children		Shares held in someone else's name		Main experience/education	Positions in other companies	Managers who are a spouse or a relative within the second degree of kinship			Remarks
					Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio			Title	Name	Relationship	
General Manager	Republic of China	Sheng-An Chang	Male	2023.01.01	8,764	-	-	-	-	-	Department of Land Management, Feng Chia University	Vice CEO of Kindom Yu San Education Foundation	-	-	-	(Note 5)
General Manager	Republic of China	Chang-Jung Hsieh	Male	2023.01.01	-	-	-	-	-	-	MBA, University of Iowa	None	-	-	-	
Project General Manager	Republic of China	Ching-Yuan Lin	Male	2022.08.05	4,000	-	-	-	-	-	Master of Urban Design, Cardiff University, UK	Director of Global Shopping Malls	-	-	-	
Vice President (head of audit)	Republic of China	Si-Han Chen	Male	2015.10.01	11,000	-	-	-	-	-	Master of Business Administration, College of Management, National Taiwan University	None	-	-	-	
Vice President	Republic of China	Peng-Long Hua	Male	2023.05.11	-	-	-	-	-	-	Department of Architecture, Feng Chia University	None	-	-	-	
Senior Assistant V.P.	Republic of China	Shu-Yuan Lin	Female	2016.03.01	-	-	-	-	-	-	Department of Business Administration, Tamkang University	Chairman of Jiequn Investment Co., Ltd.; Supervisor of Guan Cheng Life Co., Ltd.	-	-	-	
Senior Assistant V.P.	Republic of China	Shu-Lien Chang	Female	2016.09.01	5,636	-	-	-	-	-	To Department of Accounting and Statistics	Supervisor of Guan Hua Life Co., Ltd.	-	-	-	
Senior Assistant V.P.	Republic of China	Chian-Fang Huang	Male	2014.03.01	-	-	-	-	-	-	Master of Architecture, Tamkang University	None	-	-	-	
Senior Assistant V.P.	Republic of China	Xiu-Hsia Chu	Female	2019.12.01	-	-	-	-	-	-	Master of Civil Engineering, National Taiwan University	None	-	-	-	
Senior Assistant V.P.	Republic of China	Li-Jen Chou	Male	2020.01.01	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Department of Geography, National Chengchi University	None	-	-	-	(Note 1)
Assistant Manager	Republic of China	Hsiao-Chiang Yuen	Male	2022.06.06	-	-	-	-	-	-	Master of Information Management, National	None	-	-	-	

Title	Nationality	Name	Gender	Election (assumption) date	Number of shares held		Shares held by spouse and underage children		Shares held in someone else's name		Main experience/education	Positions in other companies	Managers who are a spouse or a relative within the second degree of kinship			Remarks
					Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio			Title	Name	Relationship	
											Taiwan University of Science and Technology					
Assistant Manager	Republic of China	Chuan-Hung Wu	Male	2017.08.01	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Master of Architecture and Urban Design, National Taipei University of Technology	None	-	-	-	(Note 2)
Assistant Manager	Republic of China	Da-Hsin Chou	Male	2018.06.01	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Department of Public Relations, Shih Hsin University	None	-	-	-	(Note 3)
Assistant Manager	Republic of China	Ching-Fen Chang	Female	2023.05.11	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Department of Economics, Soochow University	None	-	-	-	(Note 4)
Assistant Manager	Republic of China	Po-Chen Fan Chiang	Male	2022.08.05	-	-	-	-	-	-	Master of Industrial Engineering and Operational Studies, Columbia University, USA	Supervisor of Guan You Life	-	-	-	
Assistant Manager	Republic of China	Kuan-Chun Chou	Male	2023.04.24	-	-	-	-	-	-	Master of Statistics, Columbia University	None	-	-	-	
Assistant Manager	Republic of China	Tsung-Hsueh He	Male	2023.05.11	-	-	-	-	-	-	Master of Urban and Regional Planning, Cardiff University, UK	None	-	-	-	
Assistant Manager	Republic of China	Chen-Hung Chang	Male	2023.12.20	-	-	-	-	-	-	Master's degree from the Institute of Civil Engineering and Disaster Prevention, National Taipei University of Technology	None	-	-	-	
Acting associate manager	Republic of China	Heng-Chia Chang	Male	2019.11.01	-	-	2,200	-	-	-	Department of Architecture, Chung Yuan Christian University	None	-	-	-	
Acting associate manager	Republic of China	Chia-Ming Wu	Male	2022.09.15	-	-	-	-	-	-	Department of Finance, Feng Chia University	None	-	-	-	

Title	Nationality	Name	Gender	Election (assumption) date	Number of shares held		Shares held by spouse and underage children		Shares held in someone else's name		Main experience/education	Positions in other companies	Managers who are a spouse or a relative within the second degree of kinship			Remarks
					Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio			Title	Name	Relationship	
Acting associate manager	Republic of China	Wan-Ching Chen	Female	2022.10.27	-	-	-	-	-	-	Master of Statistics, Columbia University	None	-	-	-	
Project associate manager	Canada	En-Hui Yao	Female	2021.09.01	-	-	-	-	-	-	Department of Accounting and Financial Management and Department of Economics, University of Sheffield, UK	None	-	-	-	
Project associate manager	Republic of China	Yong-Ching Chang	Male	2023.05.11	-	-	4,400	-	-	-	Master of Architecture and Urban Planning, Chinese Culture University	None	-	-	-	
Corporate Governance	Republic of China	Chu-Chun Chang	Female	2022.07.15	-	-	-	-	-	-	Department of Law, Soochow University	None	-	-	-	

Note 1: Resigned after conclusion of unpaid leave from January 1, 2023 to June 30, 2023; Note 2: Resigned on July 31, 2023; Note 3: Retired on November 30, 2023; Note 4: Retired on December 31, 2023;
Note 5: Promoted on January 1, 2023.

3. Remuneration to directors, presidents and vice presidents in the most recent year:

(1) Directors' remuneration:

Unit: Thousand shares

Title	Name (Note 1)	Remuneration to directors								The sum of A, B, C, and D as a percentage of net income (Note 10)		Remuneration for concurrently serving as an employee								The sum of A, B, C, D, E, F and G as a percentage of net income (Note 10)		Remuneration from invested businesses other than subsidiaries or from the parent company (Note 11)
		Remuneration (A) (Note 2)		Severance and pension payment (B)		Remuneration to directors (C) (Note 3)		Service execution expenses (D) (Note 4)				Salaries, bonuses and allowances (E) (Note 5)		Severance and pension payment (F)		Employee compensation (G) (Note 6)						
		The Company	All companies included in the financial report (Note 7)	The Company	All companies included in the financial report (Note 7)	The Company	All companies included in the financial report (Note 7)	The Company	All companies included in the financial report (Note 7)	The Company	All companies included in the financial report (Note 7)	The Company	All companies included in the financial report (Note 7)	The Company	All companies in financial statements (Note 7)	The Company		All companies included in the financial report (Note 7)		The Company	All companies included in the financial report (Note 7)	
																Cash amount	Amount of shares	Cash amount	Amount of shares			
Chairman	Representative of Yu-De Investment Co., Ltd.: Mike Ma	-	-	-	-	43,167	43,167	2,604	3,950	45,771 1.91%	47,117 1.97%	19,985	23,612	-	-	6,427	-	6,427	-	72,183 3.01%	77,156 3.22%	None
Directors	Representative of Yu-De Investment Co., Ltd.: Mei-Chu Liu																					
Directors	Representative of Yu-De Investment Co., Ltd.: Chen-Tan He																					
Directors	Representative of Yu-De Investment Co., Ltd.: Sui-Chang Liang																					
Directors	Representative of Yu-De Investment Co., Ltd.: Chang-Rong Hsieh																					
Directors	Representative of Yu-De Investment Co., Ltd.: Sheng-An Chang																					
Independent Directors	Hong-Chin Huang	1,950	3,750	-	-	-	-	-	-	1,950 0.08%	3,750 0.16%	-	-	-	-	-	-	-	-	1,950 0.08%	3,750 0.16%	None
Independent Directors	Shen-Yu Gong																					
Independent Directors	Kuo-Feng Lin																					

1. Please describe the policy, system, standard and structure of the remuneration to independent directors, and the association with the amount of remuneration based on the responsibilities, risks, time invested and other factors: According to the Company's Articles of Incorporation, and does not participate in the distribution of directors' remuneration for the year.
2. In addition to the disclosure in the above table, the remuneration received by the Company's directors for providing services to all companies listed in the financial statements (e.g. serving as a non-employee consultant, etc.) in the most recent year: In 2023, Director Sui-Chang Leung received the remuneration of NTD 650 thousand for providing lawyer services to the Company.

Note: The Company provided Chairman Mike Ma with a vehicle. The monthly rent in 2023 was NTD 112 thousand, and the remuneration to the driver was NTD 886 thousand in 2023.
The Company provided Director and President Chang-Rong Hsieh and Sheng-An Chang with one vehicle each. The monthly rents in 2023 were NTD 47 thousand and NTD 50 thousand, respectively.

Remuneration brackets table

Breakdown of remuneration to directors of the Company	Name of director			
	Sum of the first four remunerations (A+B+C+D)		Sum of the first seven remunerations (A+B+C+D+E+F+G)	
	The Company (Note 8)	All companies included in the financial report (H) (Note 9)	The Company (Note 8)	All companies included in the financial report (I) (Note 9)
Less than NTD 1,000,000	Mike Ma, Mei-Chu Liu, Chen-Dan He, Sui-Chang Liang, Chang-Rong Hsieh, Sheng-An Chang, Hong-Chin Huang, Shen-Yu Gong, Kuo-Feng Lin	Mike Ma, Mei-Chu Liu, Chang-Rong Hsieh, Sheng-An Chang	Mei-Chu Liu, Chen-Dan He, Sui-Chang Liang Hong-Chin Huang, Shen-Yu Gong, Kuo-Feng Lin	Mei-Chu Liu
NTD 1,000,000 (inclusive) - NTD 2,000,000 (exclusive)	-	Chen-Dan He, Sui-Chang Liang, Hong-Chin Huang, Shen-Yu Gong, Kuo-Feng Lin	-	Chen-Dan He, Sui-Chang Liang, Hong-Chin Huang, Shen-Yu Gong, Kuo-Feng Lin
NTD 2,000,000 (inclusive) - NTD 3,500,000 (exclusive)	-	-	-	-
NTD 3,500,000 (inclusive) - NTD 5,000,000 (exclusive)	-	-	-	-
NTD 5,000,000 (inclusive) to NTD 10,000,000 (exclusive)	-	-	Sheng-An Chang	Sheng-An Chang
NTD 10,000,000 (inclusive) - NTD 15,000,000 (exclusive)	-	-	Mike Ma, Chang-Rong Hsieh	Chang-Jung Hsieh
NTD 15,000,000 (inclusive) - NTD 30,000,000 (exclusive)	-	-	-	Mike Ma
NTD 30,000,000 (inclusive) - NTD 50,000,000 (exclusive)	Yu-De Investment Co., Ltd.	Yu-De Investment Co., Ltd.	Yu-De Investment Co., Ltd.	Yu-De Investment Co., Ltd.
50,000,000 (inclusive) ~ 100,000,000 (exclusive)	-	-	-	-
100,000,000 or more	-	-	-	-
Total	Legal representative: 6 person Natural persons: 3 Institutional shareholder: 1	Legal representative: 6 person Natural persons: 3 Institutional shareholder: 1	Legal representative: 6 person Natural persons: 3 Institutional shareholder: 1	Legal representative: 6 person Natural persons: 3 Institutional shareholder: 1

Note 1: The names of directors should be listed separately (for corporate shareholders, the name of the corporate shareholder and its representatives should be listed separately), and the general directors and independent directors should be listed separately, and the amount of each payment should be disclosed in an aggregated manner. If a director is also the President or Vice President, this form and the following table (3-1) or (3-2) should be filled out. Please refer to P.20.

Note 2: Refers to the directors' remuneration in the most recent year (including directors' salaries, allowances, severance pay, various bonuses, incentives, etc.).

Note 3: It refers to the amount of directors' remuneration approved by the Board of Directors in the most recent year.

Note 4: Refers to directors' business-related expenses in the most recent year (including travel, special allowances, various subsidies, accommodation, vehicles, and other in-kind benefits). For example, when providing houses, cars and other means of transportation or personal expenditures, the nature and cost of the assets provided, the actual or fair market value of rent, fuel and other payments should be disclosed. If there is a driver, please explain in a note the remuneration paid to the driver, but it is not included in the remuneration.

Note 5: Refers to the directors and employees who served concurrently in the most recent year (concurrent general manager, deputy general manager, other managers and employees), including the salary, allowance, severance pay, various bonuses, incentive payments, travel allowance, special allowance, various subsidies, accommodation, vehicles, etc. For example, when providing houses, cars and other means of transportation or personal expenditures, the nature and cost of the assets provided, the actual or fair market value of rent, fuel and other payments should be disclosed. If there is a driver, please explain in a note the remuneration paid to the driver, but it is not included in the remuneration. In addition, salary expenses recognized in accordance with IFRS 2 "Share-based Payment", including the acquisition of employee stock options, RSAs, and participation in cash capital increase to subscribe for shares, should also be included in the remuneration.

Note 6: Refers to the amount of employee remuneration distributed to employees (including shares and cash) as approved by the Board of Directors for directors who served concurrently as employees (including concurrently serving as president, vice president, manager, and employee) in the most recent year. If it is impossible to estimate, the proposed distribution amount for this year will be calculated based on the actual distribution amount last year, and the amount of distribution proposed in Table 1-3 should be completed separately. Please refer to P.22 for details.

Note 7: The total amount of remuneration paid to directors of the Company by all companies included in the consolidated financial statements (including the Company) should be disclosed.

Note 8: The total amount of each remuneration paid by the Company to each director is disclosed with the name of the director in the bracket.

Note 9: The total amount of remuneration paid to each director of the Company by all companies (including the Company) in the consolidated report should be disclosed, and the name of the director should be disclosed in the range to which he belongs.

Note 10: Net profit after tax refers to the net profit after tax of the most recent year; if the IFRSs are adopted, the net profit after tax refers to the net profit after tax of the entity or individual financial report in the most recent year.

Note 11: a. This column should clearly state the amount of remuneration received by the Company's directors from the reinvested business other than the subsidiaries or the parent company.

b. If the company director receives remuneration from the invested business other than the subsidiaries or the parent company, the remuneration received by the company director from the invested business other than the subsidiaries or the parent company shall be included in the remuneration level column I. and changed the name of the column to "Parent Company and all investees".

c. Remuneration refers to the remuneration, compensation (including compensation of employees, directors, and supervisors) and professional service expenses received by the Company's directors for serving as directors, supervisors or managers in invested businesses other than subsidiaries or the parent company remuneration.

*The concept of remuneration disclosed in this table is different from that of income tax law. Therefore, this table is for information disclosure and not for tax purpose.

(2) Remuneration to the President and Vice Presidents:

Unit: Thousand shares

Title	Name	Salary (A) (Note 2)		Severance and pension payment (B)		Bonuses and allowances (C) (Note 3)		Amount of remuneration to employees (D) (Note 4)				The sum of A, B, C, and D as a percentage of net income after tax (%) (Note 8)		Remuneration from invested businesses other than subsidiaries or from the parent company (Note 9)
		The Company	All companies in financial statements (Note 5)	The Company	All companies included in the financial report (Note 5)	The Company	All companies in financial statements (Note 5)	The Company		All companies in financial statements (Note 5)		The Company	All companies in financial statements (Note 5)	
								Cash amount	Amount of shares	Cash amount	Amount of shares			
General Manager	Chang-Jung Hsieh	9,891	10,191	-	-	3,682	3,853	11,974	-	11,974	-	25,547 1.07%	26,018 1.09%	None
General Manager	Sheng-An Chang													
Project General Manager	Ching-Yuan Lin													
Vice President	Si-Han Chen													
Vice President	Peng-Long Hua													

Remuneration brackets table

Breakdown of remuneration to the President and Vice Presidents of the Company	Name of general manager and deputy general manager	
	The Company (Note 6)	All companies included in the financial statement (E) (Note 7)
Less than NTD 1,000,000	-	-
NTD 1,000,000 (inclusive) - NTD 2,000,000 (exclusive)	-	-
NTD 2,000,000 (inclusive) - NTD 3,500,000 (exclusive)	Szu-Han Chen, Peng-Long Hua	Szu-Han Chen, Peng-Long Hua
NTD 3,500,000 (inclusive) - NTD 5,000,000 (exclusive)	-	-
NTD 5,000,000 (inclusive) to NTD 10,000,000 (exclusive)	Sheng-An Chang, Ching-Yuan Lin	Sheng-An Chang, Ching-Yuan Lin
NTD 10,000,000 (inclusive) - NTD 15,000,000 (exclusive)	Chang-Jung Hsieh	Chang-Jung Hsieh
NTD 15,000,000 (inclusive) - NTD 30,000,000 (exclusive)	-	-
NTD 30,000,000 (inclusive) - NTD 50,000,000 (exclusive)	-	-
50,000,000 (inclusive) ~ 100,000,000 (exclusive)	-	-
100,000,000 or more	-	-
Total	5	5

Note 1: The names of the President and Vice Presidents should be listed separately, and the amounts of each payment should be disclosed in an aggregated form. This table and Table (1-1) or (1-2) above should be filled out if the director is also the President or Vice President. Please refer to P.20.

Note 2: Fill in the salary, duty allowance and severance pay of the President and Vice President in the most recent year.

Note 3: Fill in the amount of various bonuses, incentives, transportation allowances, special expenses, various allowances, dormitory, vehicles and other in-kind benefits and other remuneration for the President and Vice Presidents in the most recent year. For example, when providing houses, cars and other means of transportation or personal expenditures, the nature and cost of the assets provided, the actual or fair market value of rent, fuel and other payments should be disclosed. If there is a driver, please explain in a note the remuneration paid to the driver, but it is not included in the remuneration. In addition, salary expenses recognized in accordance with IFRS 2 "Share-based Payment", including the acquisition of employee stock options, RSAs, and participation in cash capital increase to subscribe for shares, should also be included in the remuneration.

Note 4: It refers to the amount of employee remuneration distributed to the President and Vice Presidents (including stocks and cash) approved by the Board of Directors in the most recent year. If it is impossible to estimate, the proposed distribution amount for this year will be calculated based on the actual distribution amount last year, and please complete Table 1-3 on P.22 separately. Net profit after tax refers to the net profit after tax of the most recent year; if the International Financial Reporting Standards are adopted, the net profit after tax refers to the net profit after tax of the entity or individual financial report in the most recent year.

Note 5: The total amount of remuneration paid to the Company's President and Vice Presidents by all companies (including the Company) in the consolidated financial statements shall be disclosed.

Note 6: Disclose the name of the total amount of various remunerations to each president and vice presidents paid by the Company in the scale to which they belong.

Note 7: The total amount of each remuneration item paid by all companies (including the Company) in the consolidated report to each president and vice president of the Company should be disclosed, and the name of the president and vice president should be disclosed in the scale to which they belong.

Note 8: Net profit after tax refers to the net profit after tax of the most recent year; if the IFRSs are adopted, the net profit after tax refers to the net profit after tax of the entity or individual financial report in the most recent year.

Note 9: a. This column should clearly state the amount of remuneration paid to the Company's general manager and deputy general managers from the reinvested business other than the subsidiaries or the parent company (if none, please indicate "None").

b. If the Company's President and Vice Presidents receive remuneration from invested enterprises, other than subsidiaries, or the parent company, the remuneration received by the Company's President and Vice Presidents from invested enterprises, other than subsidiaries, or the parent company, Incorporated into Column E of the Remuneration brackets table and renamed the column as "Parent Company and all investees."

c . Remuneration refers to the compensation, compensation (including compensation to employees, directors, and supervisors) and compensation received by the Company's President and Vice Presidents for serving as directors, supervisors, or managers of invested businesses other than subsidiaries or of the parent company and business execution expenses and other related remuneration.

*The concept of remuneration disclosed in this table is different from that of income tax law. Therefore, this table is for information disclosure and not for tax purpose.

(3) Names of managers distributing employee remuneration, and distribution:

Unit: Thousand shares

	Title	Name	Amount of shares	Cash amount	Total	Proportion of total amount to net profit after tax (%)
Managerial Officer	General Manager	Sheng-An Chang (Note 5)	-	25,257	25,257	1.05%
	General Manager	Chang-Jung Hsieh (Note 5)				
	Project General Manager	Ching-Yuan Lin				
	Vice President (head of audit)	Si-Han Chen (Note 6)				
	Vice President	Peng-Long Hua (Note 7)				
	Senior Assistant V.P.	Shu-Yuan Lin				
	Senior Assistant V.P.	Shu-Lien Chang				
	Senior Assistant V.P.	Chian-Fang Huang				
	Senior Assistant V.P.	Xiu-Hsia, Chu				
	Senior Assistant V.P.	Li-Ren Chou (Note 8)				
	Assistant Manager	Kuan-Chun Chou (Note 9)				
	Assistant Manager	Tsung-Hsueh He (Note 7)				
	Assistant Manager	Chen-Hung Chang (Note 10)				
	Assistant Manager	Hsiao-Chiang Yuen (Note 11)				
	Assistant Manager	Po-Chen Fan Jiang (Note 12)				
	Assistant Manager	Chuan-Hung Wu (Note 13)				
	Assistant Manager	Da-Hsin Chou (Note 14)				
	Assistant Manager	Ching-Fen Chang (Note 15)				
	Acting associate manager	Heng-Chia Chang				
	Acting associate manager	Chia-Ming Yang				
	Acting associate manager	Wan-Ching Chen				
	Project associate manager	En-Hui Yao				
	Project associate manager	Yong-Ching Chang (Note 7)				
	Senior Manager Corporate Governance Officer	Chu-Chun Chang (Note 7)				

Note 1: Individual names and job titles should be disclosed; however, profit distribution may be disclosed in aggregate form.

Note 2: Represents the amount of employee remuneration (including stock and cash) distributed to managerial officers in the most recent year, as approved by the Board of Directors. If it is impossible to estimate, the proposed distribution amount for this year will be calculated based on the actual distribution amount last year. The net profit after tax refers to the net profit after tax of the most recent year; if the IFRSs are adopted, the net profit after tax refers to the net profit after tax of the entity or individual financial report in the most recent year.

Note 3: The applicable scope of managerial officers, in accordance with the provisions of Tai-Cai-Zheng-San-Zi Order No. 0920001301 dated March 27, 2003, is as follows:
(1) General manager and those of equivalent rank.
(2) Vice Presidents or other position of equivalent grade.
(3) Assistant Vice Presidents and other positions of equivalent grade.
(4) Head of the finance department.
(5) Head of the accounting department.
(6) Other persons who have the right to manage the Company's affairs and sign.
Note 4: If the directors, general manager and deputy general managers receive employee remuneration (including shares and cash), in addition to Table (6) and 1 above, this table should also be filled out.
Note 5: Promoted on January 1, 2023.
Note 6: On August 11, 2023, the head of the development and investment division was re-assigned to the chief auditing officer due to business needs.
Note 7: Promoted on May 11, 2023.
Note 8: Resigned after conclusion of unpaid leave from January 1, 2023 to June 30, 2023.
Note 9: Newly elected on April 24, 2023.
Note 10: Newly elected on December 20, 2023.
Note 11: Newly appointed Information Security Officer on August 11, 2023.
Note 12: Promoted on May 11, 2023. On August 11, 2023, he was reassigned from Chief Audit Officer to Assistant Vice President of Treasury Department.
Note 13: Resigned on July 31, 2023.
Note 14: Retired on November 30, 2023.
Note 15: Promoted on May 11, 2023 and retired on December 31, 2023.

(IV) Comparison and analysis of the total remuneration paid to directors, president and vice presidents of the Company by the Company and all companies in the consolidated financial statements in the most recent two years as a percentage of the net profit after tax, and an explanation of the policy, standard, combination, and determination of the remuneration. Procedures for remuneration, and its linkage to operating performance and future risks:

1. According to Article 20 of the Articles of Incorporation of the Company, the Board of Directors is authorized to determine the remuneration of directors based on each director’s participation level in the operation of the Company and the contribution value along with the consideration of the common standard adopted in the same industry. If the Company makes a profit in the year, it shall allocate no more than 2% as remuneration to directors in accordance with Article 23 of the Company's Articles of Incorporation. Independent directors do not participate in the distribution of directors' remuneration. The Company conducts the performance evaluation of the Board of Directors at least once a year in accordance with the "Regulations Governing the Performance Evaluation and Remuneration of Directors and Managers" and the "Procedures of Performance Evaluation of the Board of Directors". The results of the performance evaluation of individual directors are used as the reference for determining the remuneration to individual directors. The performance evaluation of board members covers six major aspects: mastery of the company's goals and tasks, awareness of directors' responsibilities, participation in company operations, management of internal relations and communication, directors' professionalism and continuing education, and internal control. The internal performance evaluation of the Board of Directors and individual board members in 2023 was rated as "significantly exceeding the standards". The total amount of remuneration paid to directors by the Company and all other consolidated companies in the consolidated financial statements as a percentage of net income: 3.09% and 3.38%, respectively, in 2023; and 3.1% and 3.4%, respectively, in 2022.
2. The Company's president and vice president's remunerations are subject to annual targets set regularly in accordance with the "Regulations Governing the Performance Evaluation and Remuneration of Directors and Managers" and the "Appraisal Regulations", and mid-year and year-end performance reviews are conducted to evaluate the remunerations. The evaluation results are used as the basis for year-end bonus, salary adjustment for promotion and performance improvement. In addition, if the Company makes a profit in the current year, it shall appropriate no less than 0.5% for employee remuneration according to Article 23 of the Articles of Incorporation of the Company. The salary, year-end bonus and other incentives or non-cash incentives for managers, such as employee stock warrants, transfer of treasury shares, etc., are submitted to the Chairman's approval in accordance with the relevant management systems or regulations of the Company, and then the salary

is reported for implementation after review and approval by the Remuneration Committee and the Board of Directors. The total remuneration paid to the president and vice presidents of the Company and all companies in the consolidated financial statements as a percentage of net income were: 1.07% and 1.09%, respectively, in 2023; and 1.23% and 1.24%, respectively, in 2022.

3. Relevance of future risks: None.

IV. Corporate governance:

(I) Information on the operation of the Board of Directors:

The Board of Directors met 11 times (A) in the most recent year. The attendance of directors and supervisors is as follows:

Title	Name	Actual attendance rate (B)	Frequency of attendance by proxy	Actual attendance rate (%) [B/A] (Note 1)	Remark (Note 2)
Chairman	Representative of Yu-De Investment Co., Ltd.:Mike Ma	11	0	100.00%	Re-elected, re-elected on June 29, 2022
Directors	Representative of Yu-De Investment Co., Ltd.:Mei-Chu Liu	0	11	0%	Re-elected, re-elected on June 29, 2022
Directors	Representative of Yu-De Investment Co., Ltd.:Chang Sheng-An	11	0	100.00%	Re-elected, re-elected on June 29, 2022
Directors	Representative of Yu-De Investment Co., Ltd.: Chen-Tan He	10	1	90.91%	Newly appointed, re-election on June 29, 2022
Directors	Representative of Yu-De Investment Co., Ltd.: Sui-Chang Liang	10	1	90.91%	Newly appointed, re-election on June 29, 2022
Directors	Representative of Yu-De Investment Co., Ltd.:Chang-Rong Hsieh	11	0	100.00%	Newly elected, reassigned on Janurary 19, 2023
Directors	Representative of Yu-De Investment Co., Ltd.:Jin-Chin Hung	0	0	-	Previous office, removed on Janurary 1, 2023
Independent director	Hung-Chin Huang	11	0	100.00%	Re-elected, re-elected on June 29, 2022
Independent director	Shen-Yu Kung	11	0	100.00%	Re-elected, re-elected on June 29, 2022
Independent director	Kuo-Feng Lin	11	0	100.00%	Re-elected, re-elected on June 29, 2022

Other information to be disclosed:

1. If the operation of the Board of Directors is under any of the following circumstances, the date and session of the Board of Directors, the contents of the motions, the opinions of all independent directors, and the Company's handling of the opinions of the independent directors shall be stated:
   (1) Matters listed in Article 14-3 of the Securities and Exchange Act.
   (2) Other than the aforementioned matters, any other objections or qualified opinions of the independent directors to the resolutions of the Board of Directors which are recorded or stated in a written statement .

   The Company has established the Audit Committee. For the matters listed in Article 14-5 of the Securities and Exchange Act, please refer to (II) Operation of the Audit Committee in this chapter. As of the publication date of this annual report, the resolutions of the Company's Board of Directors have been approved by all directors present at the meeting.

II. Implementation of a director's recusal due to a conflict of interest, the name of the director, the content of the proposal, the reason for recusal, and the participation in voting:
   (1) On December 29, 2023, the 15th meeting of the Board of Directors of the 13th term of the Company discussed and voted on the Company's 2024 audit plan. Chairman Hsieh Chang-Rong and Director Chang Sheng-An, President of the Company, recused themselves. The remaining attending directors were all agreed.
   (2) At the 15th meeting of the 13th Board of Directors held on December 29, 2023, the Company discussed and voted on a proposal to donate NT$6 million to "Kindom Yushan Education Foundation". Chairman Mike Ma and Director Liang Sui-Chang respectively serve as directors and supervisors of the Kindom Yushan Education Foundation. Director Chang Sheng-An concurrently holds the position of Deputy Executive Director at the foundation. Director Liu Mei-Zhu is a close relative of Chairman Ma Chih-Gang and therefore abstained from voting. Chairman Ma appointed Huang Hong-Jin, an independent director, to temporarily chair the meeting; other attending directors approved the meeting.

III. The evaluation of the Board of Directors:

Evaluation Cycle	Assessment period	Scope of Assessment	Evaluation Method	Evaluation Content
The evaluation is conducted once a year, completed before the end of the first quarter of the next year, and submitted to the Board of Directors for review and improvement.	From January 1, 2023 to December 31, 2023	Including the performance evaluation of the entire Board of Directors, individual board members, and functional committees.	Including the performance evaluation of the Board of Directors, the self-evaluation of directors, and the appointment of external professional institutions, experts or other appropriate means to conduct performance evaluation.	The evaluation items include six major aspects: participation in the Company's operations, improvement of the quality of the Board of Directors' decision-making, composition and structure of the Board of Directors, election and continuing education of directors, and internal control.

4. Objectives to strengthen the functions of the Board of Directors in the current year and the most recent year (e.g. setting up an audit committee, improving information transparency, etc.), and evaluation of their implementation:
   (1) Objective to strengthen the functions of the Board of Directors: The Company has established an Audit Committee, and informs all directors of the motions before a board meeting, and fully considers the opinions of directors when discussing motions, and sends the meeting minutes to all directors within the prescribed time limit after the board meeting with good operating results.
   (2) Assessment of performance of board functions:
   According to the "Procedures for Performance Evaluation of the Board of Directors" amended by the Board of Directors on November 9, 2022, an evaluation of the overall operation of the Board of Directors, the performance of individual directors, and the performance of functional committees shall be conducted every year, and at least every three years, evaluation shall be conducted by an

external professional independent institution or an external team of experts and scholars shall conduct one evaluation and complete the evaluation before the end of the first quarter of the following year. The evaluation of the performance of the Board of Directors in 2023 was favorable, and was reported to the Board of Directors and disclosed on the Company's website on March 12, 2024.

Note 1: If a director or supervisor is a juristic person, the name of the juridical person shareholder and the name of its representative shall be disclosed.

Note 2: (1) If a director resigns before the end of the year, the date of resignation should be indicated in the remarks column. The actual attendance (seated) attendance rate (%) is based on the number of board meetings convened during service, and the actual presence (seated) of the Board of Directors are counted.

(2) Before the end of the year, if there is a re-election of directors or supervisors, the new and old directors and supervisors shall be listed down, and whether the director or supervisor is old, new, or re-elected and the re-election date shall be indicated in the remarks column. The actual attendance rate (%) is calculated based on the number of meetings of the Board of Directors and the actual number of attendance during his/her term of office.

(2) Operations of Audit Committee:

The Audit Committee met 10 times (A) in the most recent year. The attendance of independent directors is as follows

Title	Name (Note 1)	Actual attendance rate (B)	Frequency of attendance by proxy	Actual attendance rate (%) [B/A] (Note 2)	Remarks
Independent Directors	Hung-Chin Huang	10	0	100.00%	Re-elected, re-elected on June 29, 2022
Independent Directors	Shen-Yu Kung	10	0	100.00%	Re-elected, re-elected on June 29, 2022
Independent Directors	Kuo-Feng Lin	10	0	100.00%	Re-elected, re-elected on June 29, 2022

Other information to be disclosed:

I. The purpose of the Company's Audit Committee is to assist the Board of Directors in fulfilling its responsibility to supervise the quality and integrity of the Company's accounting, auditing, financial reporting processes and financial control. Matters reviewed by the Audit Committee include:

1. Financial report
2. Auditing and accounting policies and procedures.
3. Internal control system and related policies and procedures.
4. A major asset or derivative trade.
5. Material loaning of funds as endorsement or guarantee.
6. Offering or issuance of securities.
7. Derivative financial instruments and cash investment.
8. Legal compliance
9. Are there any related party transactions between managers and directors and possible conflicts of interest
10. Grievance report.
11. Fraud prevention plan and fraud investigation report.
12. Information security
13. Operational risk management
14. Qualification, independence and performance evaluation of CPAs.
15. Appointment, discharge or remuneration of CPAs.
16. Appointment and dismissal of financial, accounting or internal auditing officers.
17. Self-evaluation questionnaire for the Audit Committee's performance.

If the operation of the Audit Committee is under any of the following circumstances, the meeting date and period, the contents of the motions, the independent directors' dissenting opinions, qualified opinions or major recommendations, the Audit Committee's resolutions, and the Company's comments on the disposal of Audit Committee shall be stated.

(1) Matters specified in Article 14-5 of the Securities and Exchange Act.

(2) Other than the aforementioned matters, other matters not approved by the Audit Committee but approved by more than two-thirds of all directors: No such matter has occurred this year due to the operation of the Audit Committee, so there is no need to disclose it.

Audit Committee Date and Term	Proposal Content	Dissenting opinions, qualified opinions, or major recommendations of independent directors	Resolution of the Audit Committee	The Company's handling of the opinions of the Remuneration Committee
2nd Meeting 6th session on Feburary 16, 2023	The Company, together with ZhongLu Development Co., Ltd. (hereinafter referred to as "ZhongLu Development"), formed a cooperative alliance to jointly bid for "Taiwan Taichung Metropolitan Area Mass Rapid Transit System Wuri-Wenxin-Beitun Line Municipal Government Station (G9-1) Land Development Project". We have been selected as the preferred applicant and plan to proceed with the contract signing process.	None	Approved by all committee members present	Submitted to the Board of Directors and unanimously approved by all directors

				present at the meeting.
2nd Meeting 7th session on March 14, 2023	1. Approval of the "Statement of Internal Control System" for 2022. 2. Preparation of the Company's 2022 business report and financial statements. 3. The Company's 2022 earnings appropriation. 4. Proposal to amend some provisions of the Company's "Articles of Incorporation" and "Rules of Procedure for Shareholder Meetings". 5. Proposal to amend some provisions of the Company's "Corporate Governance Best Practice Principles". 6. The Company wholly owns and shares the land located at Land Nos. 68-75, Wuguwang Section, Sanchong District, New Taipei City (west of Erchong Dredging Road), and intends to proceed with the land disposal.	None	Approved by all committee members present	Submitted to the Board of Directors and unanimously approved by all directors present at the meeting.
2nd Meeting 8th session on April 19, 2023	1. The Company intends to terminate the joint construction contract of the "25 Land Cooperative Development Projects including Land No. 125 at Jianjian Section, Zhonghe District, New Taipei City". 2. Amendments to certain provisions of the "Articles of Incorporation".	None	Approved by all committee members present	Submitted to the Board of Directors and unanimously approved by all directors present at the meeting.
2nd Meeting 9th session on May 11, 2023	The Company's consolidated financial statements for 2023 Q1.	None	Approved by all committee members present	Submitted to the Board of Directors and unanimously approved by all directors present at the meeting.
2nd Meeting 10th session on July 12, 2023	Regarding the "5 land urban renewal projects including Land Number 363-1, Dunhua Section 4, Dunhua Section, Songshan District, Taipei City", the Company intends to pay the royalty to the Political Warfare Bureau of the Ministry of National Defense for the rights conversion, in order to obtain the and the value of the rights allocated to Base A.	None	Approved by all committee members present	Submitted to the Board of Directors and unanimously approved by all directors present at the meeting.
2nd Meeting 11th session on August 11, 2023	1.The Company's consolidated financial statements for 2023 Q2. 2. Proposal to amend the Company's "Regulations Governing the Authority to Approval". 3. Adjustment of the Company's internal auditing officer.	None	Approved by all committee members present	Submitted to the Board of Directors and unanimously approved by all directors present at the meeting.
2nd Meeting 12th session on November 10, 2023	1. The Company’s consolidated financial statements for the third quarter of 2023. 2. Proposal to amend the Company's "Regulations Governing the Authority to Approval". 3. Establishment of the Company's "Cyber Security Policy".	None	Approved by all committee members present	Submitted to the Board of Directors and unanimously approved by all directors present at the meeting.
2nd Meeting 3rd session on December 29, 2023	1. Proposal of the Company's 2024 audit plan. 2. Amendments to the quality manual of the Company's internal control system. 3. Proposal for assessing the independence and suitability of the CPAs appointed by the Company.	None	Approved by all committee members present	Submitted to the Board of Directors and unanimously approved by all directors

				present at the meeting.
2nd Meeting 14th session on Febuary 20, 2024	Approval for participating in the "Urban Renewal Enterprise Public Selection Implementer".	None	Approved by all committee members present	Submitted to the Board of Directors and unanimously approved by all directors present at the meeting.
2nd Meeting 15th session on March 12, 2024	1. Preparation of the Company's 2023 business report and financial statements. 2. The Company's 2023 earnings appropriation. 3. The Company's 2023 earnings appropriation. 4. Approval of the "Statement of Internal Control System" for 2023. 5. Two land development projects in the redevelopment area of Taipei City Beitou Shilin Science Park.	None	Approved by all committee members present	Submitted to the Board of Directors and unanimously approved by all directors present at the meeting.

II. For the recusal of independent directors from proposals with personal interests, the name of the independent director, the content of the proposal, the reason for recusal, and the participation in voting should be stated: None.

III. Communication between independent directors and internal auditing officers and accountants (including major issues, methods, and results of communication on the Company's financial and business status).

(I) The Company's chief internal auditor delivers the audit report (including follow-up audit matters) to each independent director for review and communication on the following month, and the audit business proposals are discussed in the Audit Committee as a observer.

(II) The CPAs present the Company's financial status and audit results to the independent directors at least once a year, and communicate about major adjustments, amendments to laws and regulations, and internal control recommendations.

Note: (1) If an independent director resigned recently, the date of resignation should be indicated in the remarks column. The actual attendance rate (%) should be calculated based on the number of Audit Committee meetings held and the number of actual attendances during his/her service.

(2) Before the end of the year, if an independent director is re-elected, both new and old independent directors shall be listed, and whether the independent director is old, new, or re-elected and the date of re-election shall be indicated in the remarks column. The actual attendance rate (%) is calculated based on the number of Audit Committee meetings held during active duty and the number of actual attendance.

(III) The implementation of corporate governance and the deviation from the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies and the reasons therefor:

Evaluation Items	Status of Operation			Deviation and causes of deviation from the Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies
	Yes	No	Summary description	
I. Has the Company established and disclosed its corporate governance best-practice principles in accordance with the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies?	✓		The Company and its subsidiaries (hereinafter referred to as the Consolidated Company) have formulated the "Corporate Governance Best Practice Principles" according to laws and regulations, and disclosed them on the Market Observation Post System and the Company's website.	No difference
II. The Company's shareholding structure and shareholders' rights and interests				
(1) Does the Company have internal operating procedures to handle shareholders' suggestions, doubts, or disputes and litigation matters, and implement them in accordance with the procedures?	✓		(1) The consolidated company has designated personnel in the Accounting Department of the Finance Department to handle various stock affairs. The consolidated company has a spokesperson to accept shareholders' suggestions and questions and to handle disputes. There has been no litigation with shareholders.	No difference
(2) Does the Company have a list of the Company's major shareholders and the ultimate controllers of such major shareholders?	✓		(2) The consolidated company maintains close contact with major shareholders, and uses the shareholder registry provided by the stock agency to keep abreast of the shareholdings of major shareholders and their ultimate controllers.	No difference
(3) Has the Company established and implemented risk control and firewall mechanisms with its affiliates?	✓		(3) The consolidated company and its affiliated companies operate independently in terms of operations and finance, and have established the "Procedures for Management of Transactions with Related Parties", "Procedures for Management of Supervision over Subsidiaries", "Procedures for Loaning Funds to Others", "Procedures for Endorsements and Guarantees", and the "Procedure for the Acquisition or Disposal of Real Estate, Equipment, or Right-of-use Assets" to establish a control and firewall mechanism between the Company and affiliated companies.	No difference
(4) Has the Company established internal regulations to prohibit insiders from trading securities using undisclosed information in the market?	✓		(4) The consolidated company has specified in the "Procedures for Handling Material Inside Information" that insiders are prohibited from using undisclosed information in the market to trade securities, and regularly educates insiders and reminds them of the principles.	No difference

<table>
<tr><th rowspan="2">Evaluation Items</th><th colspan="3">Status of Operation</th><th rowspan="2">Deviation and causes of deviation from the Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies</th></tr>
<tr><th>Yes</th><th>No</th><th>Summary description</th></tr>
<tr><td>III. Composition and duties of the Board of Directors
(1) Has the Board of Directors established a diversity policy with respect to the composition of its members, with specific management goals and implementation?</td><td>✓</td><td></td><td>(1) Article 20 of the Company's "Corporate Governance Best Practice Principles" stipulates that the composition of the Board of Directors should take diversity into account. The Company's Board of Directors currently consists of 9 directors, including 6 directors and 3 independent directors. The directors have a wealth of experiences and professionalism crossing the fields of civil engineering, accounting and finance, business, law, and management.</td><td>No difference</td></tr>
<tr><td>(2) In addition to establishing the Remuneration Committee and the Audit Committee as required by law, has the Company established other functional committees voluntarily?</td><td>✓</td><td></td><td>(2) In addition to establishing the Remuneration Committee and the Audit Committee as required by law, the consolidated company has also established a Sustainable Development Committee under the Board of Directors, whose terms of reference are to formulate the direction and goals of corporate social responsibility and sustainable development, and formulate related management guidelines and specific promotion plans and also track the implementation and results of corporate sustainable development.</td><td>No difference</td></tr>
<tr><td>(3) Has the Company established rules and methods for evaluating the performance of the Board of Directors? Is the performance evaluation conducted on a regular basis every year? Does the Company submit the results of the performance evaluation to the Board of Directors and use it as a reference for individual directors' remuneration and nomination?</td><td>✓</td><td></td><td>(3) The consolidated company has formulated the Board of Directors' performance evaluation measures according to the resolution of the 11th board of directors on March 26, 2018, and amended the 4th meeting of the 13th board of directors on November 9, 2022. The evaluation indicators are amended in accordance with laws and regulations and actual operational needs. An annual external evaluation shall be conducted in accordance with the latest regulations to evaluate the overall operation of the Board of Directors, the performance of individual directors, and the performance of functional committees at least once every three years, and shall be completed before the end of the first quarter of the following year. The 2023 performance evaluation of the Board of Directors has been disclosed in the report of the 17th meeting 13th term of the Board of Directors on March 12, 2024, and disclosed on the Company's website. The consolidated company's Board of Directors has a good performance evaluation result, and serve as a reference for directors' salary, remuneration and nomination for</td><td>No difference</td></tr>
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<tr><th>Yes</th><th>No</th><th>Summary description</th></tr>
<tr><td></td><td></td><td></td><td>renewal, please refer to Note 1 for relevant evaluation results.</td><td></td></tr>
<tr><td>(4) Does the Company regularly assess the independence of the CPAs?</td><td>✓</td><td></td><td>(4) In order to implement corporate governance, the consolidated company regularly evaluates the independence and suitability of CPAs every year. In addition to requesting the auditor to provide an independence "Statement" and "Audit Quality Indicators (AQIs)", an assessment will be conducted on item 2 and the 13 AQI indicators. It was confirmed that the CPAs have no other financial interests or business relationship with the Company, and that the CPA's family members do not violate the independence requirements. AQI indicator information is also used to confirm that the CPA and the firm have different experience and the training hours are equivalent to the industry average. In recent years, accounting firms have also continued to introduce digital auditing tools to improve audit quality. After the approval of the supervisor with responsibility for the consolidated company, the results of the evaluation for the most recent year were reported to the certified public accountants at the 13th meeting of the 2nd Audit Committee on December 29, 2023 and the 15th meeting of the 13th Board of Directors on December 29, 2023. In the evaluation report on independence and suitability, all members and directors present approved that Han Yi-Lien and Tseng Kuo-Yi of KPMG should serve as the independent auditors of the consolidated company for 2024. Please refer to Note 2 for the results of the independence and suitability evaluation.</td><td>No difference</td></tr>
<tr><td>IV. Whether the listed company appoints competent and appropriate corporate governance personnel, and appoints a corporate governance officer to be responsible for corporate governance-related affairs (including but not limited to providing directors and supervisors with the information needed to perform their duties, assisting directors and</td><td>✓</td><td></td><td>Corporate governance-related tasks include handling matters related to the meetings of the Board of Directors and shareholders' meetings in accordance with the law, preparing the minutes of the Board of Directors and shareholders' meetings, assisting directors in onboarding and continuing education, providing directors with information needed to carry out their duties, assisting directors in complying with laws and regulations, protecting shareholders' rights and interests, strengthening the functions of the Board of Directors, and disclose information on corporate governance, stakeholders, and corporate social responsibility on the Company's website. Upon resolution of the</td><td>No difference</td></tr>
</table>

Evaluation Items	Status of Operation			Deviation and causes of deviation from the Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies
	Yes	No	Summary description	
supervisors to comply with the laws, handling matters related to the Board of Directors and shareholders' meetings meeting legal standards, and preparing minutes of the Board of Directors and shareholders' meetings)?			1st meeting of the 5th Remuneration Committee on July 12, 2022 and the 2nd meeting of the 13th Board of Directors on July 15, 2022, the Company appointed Chief Legal Officer, Chu-Chun Chang, as the Company's corporate governance officer to protect the rights of shareholders and strengthen the functions of the Board of Directors. The annual key points of corporate governance-related operations and the continuing education of corporate governance officers are disclosed on the Company's website. Please visit https://www.kindom.com.tw/investor/	
V. Whether the Company has established a communication channel with stakeholders (including but not limited to shareholders, employees, customers, and suppliers), set up a stakeholder section on the Company's website, and responded appropriately to important corporate social responsibility issues of concern to stakeholders?	✓		The consolidated company has a spokesperson, stock affairs unit, customer service unit and other relevant stakeholder contact points for communication with stakeholders; an "ESG Section" and "Investor and Stakeholder Section" have been set up on the Company's website to disclose corporate responsibility. The implementation of corporate social responsibility, sustainable development, and important issues concerning stakeholders were properly responded to.	No difference
VI. Does the Company appoint a professional shareholder service agency to handle shareholders' meeting affairs?	✓		The consolidated company appointed the agency department of CTBC Bank as its share registration agency to assist in handling matters related to shareholder meetings.	No difference
VII. Information Disclosure (1) Has the Company set up a website to disclose financial and corporate governance?	✓		(1) The consolidated company has set up a website in accordance with the laws and regulations to disclose financial, business and corporate governance information, and regularly update and maintain it.	No difference
(2) Has the Company adopted other means of information disclosure (e.g. setting up an English-language website, appointing dedicated personnel to collect and disclose company information, implementing a spokesperson system, and posting the proceedings of investor conferences on the Company's website)?	✓		(2) The consolidated company has assigned personnel in the Accounting Department of the Finance Division to be responsible for the collection and disclosure of the Company's information, and has appointed sales and financial officers as spokespersons and acting spokespersons, respectively, to implement the spokesperson system, the Company organizes "Investment Conferences for institutional investors" from time to time to achieve the Company's information transparency. The information of corporate conferences is also disclosed on the Market Observation Post System in accordance with the regulations of the	No difference

Evaluation Items	Status of Operation			Deviation and causes of deviation from the Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies
	Yes	No	Summary description	
(3) Does the Company announce and report the annual financial statements within two months after the end of the fiscal year, and announce and report the first, second, and third quarter financial statements and the monthly operations?	✓		Taiwan Stock Exchange. (3) The consolidated company's annual financial report, financial statements for the first, second, and third quarters, and the operating status of each month are to be announced and reported within the prescribed time limit.	No difference
VIII. Does the Company have other important information that is helpful to understand the implementation of corporate governance (including but not limited to employees' rights and interests, employee care, investor relations, supplier relations, stakeholders' rights, directors' and supervisors' continuing education status, risk management policies and risk measurement standards, implementation of customer policies, and purchase of liability insurance for directors and supervisors)?	✓		Employee rights, employee care, supplier relations, and stakeholders' rights: Please refer to the information on environmental protection expenditure, labor-management relations and suppliers in "V. Business Overview" of this annual report. Investor relations: The consolidated company has set up an investor section on the Company's website to fully disclose information and update it regularly for investors' reference. Supplier relations: The 11th meeting of the 1st Audit Committee and the 13th meeting of the 12th Board of Directors of the consolidated company on March 26, 2021 approved the establishment of the "Procedures for Ethical Management and Guidelines for Conduct" to implement ethical management. We actively prevent unethical behaviors, conduct business with suppliers in a fair and transparent manner, and ensure that contracts signed are fulfilled. Continuing education of directors: The consolidated company has regularly disclosed information on directors' continuing education and attendance at the Board of Directors on the Market Observation Post System. Implementation of risk management policies and risk measurement standards: Please refer to the 'Review and Analysis of Financial Condition, Operating Results, and Risk Items' in this year's annual report, as well as the information on risk management policies and implementation reports in the 'Investor and Stakeholder Relations' section of the Company's website. Implementation of customer policy: The consolidated company has a customer service department to serve customers, and has dedicated personnel to handle customer complaints, and maintains a long-term, stable and good relationship with customers.	No difference

Evaluation Items	Status of Operation			Deviation and causes of deviation from the Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies
	Yes	No	Summary description	
			The purchase of liability insurance for directors and supervisors by the Company: The consolidated company purchased the "director liability insurance" on June 10, 2023, and disclosed important information such as the insured amount, scope and insurance premium rate to report of the 11th meeting of the 13th Board of Directors on July 12, 2023. The link between the performance evaluation and remuneration of directors and managers: As approved by the 6th meeting of the 13th Board of Directors on December 23, 2022, the Board of Directors established the "Regulations Governing the Performance Evaluation and Remuneration of Directors and Managers". Directors' remuneration shall not exceed 2% of the annual profit, and shall be distributed after the resolution of the Board of Directors. The remuneration of managerial officers is determined by the Chairman according to the employee salary scale table, business performance bonus regulations and evaluation regulations, including financial indicators (such as company revenue, net income before and after tax achievement rate) and non-financial indicators (such as legal compliance of their departments and material deficiency of operational risk matters), which is reported to the Remuneration Committee and the Board of Directors for review. In the future, the Company will review the reasonableness of the remuneration system in a timely manner based on the actual operating conditions and the salary level of the industry, in order to seek the balance of the Company's sustainable operation and risk control.	

IX. Please provide an explanation regarding the improvements made based on the recent annual corporate governance evaluation results released by the Corporate Governance Center of the Taiwan Stock Exchange Corporation. Additionally, identify priority areas for enhancement and propose corresponding measures for those areas that have not yet been improved:

Question No.	Item	Whether there is improvement	Description
1.15	Has the company established and disclosed on its website internal regulations prohibiting directors or employees from trading securities using undisclosed market information. This includes (but is not limited to) directors refraining from trading their stocks during the 30-day period before the announcement of annual financial reports and the 15-day period before the announcement of quarterly financial reports, and explanation of the implementation status?	Yes	The Company expects to establish relevant internal regulations in 2024.

Evaluation Items		Status of Operation: Yes	Status of Operation: No	Status of Operation: Summary description	Deviation and causes of deviation from the Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies
2.9	Has the Company established a succession plan for the members of the Board of Directors and key management personnel, and disclosed its operation on the Company's website or annual report?	Yes		The Company has formulated the succession plan for the members of the Board of Directors and key management personnel and announced it on the Company's official website.	
2.27	Has the Company formulated an intellectual property management plan that is linked to operational objectives, and disclosed the implementation status on the Company's website or annual report, and reported to the Board of Directors at least once a year?	Yes		The Company has formulated the relevant management plan in 2023 and disclosed it on the official website and reported to the Board of Directors.	
3.14	Does the Company's annual report disclose the link between the performance evaluation and remuneration of directors and managers?	Yes		Proposal for the establishment of the Company's 2022 "Regulations Governing the Performance Evaluation and Remuneration of Directors and Managers".	
4.1	Does the Company establish a dedicated (or part-time) unit to promote sustainable development that conducts risk assessments on environmental, social, or corporate governance issues related to the Company's operations and development based on the principle of materiality, and disclose it on the Company's website and annual report.	Yes		On July 15, 2022, the Board of Directors of the Company approved the establishment of the Sustainability Committee and formulated the organizational charter. On November 9, 2022, the Board of Directors approved the establishment of the "Risk Management Policy and Regulations". For risk assessment, please refer to Page 31.	
4.11	Has the Company disclosed the annual greenhouse gas emission, water consumption and total weight of waste in the past two years?	Yes		The Company has disclosed the information in the 2023 Sustainability Report and on the Company's official website.	
4.18	Does the Company follow the framework of the Climate-related Financial Disclosures (TCFD) to disclose information about corporate governance, strategies, risk management, indicators and goals for climate-related risks and opportunities? ?	Yes		The Company expects to disclose in 2024.	

Note 1: The results of the performance evaluation on the Board of Directors and functional committees in 2023 are detailed in the following table:

1. Self-evaluation of the Board of Directors:

(I) Results of the overall performance evaluation of the Board of Directors:

Aspect	Number of questions	Evaluation Result (Total 5 Points)
Involvement in company operations	12	5.00
Improvement to the quality of the board decision-making process	12	5.00
Composition and structure of the board	7	5.00
Election of directors and their continuing education	7	4.86
Internal control	7	5.00
Total/Average score	45	4.98

(II) Results of the self-evaluation of the internal directors:

Aspect	Number of questions	Evaluation Result (Total 5 Points)
Alignment with company goals and tasks	3	4.85
Awareness of directors' responsibilities	3	4.96
Involvement in company operations	8	4.72
Internal relations management and communication	3	4.81
Directors’ professionalism and their continuing education	3	4.85
Internal control	3	4.78
Total/Average score	23	4.81

(III) Results of the Internal Audit Committee's self-evaluation:

Aspect	Number of questions	Evaluation Result (Total 5 Points)
Involvement in company operations	4	4.75
Functional committee responsibilities awareness	5	4.80
Improvement of the decision-making quality of functional committees	7	4.71
Composition of the functional committee and election of its members	3	4.67
Internal control	3	4.67
Total/Average score	22	4.73

(IV) Results of the Remuneration Committee's self-evaluation:

Aspect	Number of questions	Evaluation Result (Total 5 Points)
Involvement in company operations	4	5.00
Functional committee responsibilities awareness	5	5.00

Improvement of the decision-making quality of functional committees	7	5.00
Composition of the functional committee and election of its members	3	5.00
Total/Average score	19	5.00

(V) Results of the Sustainable Development Committee's self-evaluation:

Aspect	Number of questions	Evaluation Result (Total 5 Points)
Involvement in company operations	4	4.95
Awareness of the duties of the functional committee	3	4.67
Improvement of the decision-making quality of functional committees	7	5.00
Composition of the functional committee and election of its members	2	4.50
Total/Average score	16	4.86

2. Assessment by external professional independent institutions for 2022:

The 2022 "Board of Directors Performance Evaluation" was commissioned to the "Board of Directors Performance Evaluation Committee" by the Taiwan Corporate Governance Association (Assessment Committee and Convener: Member Yong-Ji Lai, Member Tai-Chang Wang, Member Wen-Chun Lin). The evaluation was conducted on February 8, 2023 through methods such as "data review", "self-assessment questionnaire", and "on-site interviews", etc. The scope of this review covers: "board composition and structure", "election and continuing education of directors", "board's participation in company operations", "improvement of board's decision-making quality", "internal control", "environment, society, and governance" and "value creation", etc. Conclusion and recommendation: Overall, the governance and operation of the Company's Board of Directors has mostly complied with the norms proposed by the Taiwan Stock Exchange and Taipei Exchange for corporate governance practices and board evaluation. More specifically, the strengths of board governance include:

(1) In recent years, the Company has focused on ESG issues. In addition to setting up the "Sustainable Development Committee" under the Board of Directors, the Company has promoted the "Kindom ESG Forum" and invited experts from various fields to conduct in-depth discussions.

(2) The members of the Board of Directors have shown professional diversity. The nine directors have professional knowledge in finance and accounting, law, civil engineering, land management, and business management.

(3) Independent directors performed their duties. In 2022, independent directors attended all board meetings and functional committees.

(4) The Board of Directors leads by example, in addition to conducting self-evaluation and reporting the results of the evaluation to the Board of Directors, the Board of Directors also commissions an external independent agency to evaluate the performance of the Board of Directors every three years.

(5) The Company has made outstanding achievements in corporate governance and corporate sustainability affairs in the past three years, and has won several important domestic and foreign awards.

(6) The Company's value creation is also extraordinary; in the past five years, the net profit margin and return on equity have shown a growing trend, and significantly outperformed other companies in the same industry.

However, it is suggested that the Company can improve the governance of the Board of Directors in the following directions:

(1) The Company may continue to arrange continuing education courses on ESG and mid- and long-term risk strategies based on the suggestions made in the self-assessment of the Board of Directors. Please refer to Note 3 for further education of directors in 2023.

(2) The convener of the Company's Audit Committee should report on the status of communication with the internal auditing officers and the Company's policies and plans for fulfilling corporate social responsibility at the shareholders' meeting.

(3) The Company's e-mail address for whistle-blowing should be set up at the same time for independent directors

to receive emails at the same time. The contact number, e-mail and mailing address should also be listed on the Company's website.

(4) It is advisable that the additional communication between the CPAs and the independent directors be conducted separately in the board meeting or the audit committee, and preferably at least three times in different quarters of each year.

Note 2: Please refer to the following table for the results of the 2024 evaluation on the independence and suitability of CPAs.

No.	Evaluation Items	Evaluation result	Independence/competence
1	Does the attesting CPA have a close business relationship or potential employment relationship with the Company or its affiliated companies?	No	Yes
2	Do the CPAs hold or broker the shares or other securities issued by the Company or any of its affiliated companies?	No	Yes
3	Do the CPAs act as the defender or representative of the Company or its affiliated companies to coordinate conflicts with other third parties?	No	Yes
4	Does the attesting CPA have a relative relationship with the Company's directors, managers or personnel who have a significant impact on the audit?	No	Yes
5	Have any co-practicing accountants of the CPAs' associated accounting firm served as the Company's directors, managers, or positions that have a significant impact on the audit within one year after retirement?	No	Yes
6	Have CPAs provided audit services for the Company for 7 consecutive years?	No	Yes
7	Have the CPAs complied with the independence requirements specified in CPA Professional Ethics Bulletin No. 10?	Yes	Yes
8	Do the CPAs and the audit service team make appropriate recommendations and keep records of the Company's management system and internal control system audits?	Yes	Yes
9	Do the CPAs and the audit service team provide the Company with legal updates, amendment information and provide courses?	Yes	Yes

Note 3: Please refer to the following table for directors' continuing education during 2023.

Directors	Project name	Organizer	Date of continuing education	Duration of Advanced Studies	Whether the continuing education meets the requirements
Director Mike Ma, Director Mei-Chu Liu, Director Chang-Rong Hsieh, Director Sheng-An Chang, Director Sui-Chang Liang, Independent Director Shen-Yu Gong	How Do Directors and Supervisors Supervise the Company - Effective Enterprise Risk Management and Crisis Management (Afternoon)	Taiwan Investor Relations Association	2023/10/13	3	Yes
	How Do Directors and Supervisors Supervise the Company - Effective Enterprise Risk Management and Crisis Management (Morning)	Taiwan Investor Relations Association	2023/10/13	3	Yes
Director Chang-Rong Hsieh, Director Chen-Dan He	2023 Insider Trading Prevention Conference	Securities and Futures Institute	2023/10/20	3	Yes
Sui-Chang Liang	Corporate Governance, Corporate Fraud, and	Chinese National Association of Industry	2023/10/11	3	Yes

	Analysis of Major Cases	and Commerce, Taiwan			
	AI practical application and legal analysis	Chinese National Association of Industry and Commerce, Taiwan	2023/10/06	3	Yes
	Analysis of the Key Points of Corporate Governance Evaluation for Directors and Supervisors	Securities and Futures Institute	2023/09/13	3	Yes
	Notes to the Board and Discussion of Frequently Asked Questions for the Shareholders' Meeting in 2023	Chinese National Association of Industry and Commerce, Taiwan	2023/03/24	3	Yes
	Sustainable Transformation Course 4-1: Challenges and Opportunities of Global Net Zero Transformation	Chinese National Association of Industry and Commerce, Taiwan	2023/03/10	3	Yes
Director Chen-Dan He	Corporate Governance Lecture - Discussion on the Importance of Sustainability Report and TCFD	Taiwan Academy of Banking and Finance	2023/10/13	3	Yes
	Corporate Governance Lecture - Fair Customer Treatment to Friendly Service Principle and Financial Exploitation	Taiwan Academy of Banking and Finance	2023/10/13	3	Yes
	Operation of natural carbon sink and carbon trading and possible business opportunities it may create	Chinese National Association of Industry and Commerce, Taiwan	2023/10/02	3	Yes
Independent director Hong-Jin Huang	Directors' fiduciary duties and liability for misstatement	National Federation of Certified Public Accountant Associations of the Republic of China	2023/03/21	3	Yes
	Accountant’s money laundering prevention, supervision and practice	National Federation of Certified Public Accountant Associations of the Republic of China	2023/03/21	3	Yes
Independent director Kuo-Feng Lin	How the board of directors monitors ESG risks and builds sustainable competitiveness	Taiwan Corporate Governance Association	2023/10/06	3	Yes
	Legal Issues Concerning the Management of Insider Shareholding and Trading of Shares	Taiwan Corporate Governance Association	2023/10/02	3	Yes
	Corporate Governance and Securities Regulations Professional Training Course	Accounting Research and Development Foundation of the Republic of China	2023/04/28	3	Yes
	Sustainable Development Action Plan Promotion Conference for TWSE/TPEx Listed Companies	TWSE and Taipei Exchange	2023/04/27	3	Yes

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

1. Information on the members of the Remuneration Committee

<table>
<tr><th>Type of identity (Note 1)</th><th>Condition / Name</th><th>Professional qualifications and experience (Note 2)</th><th>Status of independence (Note 3)</th><th>The number of members concurrently serving on the remuneration committees of other publicly traded companies.</th></tr>
<tr><td>Independent Directors (convener)</td><td>Hung-Chin Huang</td><td colspan="2" rowspan="2">Refer to P.8 Disclosure of Directors' Professional Qualifications and Independent Director Independence</td><td>1</td></tr>
<tr><td>Independent Directors (member)</td><td>Kuo-Feng Lin</td><td>1</td></tr>
<tr><td>Committee members</td><td>Tong-Hsuan Wan</td><td>(1) At least five years of work experience and professional qualifications as lecturers at public or private colleges and universities in the fields of commerce, law, finance, accounting, or relevant departments required by the Company's business.
(2) Assistant Professor, Department of Business Administration, School of Management, Ming Chuan University; CEO of Business Service Center, Ming Chuan University.
(3) Member of the Remuneration Committee of Kindom Development Co., Ltd. and member of the Remuneration Committee of Kedge Construction Co., Ltd.
(4) Not subject to the provisions of Article 30 of the Company Act.</td><td>(1) Members must be independent Circumstances.
(2) Members, their spouses, their relative within 2nd degree of kinship does not serve as a director, supervisor, or employee of the Company or any other affiliated company; nor does he/she hold any shares of the Company, or serve as a director, supervisor, or employee of a company specifically related to the Company.
(3) No remuneration for providing commercial, legal, financial or accounting services to the Company or other affiliated companies in the last 2 years.</td><td>1</td></tr>
</table>

Note1: Please specify the seniority, professional qualifications, experience, and independence of the Remuneration Committee members in the table. In the case of independent directors, please refer to Table 1 Directors and Supervisors on Page 8 for the description information (1) and related contents. Please fill in the identity whether as an independent director or others (for the convener, please specify).

Note2: Professional qualifications and experience: Describe the professional qualifications and experience of individual Remuneration Committee members.

Note3: Criteria for independence: Describe the independence criteria for members of the Remuneration Committee, including but not limited to whether the member, their spouse, or relatives within the second degree of kinship hold positions as directors, supervisors, or employees of the Company or its related enterprises; the member, their spouse, or relatives within the second degree of kinship (or using others' names) hold shares of the Company and their proportions; whether they hold positions as directors, supervisors, or employees of companies with specific relationships with the Company (referring to provisions 5-8 of Article 6, Section 1 of the Regulations on the Establishment and Exercise of Functions of the Remuneration Committee of Publicly Issued Companies as per stock listing or transactions at securities firms); and the remuneration received for providing business, legal, financial, accounting, or other services to the Company or its related enterprises in the past two years.

2. Information on the operation of the Remuneration Committee:

(1) The Company’s remuneration committee has 3 members.

(2) The term of office of the current members: from June 29, 2022 to the date of election of the Company's directors in 2025, most recent annual Remuneration Committee Held 6 times (A), and the attendance of members is as follows:

Title	Name	Number of attendances in person (B)	Frequency of attendance by proxy	Actual attendance rate (%) 【B/A】(Note)	Remarks
Convener	Hung-Chin Huang	6	0	100.00%	
Committee members	Kuo-Feng Lin	6	0	100.00%	
Committee members	Tong-Hsuan Wan	6	0	100.00%	

Other information to be disclosed:

I. If the Board of Directors does not adopt or amend the recommendation of the Remuneration Committee, it shall state the date, session, content of the resolution, and the result of the Board of Directors' resolution and the Company's action in response to the advice of the Remuneration Committee (e.g. if the board has approved remuneration higher than the recommended remuneration by the Remuneration Committee, the difference and the reason should be stated): None.

II. If the resolutions of the Remuneration Committee have written or otherwise recorded resolutions on which an independent director had a dissenting opinion or qualified opinion, the date, session, content of the resolution, the opinions of all members and the action in response to the opinions of the member of the Remuneration Committee shall be stated: None.

III. Operation status:

Remuneration Committee	Proposal content and follow-up treatment	Resolution Result	The Company's handling of the opinions of the Remuneration Committee
5th Term 5th meeting 2023.03.10	1. Amendment to the Company's "Regulations Governing the Transfer of Repurchased Shares to Employees" 2. Formulate the Company's "Regulations Governing Employee Stock Subscription and Special Incentives" 3. Proposal for the appropriation and distribution of the 2022 employees' remuneration and directors' remuneration	Approved by all committee members present	Submitted to the Board of Directors and unanimously approved by all directors present at the meeting
5th Term 6th meeting 2023.05.09	1. The appointment of managerial officers 2. Promotion and salary adjustment of managerial officers of the Company in 2023	Approved by all committee members present	Submitted to the Board of Directors and unanimously approved by all directors present at the meeting
5th Term 7th meeting 2023.08.09	1. Plan to amend the Company’s “Approval Authority Management Measures” 2. Adjustment of the Company's internal audit officer 3. Appointment of a dedicated information security officer	Approved by all committee members present	1. As resolved by the Board of Directors on August 11, 2023, the proposal is reserved for the time being, and the sponsors are requested to provide additional information before discussion. After discussion by the sponsors, they were submitted to the Board of Directors on November 10, 2023 and approved by all directors present at the Board of Directors'

			meeting. 2.3. Submitted to the Board of Directors and unanimously approved by all directors present at the meeting.
5th Term 8th meeting 2023.11.07	1. The adjustment of the organizational structure of the Company 2. Proposal to amend the Company's "Regulations Governing the Authority to Approval" 3. The promotion and salary adjustment of the Company's managers.	Approved by all committee members present	Submitted to the Board of Directors and unanimously approved by all directors present at the meeting
5th Term 9th meeting 2023.12.27	1. Proposal for the Company's salary scale adjustment 2. The appointment of managerial officers	Approved by all committee members present	Submitted to the Board of Directors and unanimously approved by all directors present at the meeting
5th Term 10th meeting 2024.03.05	Proposal for the appropriation and distribution of the 2023 employees' remuneration and directors' remuneration.	Approved by all committee members present	Submitted to the Board of Directors and unanimously approved by all directors present at the meeting

Note: (1) If a member of the Remuneration Committee resigns before the end of the year, the date of resignation should be indicated in the remarks column. The actual attendance rate (%) is calculated based on the number of meetings of the Remuneration Committee and the number of actual attendance during his/her service.

(2) Before the end of the year, if there is a re-election of the Remuneration Committee, the new and old members of the Remuneration Committee shall be filled in, and whether the member is old, new or re-elected and the date of the re-election shall be indicated in the remarks column. The actual attendance rate (%) is calculated based on the number of Remuneration Committee meetings held and the number of actual attendance rate.

(V) Implementation of sustainable development and deviation from the Sustainable Development Best Practice Principles for TWSE/TPEx-listed Companies and the reasons therefor:

Evaluation Items	Status of Operation			Deviation and causes of deviation from the Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies
	Yes	No	Summary description	
I. Has the Company established a governance structure for the promotion of sustainable development, with dedicated (or part-time) units to promote sustainable development, with senior management authorized by the Board of Directors to handle it, and whether it is supervised by the Board of Directors? (Listed companies should report implementation status, not compliance or interpretation.)	✓		(1) The Company has established a "Sustainable Development Committee" under the Board of Directors. The Sustainable Development Task Force of the Chairman's Office is responsible for the implementation of sustainable development strategies and the promotion of sustainability-related matters. (2) The "Sustainable Development Committee" consists of five major groups that promote "corporate governance, green low-carbon, innovative services, sustainable supply chain, employee well-being, and social inclusion". According to the follow-up, each promotion team has conducted risk assessment, management and formulation of relevant plans for the subject area under their control. A monthly meeting of the task force is held to understand and oversee the Company's sustainability efforts in environmental protection (E), social inclusion (S), corporate governance (G), and other aspects. The task force provides strategic recommendations and improvement measures, and reports to the Sustainability Development Committee in the first and fourth quarters of each year before reporting to the Board of Directors. In 2023, the Sustainability Committee held 2 meetings to strengthen communication mechanisms between departments and mobilize internal and external resources for continuous improvement. The committee aimed to understand and grasp the Company's long-term sustainability aspects in environmental (E), social inclusion (S), and corporate governance (G). This served as the framework for practicing corporate sustainability, aligning with international trends of balancing environmental, social, and corporate governance development. The Company also embraced its corporate citizenship responsibilities, contributing to the national economy, improving the quality of life for employees, communities, and society, and promoting competitive advantages based on corporate responsibility.	Compliant
II. Does the Company conduct risk assessments on environmental, social and corporate governance issues related to company operations in accordance with the principle of materiality, and establish relevant risk management	✓		The consolidated company's Board of Directors approved the "Risk Management Policy and Regulations" on November 9, 2022. The Administration Division, Business Division, and operating units are responsible for formulating and implementing corporate social responsibility policies, regularly identifying stakeholders, collecting and reviewing to ensure that all material aspects of concerns are covered, and from time to time to report implementation results to the Chairman, identify and	Compliant

policies or strategies? (Listed companies should report implementation status, not compliance or interpretation.)			review performance on environmental, social and corporate governance issues, and propose strategic planning and measures to be taken in response to performance evaluations. The effectiveness and details of the Company's corporate sustainability responsibility are disclosed in the Company's annual corporate sustainability report, which is also disclosed on the Company's website. The risk implementation and action plans are as follows:	

Material topic	Evaluation Items	Description
Environment	Climate change	1.Kindom Development Corp. uses risk matrix map to analyze risks of climate change and assess the probability of occurrence, as well as the extent of impact on the Company's finance resulting from these risks. 2. The planning and design team comprises various professional units and personnel, who create the most suitable green design for each project. 3. Established a project control team to simulate system testing cases, verifying the correctness of potential system issues through simulated testing, and resolving identified problems.
Social	Construction safety	1. Establish the Kindom engineering management organization to inspect engineering quality, and the Engineering Department will conduct the inspection based on the engineering quality inspection standards.

					2. Formulate the three-level quality control standards that also act as the construction-end engineering quality inspection standards 3. The building material standard grading regulation is refined according to products from different regions 4. General construction projects are implemented based on standardized construction methods, while special construction projects will be adjusted accordingly 5. Plan and design suitable construction projects based on the varying needs of consumers to strengthen the permanent after-sales service system and building health examination, and continue to build outstanding residences		
			Corporate governance	Legal compliance	1. In response to the government-led market trend, the Company should adopt a policy of locking in existing stable customers, and carefully select the source of land projects, and grasp the sources of development projects such as trading, joint construction, land development, and		

			urban renewal. 2. Enhance regulatory compliance awareness, train employees periodically, and retain professional legal counsels to ensure legal compliance. Operational risk management: 1. Quarterly electronic announcements, including confidential conduct promotion, intellectual property right compliance promotion, ethical conduct promotion. 2. Company website promotion for ethical management and employee code of ethical conducts.	
III. Environmental Issues (1) Has the Company established an appropriate environmental management system based on the characteristics of its industry?	✓		(1) The consolidated company implements an environmental management system, taking into account the life cycle of company operations, and establishes environmental operation control standards as the basis for environmental control, in compliance with relevant environmental control laws and regulations. The Company is committed to promoting waste classification and advertising display item recycling activities at operating locations and sales venues to reduce waste volume. Additionally, it requires enhanced management during construction projects to reduce noise and air pollution.	Compliant
(2) Is the Company committed to improving energy efficiency and using recycled materials with low impact on the environment?	✓		(2) The consolidated company's operating locations formulate energy management plans, set annual carbon reduction targets, conduct energy health inspections, replace power-consuming equipment, and improve energy efficiency. Construction products are also actively involved in green building design. It is expected to introduce the Building Energy Efficiency Label, use energy-saving and smart system management, and use recycled building materials in individual cases.	Compliant
(3) Has the Company assessed the potential risks and opportunities posed by climate change to the Company at	✓		(3) The consolidated company places a high priority on the impact of global climate change on its operations and incorporates climate change as a major issue. It follows the recommendations for climate-related financial disclosures from the International Financial Stability Committee, conducting risk and opportunity	Compliant

present and in the future, and taken relevant countermeasures? (4) Has the Company kept statistics on the amount of greenhouse gas emission, water consumption and total weight of waste in the past two years, and formulated policies for greenhouse gas reduction, reduction of water consumption or management of other wastes?	✓		assessments. In 2023, it set a carbon reduction target of 1.5°C through the SBTi (Science-Based Targets initiative), considering risks during project execution to prevent disasters, project delays, and other transition risks caused by climate change. (4) The consolidated company collects statistics on water and electricity usage and total weight of waste materials for more than two years, and discloses them in the corporate sustainability report. The consolidated company has formulated energy-saving plans and related management methods to reduce daily energy consumption, encourage the use of public transportation to reduce greenhouse gas emissions, implement waste sorting and reduction and reduce the use of disposable products for activities, reduce power consumption and lighting in public spaces and timely adjust air conditioning to implement energy-saving measures, and promote energy conservation and carbon reduction within the organization and various activities, and regularly announce to remind colleagues to form energy-saving habits, in order to achieve energy-saving carbon reduction and greenhouse gas reduction goals.	Compliant
IV. Responding to social issues (1) Has the Company established management policies and procedures in accordance with applicable laws and international human rights? (2) Whether the Company establishes and implements reasonable employee welfare measures (including remuneration, leave and other benefits), and operational performance Or are the results appropriately reflected in the employees' remuneration?	✓ ✓		(1) The consolidated company abides by various labor laws and international human rights principles, and takes out labor insurance, health insurance, and group insurance for all employees, and provides pension funds for their rights, and treats employees with respect and fairness to ensure that daily operations comply with corporate ethics , and has established the "Corporate Social Responsibility Best Practice Principles", "Procedures for Ethical Management and Guidelines for Conduct" and "Human Rights Policy". (2) The consolidated company values employee benefits, hires professional consultants to analyze and investigate the market salary, benefits and employment environment, formulates reasonable employee salary and remuneration policies and set up a Remuneration Committee to regularly review the performance of directors and managers and remuneration standards, and if profitable in the year as specified in the Articles of Incorporation, Employee compensation is structured based on job performance and evaluation. Various performance bonus schemes and the "Promotion and Salary Adjustment Management Policy" are established. Annual performance bonuses are tied to key performance indicators, incorporating departmental performance and goal achievement into the evaluation criteria. Evaluation results impact bonus payout proportions, promotion levels, and salary adjustments. Additionally, the Company provides compliant leave systems, generous employee benefits, and insurance schemes.	Compliant Compliant

(3) Does the Company provide employees with a safe and healthy work environment, and provide employees with safety and health education on a regular basis?	✓		(3) The consolidated company conducts safety and health education and training for employees on a regular basis, and organizes employee health examinations every year; at the same time, to create a friendly workplace, the office area of the building is furnished as needed, and relevant equipment is updated. The environment is regularly disinfected, and there are nursing rooms, massage rooms, and nursing rooms, and chairs and refreshments in the pantry to satisfy the needs of employees. In addition, the office building has also compiled a "Fire Protection Plan" and set up a self-defense fire team in accordance with fire safety regulations. Regular fire team drills and education and training are held every year to improve disaster response capabilities.	Compliant
(4) Does the Company establish an effective career ability development training program for employees?	✓		(4) The Human Resources Department of the Administration Department of the consolidated company formulates annual training plans based on the needs of the Company and employees, conducts education and training according to the plans, and promotes an online learning platform to enable learning without the restrictions of time and space, and to enhance employees' professional knowledge.	Compliant
(5) Does the Company comply with relevant laws and regulations and international standards regarding customer health and safety, customer privacy, marketing and labeling of products and services, and establish relevant policies and complaint procedures to protect consumers or customers' rights and interests?	✓		(5) The consolidated company complies with relevant laws and regulations regarding customer health and safety, customer privacy, marketing and labeling of products and services, and regularly reviews the legitimacy of such products. Upon receipt of customer's response quality or other issues, the Company provides a customer service hotline and systematic management of CRM, combined with the LINE lifestyle circle, to respond within 24 hours and provide immediate after-sales service.	Compliant
(6) Does the Company have a supplier management policy defined to require suppliers to comply with relevant regulations on environmental protection, occupational safety and health, or labor human rights, and the implementation status thereof?	✓		(6) The consolidated company lists the credit and social image of suppliers as the key criteria for selection, and requires suppliers to sign a human rights and environmental sustainability clause commitment and complete a self-assessment form, in order to advocate the necessity of complying with issues such as the environment, occupational safety and health, labor rights, etc., and specify in the contract that it will terminate or terminate the contract signed with a supplier that violates its material corporate social responsibility policies.	Compliant

V. Does the Company prepare the report disclosing the Company's non-financial information, such as the CSR report, by referring to the international reporting standards or guidelines? Has the said report been certified or guaranteed by a third-party verification unit?	✓		The consolidated company compiled its sustainability report based on the 2021 version of the Global Reporting Initiative (GRI) guidelines, referencing the operating procedures for preparing and reporting sustainability reports of listed companies, as well as the United Nations Sustainable Development Goals (SDGs), the Task Force on Climate-related Financial Disclosures (TCFD) framework, and the Sustainability Accounting Standards Board (SASB) standards. The report was verified by the British Standards Institution (BSI) and complies with the GRI Standards - Core Option and follows the AA1000 international standards.	Compliant

VI. If the Company has established its own ethical corporate management best-practice principles in accordance with the "Ethical Corporate Management Best-Practice Principles for TWSE/TPEx Listed Companies", please describe the current practices and any deviations from the TWSE/TPEx Best-Practice Principles:

The consolidated company has established its corporate social responsibility practice principles in accordance with the "Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies", and there is no material deviation in its operation.

VII. Other important information helpful to understand the implementation of corporate social responsibility:

(1) Environmental protection, safety and health:

The consolidated company's environmental protection, safety and health management and control are implemented in accordance with the laws and regulations. Please refer to "IV. Environmental Protection Expenditure Information" under "V. Operational Overview" of this annual report.

(2) Social welfare:

1. In 2014, the consolidated company established the "Kindom Yushan Educational Foundation" to organize various educational activities, cultivate outstanding talents, deepen industry-academia exchanges, encourage forward-looking thinking, promote reading habit, and promote social progress. In 2023, the consolidated company donated a total of NTD 18 million to the Foundation for its conference use. In 2023, the Foundation has organized and sponsored several public welfare activities as follows:

Event name	Description	Number of beneficiaries
Project of "Living at Xinzhi Reading and Living Platform"	Through digital content platforms and annual publications, we share our imaginations, pursuits, and details of life with the public, whether it is about architecture, daily life, design, humanities, art, etc.	The number of website views exceeded 260,000; the number of followers on Facebook was 59,600; and the number of posts on Facebook reached 1,253,000.
"Celebrity Study" reading project	The filming of the fifth season of the reading program "Celebrity Study", with veteran anchor Ching-Ling Chan as the host, invited 13 groups of celebrities each season to share their reading experiences, inspire audiences, and improve the reading culture in society. Broadcasted on Channel News Channel, Daai TV, Renjian Satellite TV, and MOMO TV , China Sports Education and Culture Channel, Public Television, Youtube channel, Yahoo TV and iQiyi Broadcasting.	The online platform has been viewed over 1.46 million times, with exposure on YouTube exceeding 10.3 million times; the cumulative number of YouTube subscribers is 57,300.
Hosted Better Life theme book fairs.	The Company regularly holds themed book exhibitions in the reading area on the first floor of the corporate building for corporate employees to read for free and enrich self-study and growth.	Approximately 200 people
Promote "Kindom Book Date" reading project	In memory of Ma Yu-Shan, the founder of Kindom Group, who upheld his belief that "knowledge is power" and implemented the foundation's core concept of "promoting reading and architecture education". Starting in 2022, the Company has launched the "Kindom Book Date" program, hoping to promote reading with different types of activities every year. In 2023, to integrate reading, travel, and charity, four major events, i.e., Travel Book Fair, Reading Salon, Sharing on Book Traveling, and Charity Book	A total of 106 people participated in the three reading seminars; 7,232 second-hand books were raised through the public welfare book-raising; Facebook posts reached a total of 87,500 people.

		Fundraising, will be held from August 1 to August 30 to invite everyone to embark on a journey of discovery, freedom and wisdom.	
	"Lecture from Kindom Architecture" Project	In order to implement the concept of "architecture education", the Foundation and Ming Chuan University have signed an industry-academia cooperation plan in 2023 to jointly organize the "Kings Architectural Salon Lecture" and the "Kindom x Ming Chuan Architecture International Lecture". In the meantime, we hope to promote the knowledge development of the architecture profession through the multicultural perspective and open up the vision of a sustainable future.	The two lectures were attended by a total of 105 people. The video of the lecture reached 9,794 Youtube subscriptions and the Facebook post reached 5,381 people.
	"Kindom Taichung Micro Library" public welfare project	In 2023, with the cooperation of Kindom Construction, Zhonglu Development and the Kindom Yushan Education Foundation, the "Kindom Micro Library in Taichung" charity project will be held at Taichung MRT City Government Station (Exit 1) from October 24 to November 5. Designed and produced by Architect Chao Ying-Chieh's architectural firm, a micro-library named "KNOWLEDGE CUBE" has been established. Through collaboration with the CommonWealth Cultural and Educational Foundation and the City of Reading Garden, 700 books have been collected. People can borrow books to take home or donate unused books to the micro-library, promoting mobile reading. During the event, the " Zhongjie Road Reading Tour" was held. The writer Liu Ke-Hsiang, who was born in Wuri, Taichung, was invited to share local stories and hydrological ecology at 5 selected Zongjie stops ; a "photograph raffle" was also held in the community, inviting the public to take photos and uploading a photo taken with the micro-library for a chance to win a gift.	A total of 22 participants participated in the "Zhongjie Reading Tour"; a total of 72 participants participated in the "photograph raffle"; the Facebook post reached a total of 58,300 people.
	Remote township education sponsorship - Grass Book House Sanxia Headquarters	To care for disadvantaged and remote areas and bridge the urban-rural gap, we have launched the 'Adopt a Little Grass Book House' project. This initiative provides academic learning opportunities as well as promotes the development of interests and talents. It aims to build a comprehensive community support system for children facing adversity, allowing every child to grow and dream in a stable learning environment. The Green Grass Vocational School offers multi-functional education "baking, woodcarving, carpentry, coffee, beauty courses" as the content of the courses; career counselors provide career guidance, and school teachers provide emotional education, the three parties work together to turn the future for vulnerable children and children, no longer lost and find self-worth. (This sponsorship is for earmarked purposes only)	1.Grass Book House benefitted 18 students and 12 households 2 Grass Life Skills Academy benefited 21 students and 19 households
	Remote township education sponsorship - Grass Book House Daxi branch	Grass Book House Daxi branch was established in 2021, mainly to accompany urban Indigenous, new immigrants, economically disadvantaged, single-parent, foster-parent, and skipped-generation schoolchildren, and become a supportive backing for children in the community.	17 students and 12 households benefitted from Daxi Branch
	Remote township education sponsorship - Little Grass Book House Reconstruction Project	The place rented by Little Grass Book House was originally a stir-fried food restaurant, with the second floor constructed with corrugated iron, and the sloping beams and columns affecting the space planning. Over time, there have been safety concerns as well. In 2023, the landlord intends to sell the land. After evaluation by several parties, Taiwan Sustainable Care Taiwan decides to buy the land of the bookstore, hoping to rebuild it at the original site for the "sustainable" development of the bookstore in the local area, so that the association can more	Every year, we are expected to accompany 90 teenagers and 80 families, and extend our influence to schools and communities, indirectly affecting more than 4,500 people.

	stably have a permanent presence in the land to continue the service.	
Diversified Learning Sponsorship - Future Literacy Academy Public Welfare Project	The "Future Literacy Academy Project" launched by the Taiwan Literacy Education Association has invited teachers and teachers of rural schools to form a team to participate in the 24-hour "education loose" since 2021, and jointly polish reading literacy and incorporate it into the school's curriculum. Through the combination of digital game learning platform and reading texts, the school proposes diverse and innovative reading literacy teaching programs that arouse children's interest.	Benefited about 70 teachers and 110 students from rural areas
Diversified Learning Sponsorship - Hung Ai Dream Scholarship	Sponsored the "Hung Ai Dream Scholarship" of Hungkuang University, hoping to help students with financial or cultural disadvantage to achieve the purpose of "studying instead of working", realize themselves and turn their lives over. (This sponsorship is for earmarked purposes only)	About 37 people benefited
Diversified Learning Sponsorship - Charity Book Donation	Books recommended by famous people and the annual publication of Ju Xinzhi were presented to the Foundation, "Celebrity Study" and "Ju Xinzhi" fan pages to the general public, corporate employees, Guande Community Library, etc.; sponsored Chiayi Xingang Reading Library Established the "Celebrity Study" recommendation wall, and commissioned Miaomiao Publishing House in Chiayi to procure books to promote reading among young people and support local independent bookstores.	Donation of 4,199 books for public welfare

2. The consolidated company visits the kindergarten regularly, makes donations to the Andrews Association every year and participates in activities to care for the disadvantaged.
3. The Company adopts organic rice fields and invites employees and their families to participate in rice planting activities to contribute to maintaining a beautiful natural environment.

(III) Consumer rights and interests:
The consolidated company has a customer service department that handles customer complaints and provides permanent after-sales service.

Note 1: If "Yes" is selected for the implementation, please specify the important policies, strategies and measures adopted and the implementation; if "No" is selected for the implementation, please refer to the "Sustainable Development Practices for TWSE/TPEx Listed Companies" deviation and causes of the Company's principles for explanations and causes, as well as plans for the adoption of relevant policies, strategies and measures in the future. However, for the promotion items 1 and 2, the listed company shall describe the governance and supervision structure for sustainable development, including but not limited to management guidelines, strategy and goal setting, and review measures. In addition, the Company's risk management policies or strategies on environmental, social and corporate governance issues related to its operations, and its evaluation status will be described.

Note 2: The principle of materiality refers to the environmental, social and corporate governance issues that have a significant impact on the Company's investors and other stakeholders.

Note 3: Please refer to the Best Practice Reference Examples on the website of the Corporate Governance Center of Taiwan Stock Exchange for the disclosure method.

(VI) Deviation and causes of deviation from the Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies:

Evaluation Items	Operational status			Deviation and causes of deviation from the Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies
	Yes	No	Summary description	
I. Establishment of ethical corporate management policies and plans (1) Has the Company established an ethical corporate management policy approved by the Board of Directors and stated in its Articles of Incorporation or external correspondence about the ethical management policies and practices, as well as the commitment of the Board of Directors and senior management to actively implement the operating policies?	✓		(1) In order to implement the policy of ethical management, the consolidated company has formulated the " Corporate Governance Best Practice Principles" , " Ethical Corporate Management Best Practice Principles" and " Operation Procedures for Ethical Management and Guidelines for Conduct", which have been approved by the Board of Directors. The Principles are also actively promoted to employees and partners. The Principles are disclosed on the Company's website for compliance.	Compliant
(2) Has the Company established a mechanism for assessing the risk of dishonest acts, regularly analyzed and evaluated the business activities within the scope of business that have a higher risk of dishonest acts, and formulated a program for prevention of dishonest acts based on such plan, which at least covers the preventive measures mentioned in paragraph 2 of Article 7 of Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies?	✓		(2) The consolidated company has established an effective internal control system that prohibits employees from soliciting gifts, kickbacks, entertainment, or other improper benefits, directly or indirectly, from the Company's customers and vendors. In addition, the Audit Office will conduct audits on each department on a regular or ad hoc basis.	Compliant
(3) Has the Company established the program to prevent unethical conduct, including operational procedures, guidelines, penalties for violations, and a complaint system, and implemented the program, and regularly review and amend the aforementioned programs?	✓		(3) The consolidated company has established the "Procedures for Ethical Management and Guidelines for Conduct" on March 26, 2021, and the "Regulations Governing the Inspection of Violation of Ethical Corporate Management" in October 2021 , managers, employees, appointees and persons with de facto control are prohibited from offering or accepting bribes, offering illegal political contributions, improper charitable donations or sponsorships, offering or accepting inappropriate gifts or other improper benefits, dishonest acts such as divulging the Company's trade secrets, infringing intellectual property rights, engaging in unfair competitions, or service detriments to consumers or other stakeholders. Adding to the personnel regulations such as the "Employee Work Rules", the consolidated company clearly stipulates that employees shall	Compliant

Evaluation Items	Operational status			Deviation and causes of deviation from the Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies
	Yes	No	Summary description	
			not have unethical behaviors, and the preventive operating procedures are included in the new employee training or other personnel education and training courses.	
II. Implementing ethical corporate management (1) Has the Company evaluated the ethical records of its trading counterparties, and specified the ethical conduct clauses in the contracts signed with its trading counterparties?	✓		(1) When the consolidated company selects vendors, in addition to conducting credit investigations, the terms and conditions of ethical conduct have also been clearly defined in contracts and other documents.	Compliant
(2) Has the Company set up a dedicated unit under the Board of Directors to promote corporate ethical management, and report the implementation of the ethical management policies and prevention programs against unethical behaviors to the Board of Directors on a regular basis (at least once a year)?	✓		(2) For the merger, the Head of Corporate Governance, Legal Affairs Department, Audit Office, and the heads of each operating unit were appointed as the members in charge of ethical management. Based on the duties and scope of work of each unit, they are responsible for assisting the Board of Directors and the management in formulating and supervising the implementation of integrity management. to ensure the implementation of the Ethical Corporate Management Best Practice Principles, and reported its implementation to the Board of Directors on December 29, 2023.	Compliant
(3) Has the Company established policies to prevent conflicts of interest, provide appropriate channels of communication, and implement such policies?	✓		(3) The consolidated company has established the "Procedures for Ethical Corporate Management and Guidelines for Conduct" on March 26, 2021. The Audit Office, the Administration Division and the Finance Department have jointly established the Ethical Corporate Management Working Group. The Human Resources Department of the Administration Division is the contact for personnel to speak. They are also discussed with the ethical corporate management team for further discussion, implementation, and reporting to the Board of Directors on a regular basis.	Compliant
(4) Whether the Company has established an effective accounting system and internal control system to implement ethical corporate management, and has the internal audit unit formulate relevant audit plans based on the assessment results of the risks of unethical behaviors, and used to audit the compliance of the prevention of	✓		(4) The consolidated company has established an accounting system and internal control system to ensure the effectiveness of the financial reporting process and internal control. The Audit Office formulates an audit plan based on the risk assessment results, and conducts regular or to effectively implement this system, and report the audit results to the Audit Committee and the Board of Directors.	Compliant

Evaluation Items	Operational status			Deviation and causes of deviation from the Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies
	Yes	No	Summary description	
unethical behaviors or appoint a CPA to perform the audit? (5) Does the Company organize internal and external training on ethical corporate management on a regular basis?	✓		(5) The Human Resources Department of the Administration Division of the consolidated company regularly organizes relevant education and training courses, and strengthens promotion during business meetings and internal trainings for implementation.	Compliant
III. The operation of the Company's whistle-blowing system (1) Has the Company established a specific whistle-blowing and reward system, established a channel to facilitate reporting, and assigned appropriate dedicated personnel to handle the reported cases?	✓		(1) On October 29, 2021, the consolidated company's Board of Directors approved the "Regulations Governing the Reporting of Breach of Integrity Management". The Human Resources Department of the Division is responsible for handling related affairs according to theCompany's operating procedures complaints and punishment, and accept the complaint to the highest supervisor Designated personnel.	No difference
(2) Has the Company established standard operating procedures for the investigation of whistle-blowing matters, the follow-up measures to be taken after the investigation is completed, and the related confidentiality mechanism?	✓		(2) Upon receipt of the report, the Human Resources Department of the Administration Division of the consolidated company immediately submits the report to the head of the Audit Office or the responsible department for investigation. The personal data of the whistleblower and the the assignees and the investigators have the duty to keep the information confidential Appoint.	No difference
(3) Has the Company taken measures to protect the whistleblower from improper treatment due to their whistle-blowing?	✓		(3) The consolidated company keeps the identity of the informants anonymous, and the principle of non-infringement of their rights is the highest.	No difference
IV. Strengthening information disclosure Has the Company disclosed the content of its Ethical Corporate Management Best Practice Principles and results on its website and Market Observation Post System?	✓		The consolidated company discloses the content of the Ethical Corporate Management Best Practice Principles in the "Investors and Stakeholders" section on the website, and updates the effectiveness of the promotion from time to time. The relevant information is also disclosed on the Market Observation Post System.	No difference
V. If the Company has established its own ethical corporate management best-practice principles in accordance with the "Ethical Corporate Management Best-Practice Principles for TWSE/TPEx Listed Companies", please describe the current practices and any deviations from the TWSE/TPEx Best-Practice Principles: (1) The Company established the 'Integrity Operation Guidelines' for the consolidated company on March 24, 2016, in accordance with the "Integrity Operation Guidelines for Listed and OTC Companies". Subsequently, on March 26, 2021, the 13th meeting of the 12th Board of Directors passed the "Integrity Operation Procedures and Code of Conduct". On December 23, 2022, the 6th meeting of the 13th board of directors passed the "Human Rights Policy". The Company				

<table>
<tr><th rowspan="2">Evaluation Items</th><th colspan="3">Operational status</th><th rowspan="2">Deviation and causes of deviation from the Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies</th></tr>
<tr><th>Yes</th><th>No</th><th>Summary description</th></tr>
<tr><td colspan="5">continues to optimize and implement the established guidelines, ensuring the implementation of integrity operation policies and actively preventing dishonest behavior, with no significant deviations from the established guidelines.
(2) The Company attaches great importance to ethical management. In 2023, education training and promotion courses related to corporate governance, ethical management, and human rights policy issues were organized for a total of 128 people and a total of 183 hours.</td></tr>
<tr><td colspan="5">VI. Other important information that is helpful in understanding the Company's ethical corporate management practices (e.g., the circumstance in which the Company is reviewing and amending the Company's ethical corporate management best practice principles):
(1) The consolidated company shall comply with the Company Act, the Securities and Exchange Act, the Business Entity Accounting Act, the regulations related to listing on the TWSE or TPEx, or other laws and regulations related to business activities, as the basis for the implementation of ethical corporate management.
(2) The consolidated company has stipulated in the "Regulations Governing Procedure for Board of Directors Meetings" a recusal clause for directors, which expressly allows directors to state their opinions and answer inquiries on proposals that have an interest in themselves or the juristic person they represent, and may be harmful to the interest of the Company, but may not and shall avoid discussion and voting, and shall not exercise voting rights on behalf of other directors.
(3) The consolidated company has established the "Procedures for Handling Material Inside Information" and continues to amend them in accordance with relevant laws and regulations. It is explicitly stated that directors, supervisors, managerial officers and employees shall not divulge any material inside information they know to others, and shall not disclose to others, persons with knowledge of the consolidated company's internal material information shall not disclose to others any undisclosed internal material information of the Company that is not related to their personal position in the inquiry or collection.
(4) The consolidated company has "Ethical Corporate Management Best Practice Principles", which clearly stipulates that directors, managers, employees, appointees or persons with substantial control shall not directly or indirectly offer, promise, requesting or accepting any illegal benefits, or engaging in other dishonest conducts that violate integrity, that are illegal or are a breach of fiduciary duty in order to obtain or maintain benefits.</td></tr>
</table>

(VII)Whether the Company has established corporate governance best practice principles and related regulations:

The consolidated company has established the "Corporate Governance Best Practice Principles", which is disclosed on the Market Observation Post System and is available on the Company's website.

(VIII) Other important information that is sufficient to enhance the understanding of the Company's corporate governance and may be disclosed together: None

(IX) Implementation of the internal control system:

1. Declaration of internal control:

Kindom Development Co., LTD.
Declaration of Internal Control System

Date: March 12, 2024

The Company states the following with respect to its 2023 internal control system based on the results of a self-assessment:

I. The Company acknowledges that the establishment, implementation and maintenance of the internal control system is the responsibility of the Company's Board of Directors and managers. The Company has established such a system. The purpose is to reasonably ensure effective and efficient operations (including profitability, performance, and asset security), reporting reliability, timeliness, and transparency, and compliance with applicable laws and regulations.

II. Some limitations are inherent in all internal control systems. No matter how perfect the design is, an effective internal control system can only provide a reasonable assurance regarding the achievement of the above three intended objectives; moreover, due to changes in the environment and circumstances, the effectiveness of the internal control system may change accordingly. However, there is a self-monitoring mechanism in place for the Company's internal control system. Once a defect is identified, the Company will take corrective actions.

III. The Company judges the effectiveness of the design and implementation of its internal control system in accordance with the criteria specified in the "Regulations Governing Establishment of Internal Control Systems by Public Companies" (hereinafter referred to as the "Regulations"). The criteria for determining the internal control system adopted in the "Governing Regulations" are based on the process of management control. The internal control system is divided into five elements: 1. Control environment; 2. Risk assessment; 3. Control operations; 4. Information and communication; 5. Supervision operations. Each component further includes several items. Please refer to the "Governing Regulations" for details.

IV. The Company has adopted the abovementioned criteria to assess the effectiveness of the design and execution of its internal control system.

V. Based on the findings of the above evaluation, the Company believes that, on December 31, 2023, it has maintained, in all material respects, an effective internal control system (that includes the supervision and management of our subsidiaries), to provide reasonable assurance over our operational effectiveness and efficiency, reliability, timeliness, transparency of reporting, and compliance with applicable rulings, laws and regulations.

VI. This statement shall form an integral part of the Company's annual report and prospectus, and shall be disclosed to the public. Any falsehood, concealment, or other illegality in the content made public will entail legal liability under Articles 20, 32, 171, and 174 of the Securities and Exchange Act.

VII. This statement was passed by the Board of Directors in their meeting held on March 12, 2024, with none of the nine attending directors expressing dissenting opinions, and the remainder all affirming the content of this statement.

Kindom Development Co., Ltd..

Chairman: Mike Ma

President: Chang-Rong Hsieh
Sheng-An Chang

2. Accountants are entrusted to review the internal control system: None.

(X) The punishment on the Company and its internal personnel according to law, the punishment on the Company's internal personnel for violating the provisions of the internal control system in the most recent year up to the publication date of the annual report, and the main deficiencies and improvements: None.

(XI) Important resolutions of the shareholders' meeting and the Board of Directors in the most recent year and up to the date of publication of the annual report:

1. Important resolutions of the shareholders annual general meeting in 2023:

Meeting date	Important resolution matters	Operational status
2023.06.19	1. Passed recognition of the Company's 2022 business report and financial statements.	Handled in accordance with the resolution of the shareholders' meeting
	2. Passed recognition of the Company's 2022 earnings appropriation.	Handled in accordance with the resolution of the shareholders' meeting
	3. Approved the amendments to the Company's "Rules of Procedure for Shareholders’ Meetings".	Handled in accordance with the resolution of the shareholders' meeting
	4. Approved the amendments to the Company's "Articles of Incorporation".	Handled in accordance with the resolution of the shareholders' meeting

2. Important resolutions of the board of directors:

Meeting date	Term of session	Important resolution matters	Status of resolutions
2023.02.16	13th terms 7th session	1. The Company, together with ZhongLu Development Co., Ltd. (hereinafter referred to as "ZhongLu Development"), formed a cooperative alliance to jointly bid for "Taiwan Taichung Metropolitan Area Mass Rapid Transit System Wuri-Wenxin-Beitun Line Municipal Government Station (G9-1) Land Development Project". We have been selected as the preferred applicant and plan to proceed with the contract signing process. 2. Lifting of non-compete restrictions on the Company's manager Chun-Ming Chen.	The motion was unanimously approved by all present directors.
2023.03.14	13th terms 8th session	1. Proposal to amend some provisions of the "Sustainable Development Best Practice Principles" of the Company. 2. Approval of the "Statement of Internal Control System" for 2022. 3. Preparation of the Company's 2022 business report and financial statements. 4. The Company's 2022 earnings appropriation. 5. Proposal to amend some provisions of the Company's "Articles of Incorporation" and "Rules of Procedure for Shareholder Meetings." 6. Proposal to amend some provisions of the Company's "Corporate Governance Best Practice Principles". 7. Plan to dispose of the Company's land located at Land Nos. 68-75, Wuguwang Section, Sanchong District, New Taipei City (west of Erchong Floodway). 8. Proposal to amend the Company's "Regulations Governing the Transfer of Repurchased Shares to Employees". 9. Formulate the Company's "Regulations Governing Employee Stock Subscription and Special Incentives". 10. Proposal for the appropriation and distribution of the 2022 employees' remuneration and directors' remuneration. 11. To formulate the agenda for the 2023 shareholders annual	The motion was unanimously approved by all present directors.

Meeting date	Term of session	Important resolution matters	Status of resolutions
		general meeting of the Company and other related matters. 12. The Company intends to sign financing contracts with financial institutions for business needs.	
2023.04.19	13th terms 9th session	1. The Company intends to terminate the joint construction contract of the "25 Land Cooperative Development Projects including Land No. 125 at Jianjian Section, Zhonghe District, New Taipei City". 2. Proposal to amend some provisions of the Company's Articles of Incorporation. 3. Approval for adding proposals to the 2023 annual general meeting of the Company.	The motion was unanimously approved by all present directors.
2023.05.11	13th terms 10th session	1. The Company's consolidated financial statements for 2023 Q1. 2. The proposal for the appointment of managerial officers of the Company. 3. Promotion and salary adjustment of managerial officers of the Company in 2023. 4. The Company intends to sign financing contracts with financial institutions for business needs.	The motion was unanimously approved by all present directors.
2023.07.12	13th terms 11th session	1. Determination of the base date for the Company's 2022 share distribution and dividend payment. 2. Regarding the "urban renewal of five pieces of land at Land No. 363-1, Dunhua Section 4, Dunhua Section, Songshan District, Taipei City", the Company intends to pay the royalty to the Political Warfare Bureau of the Ministry of National Defense for the rights conversion, in order to obtain the political operations the value of the rights to the Base Unit A selected by Taiwan Bureau. 3. The Company intends to sign financing contracts with financial institutions for business needs. 4. The credit line granted to the Company by Bank of Taiwan Ho-Ping Branch for the "4 government-owned urban renewal projects at Land No. 363-1, Subsection 4, Dunhua Section, Songshan District, Taipei City." Please refer to Bank of Taiwan, Sections A-D, Financing for the third proposal, for details and intended to issue a "Commitment Letter" in accordance with the bank's loan approval criteria.	The motion was unanimously approved by all present directors.
2023.07.25	13th terms 12th session	Proposal to adjust the dividend payout ratio of the Company's 2022 cash dividends.	The motion was unanimously approved by all present directors.
2023.08.11	13th terms 13th session	1. The Company's consolidated financial statements for the second quarter of 2023. 2. Proposal to amend the Company's "Regulations Governing the Authority to Approval". 3. Adjustment of the Company's internal auditing officer. 4. Appointment of the Company's Information Security Supervisor. 5. The Company intends to sign financing contracts with financial institutions for business needs. 6. Plan to issue domestic secured ordinary corporate bonds of NTD 1 billion (same hereinafter)	1. As resolved by all directors present, motion No. 2 is reserved for the time being, and the sponsors are requested to provide additional materials for discussion. 2. Except for Motion No. 2 mentioned above, all other motions were passed unanimously by all attending directors.
2023.11.10	13th terms 14th session	1. The Company’s consolidated financial statements for the third quarter of 2023.	The motion was unanimously approved by

Meeting date	Term of session	Important resolution matters	Status of resolutions
		2. The adjustment of the organizational structure of the Company. 3. Proposal to amend the Company's "Approval Authority Management Measures". 4. Establishment of the Company's "Cyber Security Policy." 5. The promotion and salary adjustment of the Company's managers. 6. For business needs, the Company plans to sign a financing contract with financial institutions.	all present directors.
2023.12.29	13th terms 15th session	1. Proposal of the Company's 2024 business plan. 2. Proposal of the Company's 2024 audit plan. 3. Amendments to the quality handbook of the Company's internal control system. 4. Proposal for assessing the independence and suitability of the CPAs appointed by the Company. 5. Adjustment to the salary scale of the Company. 6. The appointment of the Company's managerial officers. 7. The Company's plan to donate NTD 6 million (same hereinafter) in 2024 to the "Kindom Yu San Education Foundation". 8. The Company intends to sign financing contracts with financial institutions for business needs. 9. Mega International Commercial Bank Lanya Branch approved the quota for the "5 pieces of land development projects at land number 560, Yucheng Section 3, etc., in Nangang District" (hereinafter referred to as the project) to the Company. Please refer to the case in case 8 for Mega International Commercial Bank, and financing line plan to issue "Commitment Letter" in accordance with the bank's loan approval conditions.	1. Please refer to P.19 for the avoidance and resolution of proposal 2 and 7. 2. For motion 9, it has been resolved by all attending directors that the Finance Division should contact Mega Bank to add Paragraph 2, Article 30 of the Banking Act to the content of the letter of commitment, and discuss at the next board meeting. 3. Except for proposal No. 9 mentioned above, all other proposals were passed unanimously by all attending directors.
2024.02.20	13th terms 16th session	Approval for participating in the "Urban Renewal Enterprise Public Selection Implementer".	The motion was unanimously approved by all present directors.
2024.03.12	13th terms 17th session	1. Preparation of the Company's 2023 business report and financial statements. 2. The Company's 2023 earnings appropriation. 3. The Company's 2023 earnings appropriation. 4. Proposal for the appropriation and distribution of the 2023 employees' remuneration and directors' remuneration. 5. Approval of the "Statement of Internal Control System" for 2023. 6. Two land development projects in the redevelopment area of Taipei City's Beitou Shilin Science and Technology Park. 7. To formulate the agenda for the 2024 shareholders annual general meeting of the Company and other related matters. 8. The Company intends to sign financing contracts with financial institutions for business needs. 9. Mega International Commercial Bank Lanya Branch granted to the Company "5 land development projects at No. 560, Yucheng Section 3, Nangang District" (hereinafter referred to as the Project). The details are as of December 29, 2023 No. 13 the 15th session of the Board of Directors passed the proposal 8 for the financing facility of Mega International Commercial Bank, and intended to issue the "Commitment" according to the conditions of the	The motion was unanimously approved by all present directors.

Meeting date	Term of session	Important resolution matters	Status of resolutions
		bank's loan approval.	

(XII) In the most recent year and up to the date of publication of the annual report, if a director or supervisor has expressed a dissenting opinion with respect to a material resolution passed by the Board of Directors, and said dissenting opinion has been recorded or prepared as a written statement, the main content thereof: None.

(XIII) A summary of resignations and dismissals of the Chairman, President, Chief Accounting Officer, Chief Financial Officer, Chief Internal Auditor, Corporate Governance Officer, and R&D Officers during the most recent year and up to the date of publication of the annual report:

Title	Name	Inauguration date	Date of resignation	Reason for resignation or dismissal
Internal audit	Po-Chen Fan Chiang	2022.8.5	2023.8.11	Job adjustment

V. Information on CPA fees:

(I)Professional Fees to CPA: Amount in Thousands

Name of CPA Firm	Independent Auditors' Report	Certified Public Accountant	Audit public expenditure	Non-audit public expense	Total	Remarks
KPMG	2023.01.01 to 2023.12.31	Yi-Lian Han Kuo-Cheng Tseng	2,500	1,033	3,533	Non-audit fees: 1. Tax certification: NTD 740 thousand. 2. The non-audit fees are the review fees for the "Checklist for Full-time Non-Managerial Employees' Salary Information", NTD 30 thousand. 3. NTD 30 thousand for the "first secured ordinary bonds issued in 2023" after review. 4. The public fee for the urban renewal fee settlement agreement procedure is NTD 230 thousand. 5. The CPA's seal fee is NTD 3,000.

(II) Non-audit fees paid to the certified public accountant, to the accounting firm of the certified public accountant, and/or to any affiliated enterprise of such accounting firm are one quarter or more of the audit fees paid thereto: Tax certification Non-audit fees NTD 740 thousand is one quarter or more of the audit fees paid thereto.

(III) If the accounting firm is changed, and the audit fee paid in the year of replacement is less than the audit fee of the previous year: None.

(IV) Is the audit fee reduced by more than 10% from the previous year: None.

VI. Information on replacement of CPA: Not applicable

VII. Do the Company's chairman, general manager, manager responsible for financial or accounting affairs or hold any positions within the affiliates: None.

VIII. Transfer of equity interests and change in equity pledge by a director, supervisor, managerial officer, or shareholder with a stake of more than 10% in the most recent year and up to the date of publication of the annual report:

(I) Transfer and pledge of shareholdings of directors, managers and shareholders holding more than 10% of the shares for the most recent year and up to the publication date of annual report:

(Unit: shares)

Title (Note 1)	Name	2023		As of April 1, 2024	
		Shareholding increase (decrease)	Increase (decrease) in shares pledged	Shareholding increase (decrease)	Increase (decrease) in shares pledged
Chairman	Representative of Yu-De Investment Co., Ltd.: Mike Ma	671,140	-	-	-
Directors	Representative of Yu-De Investment Co., Ltd.: Mei-Chu Liu	(671,140)	-	-	-
Directors	Representative of Yu-De Investment Co., Ltd.: Chang-Rong Hsieh	-	-	-	-

Title (Note 1)	Name	2023		As of April 1, 2024	
		Shareholding increase (decrease)	Increase (decrease) in shares pledged	Shareholding increase (decrease)	Increase (decrease) in shares pledged
Directors	Representative of Yu-De Investment Co., Ltd.: Sheng-An Chang	-	-	-	-
Directors	Representative of Yu-De Investment Co., Ltd.: Chen-Tan He	-	-	-	-
Directors	Representative of Yu-De Investment Co., Ltd.: Sui-Chang Liang	-	-	-	-
Independent Directors	Hung-Chin Huang	-	-	-	-
Independent Directors	Shen-Yu Kung	-	-	-	-
Independent Directors	Kuo-Feng Lin	-	-	-	-
General Manager	Sheng-An Chang (Note 2)	-	-	-	-
General Manager	Hsieh Chang-Rong (Note 2)	-	-	-	-
Project General	Ching-Yuan Lin	-	-	-	-
Vice President (head of audit)	Chen Si-Han (Note 3)	-	-	-	-
Vice President	Hua Peng-Long (Note 4)	-	-	-	-
Senior Assistant V.P.	Shu-Yuan Lin	-	-	-	-
Senior Assistant V.P.	Shu-Lien Chang	-	-	-	-
Senior Assistant V.P.	Chian-Fang Huang	-	-	-	-
Senior Assistant V.P.	Xiu-Hsia Chu	-	-	-	-
Senior Assistant V.P.	Li-Ren Chou (Note 5)	-	-	Not applicable	Not applicable
Assistant Manager	Kuan-Chun Chou (Note 6)	-	-	-	-
Assistant Manager	Tsung-Hsueh He (Note 4)	-	-	-	-
Assistant Manager	Chen-Hung Chang (Note 7)	-	-	-	-
Assistant Manager	Hsiao-Chiang Yuen (Note 8)	(4,000)	-	-	-
Assistant Manager	Po-Chen Fan Jiang (Note 9)	-	-	-	-
Assistant Manager	Chuan-Hung Wu (Note 10)	-	-	Not applicable	Not applicable
Assistant Manager	Da-Hsin Chou (Note 11)	-	-	Not applicable	Not applicable
Assistant Manager	Ching-Fen Chang (Note 12)	-	-	Not applicable	Not applicable
Acting Associate Manager	Heng-Chia Chang	-	-	(1,100)	-
Acting Associate Manager	Chia-Ming Yang	-	-	-	-
Acting Associate Manager	Wan-Ching Chen	-	-	-	-

Title (Note 1)	Name	2023		As of April 1, 2024	
		Shareholding increase (decrease)	Increase (decrease) in shares pledged	Shareholding increase (decrease)	Increase (decrease) in shares pledged
Project Associate Manager	En-Hui Yao	-	-	-	-
Project Associate Manager	Yong-Ching Chang (Note 4)	-	-	-	-
Corporate Governance	Chu-Jun Chang (Note 4)	-	-	-	-
Major shareholders	Yu-De Investment Co., Ltd.	-	-	-	-
Major shareholders	Mei-Chu Liu	(671,140)	-	-	-

Note 1: Shareholders holding more than 10% of the Company's total shares should be identified as major shareholders and listed separately.
Note 2: Promoted on January 1, 2023.
Note 3: On August 11, 2023, the head of the development and investment division was re-assigned to the chief auditing officer due to business needs.
Note 4: Promoted on May 11, 2023.
Note 5: Resigned after conclusion of unpaid leave from January 1, 2023 to June 30, 2023.
Note 6: Newly elected on April 24, 2023.
Note 7: Newly elected on December 20, 2023.
Note 8: Newly appointed Information Security Officer on August 11, 2023.
Note 9: Promoted on May 11, 2023. On August 11, 2023, he was re-assigned from Chief Audit Officer to Assistant Vice President of the Treasury Department.
Note 10: Resigned on July 31, 2023.
Note 11: Retired on November 30, 2023.
Note 12: Promoted on May 11, 2023 and retired on December 31, 2023.

(II) Information on equity transfer by directors, supervisors, managers and major shareholders in the most recent year and up to the date of publication of the annual report :

(Unit: NTD; share)

Name	Reason for equity transfer	Transaction date	Counterparty of transaction	Changes in the shareholdings of directors, supervisors, managers and shareholders holding more than 10% of the shares	Number of shares	Transaction price
Mei-Chu Liu	Gift	2023.12.29	Mike Ma	First degree of kinship	671,140	37.25

(III) Information on share pledge: None.

IX. Spouses or relatives within the second degree of kinship of another among the top ten shareholders:

April 1, 2024; Unit: Share

Name (Note 1)	Shareholding		Shares held by spouse and underage children		Total Shares Held in the Name of Others		The names and relationships of the top ten shareholders who are related, spouse, or relatives within second degree of kinship to each other. (Note 3)		Remarks
	Number of shares	Shareholding ratio (Note 2)	Number of shares	Shareholding ratio (Note 2)	Number of shares	Shareholding ratio (Note 2)	Alias (or name)	Relationship	
Representative of Yu-De Investment Co., Ltd.: Mei-Chu Liu	105,935,137	19.12%	-	-	-	-	Mei-Chu Liu	Chairman of the Company	
							Mike Ma	Relative of 1st degree of kinship to a chairman of the Company	
							Million Co., Ltd.	The chairman of the Company is a relative of the chairman of Million Co., Ltd.	
							Shao-Ling Ma	Relative of 1st degree of kinship to a chairman of the Company	
Mei-Chu Liu	65,635,062	11.84%	-	-	-	-	Yu-De Investment Co., Ltd.	Chairman of the Company	
							Mike Ma	First degree of kinship	
							Million Co., Ltd.	A relative is the chairman of Million Co., Ltd.	
							Shao-Ling Ma	First degree of kinship	
Representative of Guan Yi Investment Co., Ltd.: Kun-Chi Li	15,970,658	2.88%	-	-	-	-	-	-	
Mike Ma	11,480,230	2.07%	-	-	-	-	Yu-De Investment Co., Ltd.	First degree of kinship is the chairman of Yu-De Investment Co., Ltd.	
							Mei-Chu Liu	First degree of kinship	
							Million Co., Ltd.	Chairman of the Company	
							Shao-Ling Ma	2nd degree of kinship	
Representative of Jiequn Investment Co., Ltd.: Shu-Yuan Lin	9,373,084	1.69%	-	-	-	-	-	-	
Representative of Million Co., Ltd.: Mike Ma	6,040,599	1.09%	-	-	-	-	Yu-De Investment Co., Ltd.	The chairman of the Company is a relative of the chairman of Yude Investment Co., Ltd.	
							Mei-Chu Liu	Relative of 1st degree of kinship to a chairman of the Company	
							Mike Ma	Chairman of the Company	
							Shao-Ling Ma	Second-degree relative of the company’s	

Name (Note 1)	Shareholding		Shares held by spouse and underage children		Total Shares Held in the Name of Others		The names and relationships of the top ten shareholders who are related, spouse, or relatives within second degree of kinship to each other. (Note 3)		Remarks
	Number of shares	Shareholding ratio (Note 2)	Number of shares	Shareholding ratio (Note 2)	Number of shares	Shareholding ratio (Note 2)	Alias (or name)	Relationship	
								chairman	
Chen Lu-Min	5,806,237	1.05%	-	-	-	-	-	-	
Shao-Ling Ma	5,617,558	1.01%	-	-	-	-	Yu-De Investment Co., Ltd.	First degree of kinship is the chairman of Yu-De Investment Co., Ltd.	
							Mei-Chu Liu	First degree of kinship	
							Mike Ma	2nd degree of kinship	
							Million Co., Ltd.	2nd degree in kinship is the chairman of Million Co., Ltd.	
Yi-Mou Chen	5,345,000	0.96%	-	-	-	-	-	-	
JPMorgan Chase Bank in custody for Vanguard Total International Stock Index	5,070,850	0.92%	-	-	-	-	-	-	

Note 1: All of the top ten shareholders should be listed. For corporate shareholders, the names of the institutional shareholders and the representative should be listed separately.
Note 2: The calculation of shareholding refers to the calculation of shareholding in own name, spouse, underage children or in the name of others.
Note 3: The shareholders listed above include both juristic persons and natural persons, and the relationship between them shall be disclosed in accordance with the Regulations Governing the Preparation of Financial Reports by Issuers.

X. Number of shares held by the Company, its directors, independent directors, managerial officers, and enterprises directly or indirectly controlled by the Company in the same investee, and combined to calculate the comprehensive shareholding ratio:

April 1, 2024; Unit: Share; %

Invested business (Note)	The invested company		Directors, Supervisors, Managers, and Directly or Indirectly Controlling Businesses		Comprehensive investment	
	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio
KEDGE CONSTRUCTION CO., LTD.	41,268,083	34.18	15,303,100	12.68	56,571,183	46.86
Global Mall Co., LTD.	320,104,900	84.02	-	-	320,104,900	84.02

Note: An investee company accounted for using the equity method.

IV. Fundraising

1. Capital and shares:

(I) Sources of share capital:

Unit: share; NTD

Year/Month	Issuing price	Authorized share capital		Paid-in capital stock		Remarks		
		Number of shares	Amount	Number of shares	Amount	Source of equity	Property other than cash as payment for share payment	Other
1979.11	10	100,000	1,000,000	100,000	1,000,000	Established	None	
1982	10	3,000,000	30,000,000	3,000,000	30,000,000	Capital increase in cash of 29,000,000	None	
1984.03	10	5,000,000	50,000,000	5,000,000	50,000,000	Capital increase in cash of 20,000,000	None	
1989.06	10	17,000,000	170,000,000	17,000,000	170,000,000	Capital increase in cash of 120,000,000	None	
1990.12	10	39,000,000	390,000,000	39,000,000	390,000,000	Capital increase in cash of 200,000,000 Capitalization of retained earnings of 20,000,000	None	
1991.10	10	42,000,000	420,000,000	42,000,000	420,000,000	Capitalization of retained earnings of 30,000,000	None	
1992.07	10	52,500,000	525,000,000	52,500,000	525,000,000	Capitalization of retained earnings of 105,000,000	None	
1993.07	10	100,000,000	1,000,000,000	65,625,000	656,250,000	Capitalization of earnings of 131,250,000	None	
1994.04	10	100,000,000	1,000,000,000	100,000,000	1,000,000,000	Capital increase in cash of 343,750,000	None	
1994.07	10	200,000,000	2,000,000,000	125,000,000	1,250,000,000	Capitalization of earnings of NTD 250,000,000	None	
1995.07	10	200,000,000	2,000,000,000	156,250,000	1,562,500,000	Capitalization of retained earnings of 125,000,000 Capitalization of capital reserve of 187,500,000	None	
1996.08	10	200,000,000	2,000,000,000	195,312,500	1,953,125,000	Capitalization of earnings of 156,250,000 Capitalization of capital reserve of 234,375,000	None	
1997.08	10	370,000,000	3,700,000,000	244,140,625	2,441,406,250	Capitalization of earnings of 273,437,500 Capitalization of capital reserves of 214,843,750	None	
1997.10	10	370,000,000	3,700,000,000	274,140,625	2,741,406,250	Capital increase in cash of 300,000,000	None	
1998.07	10	370,000,000	3,700,000,000	342,675,781	3,426,757,810	Capitalization of earnings of 356,382,810 Capitalization of capital reserve of 328,968,750	None	
1999.06	10	650,000,000	6,500,000,000	428,344,726	4,283,447,260	Capitalization of earnings of 411,210,937 Capitalization of capital reserves of 445,478,513	None	

Year/Month	Issuing price	Authorized share capital		Paid-in capital stock		Remarks		
		Number of shares	Amount	Number of shares	Amount	Source of equity	Property other than cash as payment for share payment	Other
2000.06	10	650,000,000	6,500,000,000	514,013,671	5,140,136,710	Capitalization of earnings of 428,344,724 Capitalization of capital reserves of 428,344,726	None	
2001.04	10	650,000,000	6,500,000,000	504,376,671	5,043,766,710	Capital reduction of 96,370,000	None	
2011.10	10	650,000,000	6,500,000,000	489,403,671	4,894,036,710	Capital reduction of 149,730,000	None	
2011.01	10	650,000,000	6,500,000,000	492,273,604	4,922,736,040	Corporate bond conversion: 28,699,330	None	
2011.04	10	650,000,000	6,500,000,000	492,618,884	4,926,188,840	Corporate bond conversion: 3,452,800	None	
2011.10	10	650,000,000	6,500,000,000	493,345,324	4,933,453,240	Corporate bond conversion: 7,264,400	None	
2012.07	10	650,000,000	6,500,000,000	496,508,113	4,965,081,130	Corporate bond conversion: 31,627,890	None	
2012.10	10	650,000,000	6,500,000,000	498,722,065	4,987,220,650	Corporate bond conversion: 22,139,520	None	
2013.04	10	650,000,000	6,500,000,000	501,510,221	5,015,102,210	Corporate bond conversion: 27,881,560	None	
2013.07	10	650,000,000	6,500,000,000	503,791,000	5,037,910,000	Corporate bond conversion: 22,807,790	None	
2021.09	10	650,000,000	6,500,000,000	554,170,100	5,541,701,000	Capitalization of earnings of 503,791,000	None	

April 1, 2024

Type of shares	Authorized share capital			Remarks
	Outstanding shares	Unissued shares	Total	
Common stock	554,701,100	95,298,900	650,000,000	Note

Note: Shares of listed companies; including 1,000,000 shares repurchased but not transferred or canceled as of the book closure date for the annual general shareholders' meeting.

Information related to shelf registration system

Type and name of marketable securities	Scheduled issuance amount		Issued Amount		The purpose and expected benefits of the issued portion	Scheduled issuance period of the unissued part	Remarks
	Number of shares	Approved amount	Number of shares	Price			
None							

(II) Shareholder structure:

April 1, 2024

Shareholder structure	Government agencies	Financial institutions	Other legal person	Foreign institutions and foreigners	Individual	Treasury stock	Total
Number of person	-	7	297	242	53,004	1	53,551
Number of shares held	-	2,415,300	158,916,992	100,551,746	291,286,062	1,000,000	554,170,100
Shareholding percentage (%)	-	0.44%	28.68%	18.14%	52.56%	0.18%	100.00%

Note: 1. Companies listed on TWSE or TPEx for the primary and emerging stock market should disclose the shareholding ratio of Chinese capital; Chinese capital refers to the persons, legal persons, organizations, companies, institutions, organizations, companies, other institutions or their invested companies in third regions.

2. Including the repurchased of 1,000,000 shares held by the Company that have not yet been transferred or canceled as of the book closure date for the Annual General Meeting of Shareholders.

(III) Distribution of shareholdings:

April 1, 2024

Shareholding classification	Number of shareholders	Number of shares held	Percentage of Ownership %
1-999	33,062	1,135,188	0.20%
1,000-5,000	14,531	29,721,460	5.36%
5,001-10,000	2,671	19,631,653	3.54%
10,001-15,000	1,040	12,669,798	2.29%
15,001-20,000	502	9,095,860	1.64%
20,001-30,000	551	13,548,157	2.44%
30,001-40,000	272	9,648,202	1.74%
40,001-50,000	171	7,913,321	1.43%
50,001-100,000	364	25,740,009	4.64%
100,001-200,000	183	25,376,997	4.58%
200,001-400,000	85	23,772,844	4.29%
400,001-600,000	31	14,994,504	2.71%
600,001-800,000	12	8,127,705	1.47%
800,001-1,000,000	10	9,078,757	1.64%
1,000,001 shares or more	66	343,715,645	62.03%
Total	53,551	554,170,100	100.00%

Note: 1. The Company did not issue preferred shares.

2. As of the share transfer date for the annual general meeting, the repurchased shares held by the Company that have not yet been transferred or cancelled are 1,000,000 shares.

(IV) List of major shareholders: shareholders with 5% or more of the equity or among the top 10 shareholders :

April 1, 2024

Shares of Stock / Name of major shareholder	Number of shares held	Shareholding ratio
Yu-De Investment Co., Ltd.	105,935,137	19.12%
Mei-Chu Liu	65,635,062	11.84%
Yu-De Investment Co., Ltd.	15,970,658	2.88%
Mike Ma	11,480,230	2.07%
Jiequn Investment Co., Ltd.	9,373,084	1.69%
Million Co., Ltd.	6,040,599	1.09%
Lu-Min Chen	5,806,237	1.05%
Shao-Ling Ma	5,617,558	1.01%
Yi-Mou Chen	5,345,000	0.96%
JPMorgan Chase Bank N.A. Taipei Branch in custody for the Vanguard Total International Stock Index Fund, a series of Vanguard Star Funds	5,070,850	0.92%

Note: The calculation of shareholding includes 1,000,000 shares repurchased and yet to be transferred or cancelled as of the book closure date for the annual general meeting.

(V) Information on market price, net worth, earnings, dividends per share for the most recent two years, and related information:

Unit: shares

Year / Item			2022	2023	As of March 31 (2024) of current year (Note 8)
Market price per share (Note 1)	Highest		39.20	40.00	42.15
	Lowest		23.55	28.05	37.70
	Average		31.37	33.06	39.62
Net Worth Per Share (Note 2)	Before distribution		33.41	36.02	-
	After distribution		31.66	34.22(Note 9)	-
Earnings per share (EPS)	Weighted average number of shares		542,097,650	541,479,316	541,479,316
	Earnings per share (Note 3)		4.31	4.42	-
Dividends per share	Cash dividends		1.75316358	1.80(Note 9)	-
	Bonus stock dividend	Stock dividend from retained earnings	-	-	-
		Stock dividend from capital reserve	-	-	-
	Accumulated unpaid dividends (Note 4)		-	-	-
Analysis of investment return	Price-to-earning ratio (Note 5)		7.29	7.20	-
	Price-to-dividends ratio (Note 6)		17.91	17.68(Note 9)	-
	Cash dividend yield (Note 7)		5.59%	5.66% (Note 9)	-

*Disclose the market price adjusted retroactively based on the number of shares distributed and the cash dividend if the earnings or capital reserves are transferred to increase capital by distribution of shares.

Note 1: The highest and lowest market prices of common shares in each year are listed, and the average market price in each year is calculated based on the transaction value and trading volume in each year.

Note 2: It is based on the number of shares outstanding at the end of the year and the distribution resolved at the following year's shareholders' meeting.

Note 3: Earnings per share before and after adjustments are retrospectively adjusted due to allotment of free shares.

Note 4: If the equity securities are issued under the terms and conditions, the accumulated unpaid dividends of the current year should be disclosed separately.

Note 5: Price-to-earnings ratio = Average market closing price per share for the year/ Earnings per share

Note 6: Price-to-dividend ratio = Average market closing price per share for the year/ Dividends per share

Note 7: Cash dividend yield = Dividends per share/ Average market closing price per share for the year

Note 8: Net worth per share and earnings per share are based on the data in the most recent quarter as of the date of publication of the annual report that has been audited by the CPAs; other columns should be filled out with the data of the current year up to the date of publication of the annual report. The financial statements for Q1 2024 have not been reviewed by CPAs, so this is not applicable.

Note 9: The Board of Directors resolved to distribute a cash dividend of NTD 1.80 per share for 2023, but the proposal for earnings distribution has not yet been approved by the shareholders' meeting.

(6) The Company's dividend policy and execution status:

1. Dividend policy stipulated in the Articles of Incorporation:

   The Company will contract large-scale projects and strive for growth and innovation. To continue expanding the appropriate amount of capital to meet the business's needs and take into account the shareholders' demand for cash, the Company's future cash dividend rate will be based on 20% of the total cash and stock dividends proposed to be distributed for the current fiscal year as the lower limit.

2. Dividend distribution proposed at the shareholders' meeting:

   The Board of Directors resolved to distribute a cash dividend of NTD 1.80 per share for 2023. However, the earnings distribution proposal has not yet been resolved by the shareholders' meeting.

3. Expected material changes in dividend policy: None.

(VII) Effect of the proposed free-gratis stock on the Company's operating performance and earnings per share: None.

(VIII) Remuneration to employees, directors and supervisors:

1. Percentages or ranges with respect to employees/directors/supervisors' remuneration as stated in the Articles of Incorporation:

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

2. The basis for estimating the amount of remuneration to employees and directors, the basis for calculating the number of shares to be distributed as stock dividends, and the accounting treatment of any discrepancy, if any, between the actual distributed amount and the estimated figure:

   1.51% of the annual profit was appropriated as remuneration to employees and 1.51% as remuneration to directors. If the actual distributed amount resolved by the shareholders' meeting differs from the estimated amount, it will be treated as a change in accounting estimates and recognized as profit or loss for the year of distribution.

3. Information on the proposed distribution of remuneration to employees approved by the Board of Directors:

   (1) The proposal for the remuneration of employees and directors of the Company for 2023 was approved by the Board of Directors on March 12, 2024. It is proposed to distribute NTD 43,166,799 as remuneration to employees and NTD 43,166,799 as remuneration to directors, all of which will be paid in cash.

   (2) Proposed amount of employee stock bonus and its ratio to the total after-tax profit and total bonus to employees: None.

   (3) EPS after the distribution of remuneration to employees and directors was NTD 4.42.

4. Actual distribution of employee bonus and directors/supervisors' remuneration in the previous year:

Unit: shares

	Resolution of the Board of Directors on March 14, 2023	Actual distribution
Employee remuneration (cash)	41,942,310	41,942,310
Remuneration to directors and supervisors (cash)	41,942,310	41,942,310
Total	83,884,620	83,884,620

(IX) Shares repurchased by the Company:

1. Completed executions:

Number of buyback periods	4th Meeting
Purpose of repurchase	Transfer of shares to employees
Repurchase period	August 10, 2022 to October 6, 2022
Repurchase range price	\$21 ~ \$38 (The Company's stock price is lower than the lower limit of the price range, and will continue to buy back)
Type and quantity of shares repurchased	1,000,000 common stock
Amount of shares repurchased	\$27,519,931/average repurchase cost per share \$27.52
Ratio of repurchased shares to expected repurchased shares (%)	100%
Quantity of canceled and transferred shares	-
Cumulative quantity of the Company's shares held	1,000,000 common stock
The ratio of the number of the Company's shares held to the total number of issued shares (%)	0.18%

2. Under implementation: None.

2. The handling of corporate bonds, preferred shares, overseas depository receipts, employee stock options, and issuance of new shares for mergers and acquisitions of other companies' shares, and the implementation of the plan for the utilization of funds:

(1) Issuance of corporate bonds and implementation of capital utilization plans:

1. Issuance of ordinary corporate bonds:

Corporate bond conversion		First batch of secured ordinary corporate bonds in 2019	First batch of secured ordinary corporate bonds in 2020	First batch of secured ordinary corporate bonds in 2023
Date of issue		2019.12.12	2020.10.07	2023.10.12
Face value		NTD 1 million	NTD 1 million	NTD 1 million
Place of issuance and trading		Republic of China	Republic of China	Republic of China
Issuing price		Issued at face value	Issued at face value	Issued at face value
Total issuance amount		NTD 1,000 million	NTD 1,000 million	NTD 1,000 million
Coupon rate		0.80%	0.60%	1.75%
Issuance period		2019.12.12~2024.12.12	2020.10.07~2025.10.07	2023.10.12~2028.10.12
Guaranteeing institution		FIRST COMMERCIAL BANK	CHANG HWA COMMERCIAL BANK, LTD.	HUA NAN COMMERCIAL BANK, LTD.
Trustee		Land Bank of Taiwan	TAIPEI FUBON COMMERCIAL BANK CO., LTD.	Taishin International Bank Co. Ltd.
Underwriting Institution		First Securities Co., Ltd.	CHANG HWA COMMERCIAL BANK, LTD.	Hua Nan Securities Co., Ltd.
Attorney-at-Law		Attorney Ya-Wen Chiu	Attorney Ya-Wen Chiu	Lawyer Zhong-Jie Wei
Certified Public Accountant		Ti-Nuan Chien, Shu-Ying Chang	Yi-Lian Han, Ti-Nuan Jian	Yi-Lian Han, Kuo-Yen Tseng
Repayment of principal		Lump-sum repayment of principal upon maturity	Lump-sum repayment of principal upon maturity	Lump-sum repayment of principal upon maturity
Terms of redemption or early settlement		None	None	None
Restrictive clauses		None	None	None
Name of credit rating agency, date of rating, and result of corporate bond rating		Not applicable	Not applicable	Not applicable
Other equity	Not applicable	Not applicable	Not applicable	Not applicable
	Not applicable	Not applicable	Not applicable	Not applicable
Possible dilution of shareholding and impact on existing shareholders' equity		Not applicable	Not applicable	Not applicable
Name of custodian for exchange object		None	None	None

Note: The original trustee was JihSun International Commercial Bank Co., Ltd., which was merged with Taipei Fubon Bank on April 1, 2023. After the merger, Taipei Fubon Bank was the surviving bank.

2. Information on conversion of corporate bonds issued: None.

(II) Preference shares: None.

(III) Overseas depository receipts: None.

(IV) Employee stock options: None.

(V) Status of acquisition or transfer of shares of other companies and issuance of new shares: None.

(VI) Implementation of the capital utilization plan:

(I) Plan content:

As of the quarter prior to the publication date of the annual report, previous issuances or private placements of securities have not been completed, or have been completed in the last three years and the planned benefits have not yet emerged: None.

2. Implementation status:

(1) To repay bank loans and reduce financial burden, the Company issued the first secured corporate bonds in 2019, totaling NT$1 billion on December 12, 2019. The raised funds were fully utilized according to the plan by the fourth quarter of 2019.

(2) To repay bank loans and reduce financial burden, the Company issued the first secured corporate bonds in 2020, totaling NT$1 billion on October 7, 2020. The raised funds were fully utilized according to the plan by the fourth quarter of 2020.

(3) To repay bank loans and reduce financial burden, the Company issued the first secured corporate bonds in 2023, totaling NT$1 billion on October 12, 2023. The raised funds were fully utilized according to the plan by the fourth quarter of 2023.

(VII) Employee share subscription restrictions: None.

(VIII) Names of the managers who have obtained employee stock options and the names of the top 10 employees in terms of the number of shares that can be subscribed to employees, and the status of acquisition and subscription: None.

(IX) Names of managers who have acquired new restricted employee shares and top ten employees, and the status of their acquisition: None.

V. Operation Overview

I. Business description:

(I) Scope of business:

For the sustainable development of the Company, the Company continues to expand and integrate business and service contents, and integrates its subsidiaries through group management. Kindom Development Corp., Kedge Construction and Global Shopping Malls have been involved in development, planning and design, construction to operation management to meet the needs of building construction requirements for each stage of the life cycle.

1. Current products (services) and new products (services) planned to be developed:

(1) Construction and Operation Department: Development, construction, and rental of residential and commercial real estate. The product types range from residential and MRT joint development projects to mixed development projects, combining urban renewal with the development of urban sustainability. All residential and commercial real estate and parking spaces are sold domestically.

The overall development of new products and services are as follows:

Item	Refinement of core products	Relevant services in detail	Diversification of business operations
Contents	1. Build quality housing products that meet the needs of various ethnic groups 2. Construction of various pure-use, mixed residential and commercial or composite development projects 3. Participation in MRT joint development, public urban renewal and urban complex development projects	1. Introduce low-carbon green energy, smart, and sustainable design and planning 2. Installation of smart building equipment 3. Establishment of community library 4. Customized service 5. Permanent after-sales service	1. Investment and construction business 2. Investing in information technology 3. Investment in commercial real estate 4. Investment in retail department stores

(2) Construction and Operation Sector: Contractors for corporate headquarters, private factories, medical buildings, residential buildings and other construction projects, as well as land leveling and re-zoning, roads and bridges and other civil engineering projects, the main clients are domestic construction companies, electronic technology companies and government agencies, and actively contract various high-tech and high value-added projects.

(3) Department Stores: Shopping malls, all products sold at proprietary counters are sold domestically.

Item	Current goods (services)	Actively develop products (services) in the future
Contents	1. Retail sale of merchandise in department stores 2. Gourmet and dining 3. Cinema 4. Parent-child entertainment and parent-child experience workshops 5. Theme sports experience 6. Parking lot service 7. Shopping mall rental 8. Global online retailing	1. Continue to evaluate the establishment of new business locations in Taiwan 2. Continue to build a big data analysis database 3. Introduce well-known domestic and foreign brands to install cabinets 4. Develop digital sales model

2. Main business contents and business proportion:

Department	Construction	Construction	Department stores
Proportion	33.17%	58.15%	8.68%

(II) Industry overview:

1. Current status and development of the industry:

(1) Construction industry:

In recent years, the overall global economic recovery has been slow. Inflation due to geopolitical influence has gradually stabilized. It is expected that the risk of interest rate hikes in the future will be reduced, capital will flow back, and the fundamentals will improve, which will be beneficial to the operation of the industry.

Although the domestic real estate market has been affected by the pandemic, policy adjustment, and elections, the number of housing transfers nationwide in 2023 is comparable to that in 2022, and has shown positive growth since the second half of 2023. The overall housing market transactions are still stable. In the future, under the factors of slowing inflation, flat interest rate, strong rigid demand and slow rise of construction cost, the housing market is expected to show a trend of "slow increase in quantity and flat price".

(2) Construction industry:

In 2024, the total budget for public construction projects is NTD 192.8 billion, plus the special budget for infrastructure foresight (Phase 4) of NTD 84.4 billion and operating and non-operating special funds of NTD 311.4 billion, for a total of NTD 588.6 billion. In 2023, the spending on the same infrastructure and public construction increased by NTD 29.8 billion, or 18.3%.

In terms of the overall budget arrangement, the current policy focuses on the expansion of public infrastructure, the promotion of technological development, industrial innovation, the establishment of green energy such as offshore wind power and solar PV, improvement of labor and health insurance finance, implementation of countermeasures against decreasing birth rate, stable power supply, and military preparations have been prioritized, and we will continue to support domestic public construction investments and balance the funds required for regional infrastructure in order to accumulate national economic strength, for strengthening key infrastructure, enhancing national economic potential, and enhancing Taiwan's international competitiveness.

In response to price increases and labor shortages, the construction commission will coordinate with other ministries and commissions to propose relevant countermeasures; ready-mixed concrete is one of the most important materials for various projects. In order to stabilize the price of concrete, a control mechanism is established to control the sand and gravel on a monthly basis and ready-mix concrete supply and demand, and control the source from the source and coordinate with the Water Resources Department of the Ministry of Economic Affairs to actively dredge the river to fully supply the required sand and gravel to achieve a sufficient volume and stable price; for rebars and shaped steel, the engineering committee also convene meetings to coordinate the integration of steel materials and materials In terms of supply and demand and prices, we will continue to pay attention to the price of steel bars; and the Engineering Association has adopted a 3-level physical adjustment mechanism to adjust the contract template according to individual items, mid-level items (including materials and wages), and the overall index increase/decrease to reduce the supplier's exposure to the risk of price fluctuations during the contract performance stage, to ensure that the construction of various projects can proceed smoothly.

(3) Department Stores:

In 2023, the sales of department stores and shopping centers in Taiwan were NTD 449.2 billion, an increase of 13.8% compared to the NTD 394.6 billion last year, and the sales of the restaurant industry grew by 18.8%; online sales were about NTD 316.2 billion, a growth of 1.88% compared to last year, which has slowed down significantly but the online sales of the physical retail industry reached an annual growth rate of 8% in 2023, higher than the growth rate of the pure e-commerce industry. As domestic consumption stabilizes and competition becomes more intense after the pandemic, the department store retail industry will be driven by growth in 2024 that cannot be overlooked.

2. Interrelations among up-stream, mid-stream, and down-stream industries:

(1) Construction industry:

The construction industry is composed of many related industries with different levels of professionalism, mainly including construction development, construction finance-related industries, real estate brokerage, construction, management consulting, professional sales services, and construction materials. The products and services provided include buildings, and various professional services to support the investment, production, operation and management of buildings. The main demand for the former is the general consumer, while the main demand for the latter is the developers of buildings.

In addition, the development and operation of buildings is a long-term business. In practice, it is necessary to divide the market involvement stage and professional division of labor into many relatively short-term supply and demand relationships and combine them into the market activity system of the overall construction industry.

The correlation between the upstream, midstream and downstream of the services provided by the construction industry can be divided from the four aspects: investment, production, transaction and use

1. The investment stage is the most critical part of the construction industry. With the construction investment industry as the core, the related industries provide different professional information to the construction development industry from the order of the product life cycle, such as land brokerage, financial institutions, and consulting industries.
2. Economic activities in the production stage include product positioning, construction planning, construction financing, and construction and project management. Product positioning and architectural design are somewhere between investment and production, and are generally provided by architects, consultants, and sales agency to provide related professional consulting and services. Others include the provision of related services by financial institutions, construction management companies, and construction companies.
3. The economic activities in the transaction stage are mainly planning, advertising and sales. Traditionally, sales agencies are used to provide services, or construction developers are responsible for their own handling. As for the economic activities in the use stage, it is mainly about product warranty and operation management. The former is mostly borne by the construction developers themselves, while the latter is provided by the property management company or related consulting companies.

(2) Construction industry:

The upstream of the construction industry mainly includes the electromechanical industry, construction industry, engineering consulting industry, ready-mixed concrete industry, iron and steel industry, cement industry, sand and gravel industry and other building materials industry, etc., providing professional services such as engineering construction and technical consulting management and construction materials. Midstream contractors undertake construction projects from downstream customers such as government agencies, government agencies, and private construction companies, and then outsource construction to upstream contractors.

(3) Department Stores:

The up-stream of the department store industry is the vendors that provide goods and services or OTC counters. The mid-stream is the businesses that provide business premises and the management of marketing. The down-stream is the general public who come to buy goods or services. The conditions of the location of the store, the quality and type of goods or services provided, the number of consumers and the willingness to purchase all have a bearing on the performance of department stores.

3. Product development trends and competition:

(1) Construction industry:

Taipei City is the political, cultural, economic, and medical center of the nation. It has excellent employment and living environment, and its status is difficult to be replaced. It is the preferred area for middle-class and wealthy people to buy property. In addition to factors such as the decreasing land supply and the return of a large number of Taiwanese businessmen, the demand for exquisite residences and luxury residences will continue to increase. In New Taipei City, with the gradual improvement of transportation facilities, convenient living functions, gradual development of rezoning areas, and increasing formation of living circles in the sub-center, many residents of other counties and cities are attracted to move in, which drives the real estate market transactions to heat up.

The hottest real estate transactions in New Taipei and Taipei City can be roughly divided into luxury residential areas, areas along MRT lines, and redevelopment areas. In recent years, small and medium-sized houses have jumped to become the most popular product, and residential rents have also risen accordingly, and some stable customers have entered the market. The residences along the MRT lines and in the redevelopment areas are the most popular among the owner-occupiers and investors. Among them, the exquisite suites of the joint development projects at the MRT stations are the most sought-after. In the redevelopment areas, the two- to three-bedroom apartments with small pings are the main products. The demand for lands and offices in industrial zones is on the rise, and the commercial real estate transactions are booming.

(2) Construction industry:

As the construction industry continues to move toward large-scale, exquisite design, and high-tech trends, large-scale construction companies will have higher competitiveness in terms of bidding qualifications and conditions. The Company has reached a capital of NT$1.2 billion. Since the establishment, we have created various construction achievements in the industry, including residential buildings or commercial offices, civil bridges, infrastructure, medical buildings, and technology company plants. Our control of quality and progress has been deeply recognized by owners, and our financial foundation is robust and profitability is above the industry average. We have strong competitive advantages.

(3) Department Stores:

The return to normal life after the pandemic has driven the rapid growth of the retail industry. Many department stores and shopping centers have opened their doors one after another, and the competition in the department store industry has become fiercer. In order to respond to the value of consumption and the diversification of channels, the department store of the consolidated company is actively setting up station-type shopping malls and full-service shopping centers in transportation hubs to continuously improve the operating capabilities of the business district, carefully select the type of counters, and introduce strategies such as exclusive brands in the business district, and refine the online shopping platform, promote the store empowerment, optimize the self-owned APP, invest in big data analysis, cross-industry alliance cooperation, demonstrate differentiated operation, and drive operational performance and profit momentum.

(III) Overview of technology and R&D:

1. Construction and Operation Department:

In order to build exquisite residences and build a high-quality corporate image, our department has hired well-known construction-related professional teams for planning, design and construction supervision, introduced construction methods such as building anti-vibration and anti-seismic, and actively developed green, low-carbon, and recycled designs and materials, and commissioned a reputable construction company to contract. The customer service is based on the fulfillment of the promise of "permanent after-sales service". Diverse community services are planned, and the digital software service platform is used to provide customers with a more timely and convenient interaction channel, and regular tracking and management to improve customer satisfaction.

2. Construction and operation department:

In response to the needs of rapid business development and changes in market competition, this department is actively pursuing business goals such as improving the quality of construction projects, reducing construction costs, and improving technical standards. The successfully developed technologies are as follows:

No.	2022	2023	Implementation results and description
1	ERP system innovation program-1	ERP system innovation program-1	1. Public works management system - Cloud ERP. 2. Established a public works management and financial accounting system.
2	ERP system innovation program-2	ERP system innovation program-2	1. Team collaboration cloud system - communication platform (MS TEAMS). 2. Team collaboration cloud system - operations platform (MS OFFICE 365).
3	Construction occupational safety monitoring system	Construction occupational safety monitoring system	Introduce new technology monitoring equipment and systems to continuously improve occupational safety management.

No.	2022	2023	Implementation results and description
4	Research and development regarding quantity with the assistance of BIM - Revit software system		Entered the stage of project application in 2023.
5	BIM general modeling software Output of construction drawings in Revit		Entered the stage of project application in 2023.
6	Civil Engineering Information System CIM (Civil Information Modeling) introduction		Continue to introduce various application aspects of CIM.
7	Research and introduction of BIM maintenance and operation platform		In 2023, the Company began to introduce the maintenance and operation platform for public construction projects.
8	BIM, game engine, and MR glasses		BIM combined with game engine and MR glasses to complete the simulation application of steel structure hoisting process on the development project site.
9	Research and development of BIM combined with greenhouse gas inventory	Research and development of BIM combined with greenhouse gas inventory	The connection technology between BIM model and database, and the application of BIM model and data visualization interactive interface are introduced into key projects.
10	Research and implementation of circular economy	Research and implementation of circular economy	1. Continue to deepen the sustainable engineering office project. 2. BS 8001 certification was obtained in 2023.
11		Research on building automation	Started the feasibility study for the introduction of building automation.

3. Department of department store :

The department works with domestic and foreign professional consultants to innovate the business philosophy of shopping malls, adjust the structure of shopping malls, improve consumption dynamics, actively strengthen shopping mall operation and management capabilities, and strengthen store management. The department also conducts professional training and counsels employees to improve their work skills to encourage employees to apply what they have learned to their daily work. It is hoped that through the natural interaction with consumers and the business environment, the core values of customers' life will be shaped, and a quality corporate image will be created. Online and offline consumption behaviors, accurate membership marketing and providing customers with favorite products, creating a suitable consumption atmosphere, advancing with new thinking, and gradually implementing the most warm retail channels and new cultural concepts into business activities.

(IV) Long-term and short-term business development plans:

1. Construction and Operation Department:

(1) Short-term plans:

A. Expedite the sale of existing housing projects.
B. Continue to evaluate the quality land in the elite areas.
C. Actively participate in the bidding of urban complexes and public urban renewal projects.
D. Grasp the fluctuation of the economy and create sales value and company profit.
E. Use marketing digital tools to communicate with the Company through diversified channels.
F. Strengthen customer service, shorten the processing time of cases, and improve customer satisfaction.

(2) Long-term plans:
   A. Strive for compound development projects with urban management as the core concept.
   B. Focus on the development of high-quality land in the best areas of six capitals and expand the business scale appropriately.
   C. Invest in sustainable, forward-looking and long-term profitable industries and operate in a diversified manner.
   D. To be customer-oriented and market-oriented, to develop sustainable product planning and to increase added value.
   E. Enhance the Company's brand value and shape its competitive advantage.
   F. Integrate the relationship between upstream and downstream of production and sales, and create and maintain product quality and after-sales service.

2. Construction and operation department:
   (1) Short-term plans:
   A. Cooperate with domestic excellent property owners to build high-quality exquisite housing and maintain the corporate image of excellent construction.
   B. Actively participate in the government's most advantageous tenders and turnkey projects to get rid of the low-price bidding model and obtain the best profits.
   C. Strive for indicative public works and construction projects to maintain a competitive advantage, road and bridge projects for sustainable growth, rail projects for business expansion, and submerged shield and tunnel projects to create emerging business results.
   D. Combine the Japanese construction team to improve the construction strength.
   E. Participation in the competition of special index projects.
   F. Actively strive for urban renewal projects.
   G. Actively participate in green energy construction projects.
   (2) Long-term plans:
   A. Integrate architectural design, mechanical and electrical planning, raw material production and supply, engineering consultants and professionals to form a strong bidding team.
   B. Work with overseas well-known businesses in technology to improve our technical capabilities and move toward the global state.
   C. Long-term investment in R&D.
   D. Cultivate design talents, and combine with domestic well-known design teams to provide customers with holistic services.
   E. Actively strive for large-scale and most advantageous tenders, turnkey projects and other policies to improve the technical capabilities of construction projects.
   F. Participate in land development and create company performance growth.
   G. Become one of the top five construction companies in Taiwan.
   H. Foray into overseas markets.
   I. Raise brand awareness.

3. Department of department store:
   (1) Short-term plans:
   A. Optimize the operating fundamentals of each shopping mall and continue to introduce new products and new brands.
   B. Continue to optimize online food ordering and delivery services.
   C. Enhance the competitiveness of existing business locations and enhance the core value of shopping centers.
   D. Optimize the mobile APP and continue to introduce more third-party payment tools to enhance the convenience of shopping and payment.
   E. Combine the use of diversified digital tools to expand online business opportunities and quickly provide consumers with comfortable shopping services.
   F. Use big data technology to collect information, accurately communicate with target customers, reduce waste of resources, and strengthen core competitiveness.
   (2) Long-term plans:
   A. Continue to evaluate the establishment of shopping malls at domestic transportation hubs.
   B. Provide customers and vendors with a full range of digital integrated platform services.
   C. Develop all-round big data, accurately communicate with target customers, and explore potential business opportunities.
   D. Continue to introduce domestic and foreign high-quality, sustainable, and innovative brands to create market differentiation.
   E. Hire well-known domestic and foreign enterprise consulting companies to carry out

organizational reform and management model adjustment.

F. Consolidate the OMO digital new retail intelligent service platform, develop an ecosystem, and increase member loyalty.

II. Overview of the market, production and sales:

(I) Market analysis:

1. Sales and supply areas of major products and services:

(1) Construction and Operation Department:

The department builds high-end residential and commercial buildings, office buildings, and shopping malls in major metropolitan areas such as Taipei City, New Taipei City, Taoyuan City, and Taichung City. The preferred locations for land development with convenient transportation, complete living functions, and future development potentials are which sold well.

(2) Construction and Operation Department:

The consolidated company's main business is contracting residential construction projects, civil engineering and bridge projects, and hospital plant projects in Taiwan.

(3) Department of Department Stores:

The department owns the all-service shopping malls "New Taipei Zhonghe" and "Pingtung", station-type shopping malls "Nangang Station", "Panqiao Station", "Taoyuan A8", "Linkou A9", "Xinzuoying Station" and "Taoyuan" A19", a total of eight shopping centers, with a total operating area of 68,000 pings.

2. Market share:

Department	Construction	Construction	Department Stores
Market share	0.33%	0.37%	2.90%

Note: 1. The market share of the construction operation department and the construction operation department is calculated based on the ratio of the operating revenue in 2023 to the overall turnover of the industry.

2. The market share of the department store operation department is calculated based on the ratio of the turnover from issuing invoices in 2023 to the overall turnover of the industry.

3. Future supply, demand and growth of the market:

(1) Construction industry:

A. Supply side:

After credit control and policy regulation, the construction companies have turned to wait-and-see when launching projects. Under the situation of more variable construction costs, construction companies may adopt selective development if there is no short-term capital pressure. The operating flexibility of large-scale construction companies will be relatively Therefore, in general, the supply will remain the same or decrease slightly.

B. On the demand side:

Due to the policy adjustment, the market is dominated by rigid demand and long-term property purchase. In the second half of 2023, the bad news gradually faded after the law of equalization of land titles was implemented. With the injection of social housing construction, rent subsidies and Ching-An loans and encouragement of first-time buyers to enter the market, the demand is still stable.

(2) Construction industry:

A. Supply side:

According to statistics from the Construction Agency, Ministry of the Interior, as of 2023 Q4, there were 19,798 construction companies of all levels nationwide, of which 3,231 were Grade-A construction companies. Statistics showed that the total number of construction operators of all levels nationwide increased by 289 compared with 2022, and the number of Grade A comprehensive construction operators increased by 109 compared to 2022.

B. On the demand side:

According to government data for 2023, the overall public infrastructure investment reached NT$678.7 billion. The government continues to strengthen key infrastructure to sustain economic growth momentum and expand domestic demand. It will continue implementing the "Forward-looking Infrastructure Development Program" (Fourth Stage) to promote forward-looking and strategic infrastructure projects in areas such as railways, water environment, green energy, digitalization, and urban-rural development. This initiative aims to accelerate public infrastructure investment and expand infrastructure promotion.

(3) Department Stores:

In 2023, the department store's turnover increased rapidly, driven by the post-pandemic shopping experience and the recovery of tourism. However, with the rapid changes and diversified development of the department store industry's consumer market in 2024, players should meet consumer needs and continue to strengthen "membership management and expansion", "product uniqueness", "digital experience", and "precision marketing", and marketing strategies such as "alliance with cross-industry" to create a unique style through diversified channels, precisely reach the target group, while maintaining flexibility, in order to enhance consumers' recognition and loyalty to the brand.

4. Competitive niche:

(1) Construction and Operation Department:

Under the government's crackdown on real estate speculation and geopolitics, there will be many variables in the domestic operating environment in the short term. Therefore, a construction company's financial status, brand reputation, product planning, construction quality and after-sales service are important to consumers. They are the indicators that home buyers give priority to when purchasing a home. The construction and operation department of the consolidated company has the aforementioned competitive advantages, as well as a number of large-scale public urban renewal projects recently with fruitful results, adhering to the stable operation for more than 40 years, and sticking to the original intention of building high-quality exquisite housing, and the overall company image has won the hearts of the public. The Company will have a competitive advantage in the future.

(2) Construction and Operation Department:

Experienced management team in this department, with a sound financial structure and a good corporate image, in addition to being a Grade-A construction contractor with the ISO9001 and ISO45001 certifications, it has also received numerous awards from government agencies and the engineering society, which helps the contracting of residential and factory buildings by private enterprises and participating in the bidding of public construction projects to provide more competitive advantages.

(3) Department of Department Stores:

The department has set up shopping malls in prime transportation hubs to provide consumers with the convenience of one-stop shopping, and set up a 100% off shopping mall in the sub-center to satisfy customers' needs for shopping, dining, entertainment, and leisure. Given the demand for location, spacious and elegant store environment, convenient parking, products that meet local consumer needs, rapid adjustment of the variety of storefronts, and active expansion of online retail business, we are still expected to maintain operating growth momentum in 2024.

5. Favorable and unfavorable factors of development prospects and countermeasures:

(1) Construction and Operation Department:

A Favorable factors:

(A) Land transactions are booming and housing prices are highly supportive.
(B) The government actively promotes urban renewal and various public construction projects.
(C) The offshore capital has returned, and the domestic capital is sufficient.
(D) Mortgage interest rates will increase in the short term but remain low.
(E) The Company will continue to promote major construction projects to drive peripheral benefits and create a convenient living area.
(F) Big technology firms enter six capital cities, driving the rigid demand and buying sentiment in the region.

B. Unfavorable factors:

(A) The policy tends to prevent speculation and investors will withdraw.
(B) The bank's attitude towards loans will become more conservative.
(C) Land is scarce in urban areas, and land prices continue to rise, making land acquisition more difficult.
(D) Lack of labor and rising raw materials keep construction costs high.
(E) Geopolitical conflicts are becoming more frequent, and the political dispute between Russia and Ukraine continues.

C. Countermeasures:

(A) Build quality residences and trendy commercial/office buildings in the capital areas of Liudu.
(B) Multiple development models such as integrated trading or joint construction, urban renewal, MRT joint development, and urban complexes.
(C) Maintain an appropriate amount of land inventory.

(D) Control the cost and scale of each case.
(E) Enhance the brand value of the Company.
(F) Planning of product design and services to meet the needs of consumers.

(2) Construction and Operation Department:

A Favorable factors:

(A) The Company has a rich track record in undertaking various domestic projects, and has also been recognized by the clients for the quality of projects, fulfillment of construction deadlines, and valuable services. In recent years, the Company has actively striven for turnkey projects, accumulated integrated design, deepened the planning and design momentum, and integrated the achievements of green construction to improve the sustainable value of services.

(B) Master the complete construction supply chain system, and the procurement department grasps the pulse of construction prices in a timely manner, actively create procurement performance, and increase shareholders' profits.

(C) Possessing outstanding professional and technical talents in engineering, finance, legal affairs, and management. With the information system network, work efficiency is comprehensively improved and e-construction is promoted.

(D) Accreditation with the British Standards Institution (BSI) PAS 1192-2 and the international standard ISO 19650 BIM certification, which can strengthen interface integration and reduce management costs.

(E) Introduce the concept of circular economy into the project, change the traditional linear thinking, and become the first construction company in Taiwan to obtain BS 8001 certification, which is conducive to improving the Company's competitiveness.

(F) Standardized (ISO) operations and full-scale e-commerce, project management, vendor management and bulk material procurement institutionalization, significantly reducing construction mobilization costs and effectively controlling the impact of price fluctuations.

(G) The Company has introduced and obtained the ISO 45001 Taiwan Occupational Safety and Health Management System standard certification to reduce occupational safety management risks and establish a quality, healthy and safe working environment. Furthermore, the construction management system (QCDSE) is fully implemented, and the goal is high quality, low cost, fast construction, and zero disasters, and continuous improvements and innovations are made.

(H) The government promotes the most advantageous bidding, turnkey engineering and BOT projects to drive the economic recovery, and continues to improve the efficiency of project execution, so that large-scale construction companies with proven records have a higher competitive advantage.

(I) The government promotes the development of green energy and carbon reduction innovative industrial models and technologies, which helps to promote the implementation and application of public construction projects such as smart green buildings.

B. Unfavorable factors:

(A) The prices of building materials such as steel bars, ready-mixed concrete, sand and gravel, and metal construction materials are easily affected by international raw material market conditions and transportation costs, and profits are easily compressed.

(B) The severe climate makes it difficult to control the construction schedule, which increases the difficulty in contract fulfillment and the risk to workers' lives and safety.

(C) Due to the serious lack of human resources caused by the aging population, the unstable supply and prices of bulk building materials, and the risks of uncontrollable costs and construction schedules, plus the impact of COVID-19 in China, the shortage of sand and gravel is further expanded, and prices are more difficult to control.

(D) The war and the U.S. leader's decision-making changes and shocks have many factors in the market, which affect business strategies and increase the uncertainties of bidding risks.

C. Countermeasures:

(A) Actively maintain good interaction with architects, consulting companies and other upstream industries to grasp project planning and contracting information in advance, and deepen cooperation with downstream industry manufacturers with good performance to strengthen long-term cooperative relations.

(B) Actively cultivate talents, improve the management capacity of the most advantageous tenders and turnkey tenders, and get rid of the low-price bidding model to obtain the best profits.

(C) Develop a team of excellent third-party vendors to strengthen supply chain relations and management. Grasp the fluctuation trend of bulk materials and formulate risk control strategies; introduce foreign workers for major projects to increase labor resources.

(3) Department of Department Stores:

A Favorable factors

(A) Shopping malls are located in densely populated areas and good transportation hubs, and their sales have maintained stable growth.

(B) The self-owned commercial real estate is located in the prime urban areas with the potential for asset appreciation.

(C) Possession of an excellent management team.

(D) Prudent and prudent business practices.

(E) Grasp the trend of online retail and continue to invest.

B. Unfavorable factors:

(A) OUTLET MALL entered the market, and the competition has become increasingly fierce.

(B) The turnover rate of junior employees is high.

(C) The average national income is still difficult to increase significantly.

(D) The price and rent of commercial real estate remain high, and it is not easy to establish a new business office.

(E) Strong competition from virtual retail channels.

(F) In the post-pandemic period, the growth momentum of consumption will slow down.

C. Countermeasures:

(A) Use big data technology to precisely communicate with target customers and strengthen core competitiveness.

(B) Provide consumers with diversified and rapid shopping services through the application of digital tools such as APP.

(C) Provide online table reservation, meal ordering and delivery services to build an e-commerce platform to increase sales.

(D) Actively introduce the OMO digital new retail intelligent service platform, grasp online business opportunities, consolidate member loyalty, and expand the number of members and the development of life circle.

(E) Strengthening of risk management and control.

(F) To improve organizational effectiveness and to control administrative and sales expenses.

(G) Adjustment of the structure of the cabinet design business in a timely manner.

(H) Emphasizing store environment management and after-sales service, and actively building a safe store.

(I) Enhance the brand value of the Company.

(II) Important uses of the main products and production processes:

1. Construction and operation department:

(1) Important uses:

A. Residential: for people to live in.

B. Commercial real estate: used for commercial activities.

(2) Production process:

Acquisition of land → commissioning an architect to design → applying for a building license → commissioning a builder to build → project completion → application for use permit → handover.

2. Construction and operation department:

(1) Important uses:

A Construction works:

To respond to the domestic trend of more refined buildings and the convenience of traffic and meet owners' and design units' needs for designs, we put together various types of professional contractors and technicians and properly plan and prepare various building materials; then, we provide such materials to residential and office building projects depending on the types of building structures and decoration works through the construction management approaches to timeline, cost, and quality.

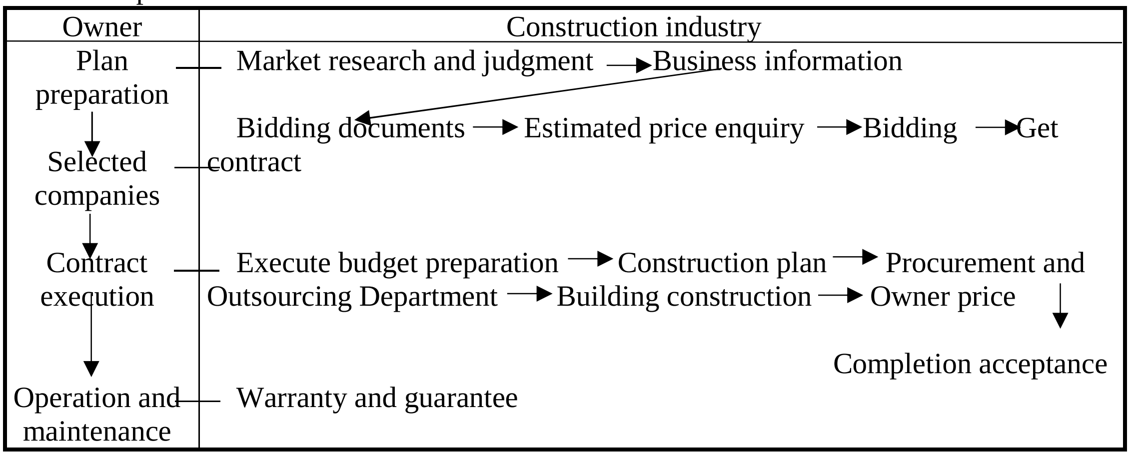
B. Public works

Coordinate with the government's major construction and private investment development plans, properly plan the implementation of the overall project, put public interests first, effectively integrate professional contractors and other technicians through construction management means, and prepare various construction materials for completion with professional skills of various major public works.

C. Plant construction project:

In response to the economic development trend and the domestic high-tech companies' needs for plants due to the emerging 5G and IoT technologies, and the return of overseas Taiwanese companies' investment, we put together professional construction contractors and material suppliers to build professional plants in the shortest construction period. The suppliers' and contractors' involvement in various industries' construction projects also helps revitalize the domestic economy.

(2) Production process:



3. Department of department store:

This department is engaged in the sale of general department store merchandises combined with daily life facilities such as bookstore, beauty and hairdresser, massage, cooking class and pet grooming, as well as the provision of dining, entertainment, sports and supermarket services as the main business.

(III) Supply of main raw materials:

1. Construction and operation department:

(1) Methods of acquiring land:

Self-built land and self-construction, joint construction and allocation of housing units, joint construction and separate sale, joint development, city land rezoning, urban renewal and section expropriation.

(2) Location selection:

Project sites are concentrated in the Greater Taipei metropolitan area, and lands in potential areas will continue to be evaluated in the light of transportation, major construction, urban renewal and other issues. We will not be bound by the general development pattern, but combine the group's synergy to develop the value of land with innovative models. The Company also pays attention to the development of the real estate market in central and southern Taiwan, explores development opportunities in areas with low base period, reduces the cost of acquiring land and raw materials and expands business opportunities in a timely manner.

(3) Lot selection:

A. Close to the city center.
B. Close to good school districts and institutions of learning.
C. Close to parks, squares and green spaces.
D. Adjacent to markets or supermarkets.
E. The living environment is quiet and elegant.
F. The location with convenient transportation can be connected to the arterial road of the urban moving axis.
G. Proximity to stations and MRT stations.
H. Adjacent to the parking lot facilities, parking is convenient.
I. Proximity to business districts.

J. Excellent landscape and field of vision.
K. Good living functions.
L. No dangerous or malignant facility.
M. Proximity to the library or community center.

2. Construction and operation department:

   The main raw materials required include rebar, cement, precast concrete, tiles, aluminum windows, and steel structures. Except for materials supplied by the client as per contract terms, all other materials are self-purchased. Before starting each construction project, procurement contracts are signed with suppliers to clarify the material requirements and responsibilities, ensuring a stable supply chain. For key materials such as rebar and steel sheets, comparisons are made with domestic market prices before bulk procurement to manage price fluctuations. Bulk material procurement is often bundled (consolidated purchasing) to leverage economies of scale while ensuring excellent quality and reasonable prices. Other raw materials are procured based on international economic trends and fluctuations, with semi-annual forecasts of material and labor costs for bidding and cost control. Material suppliers and construction partners are carefully selected based on their experience, professionalism, and integrity, fostering good cooperative relationships. Additionally, regular assessments and management of suppliers are conducted following ISO procedures to establish a complete, high-quality, and stable supply chain.

3. Department of Department Stores: Not applicable.

(IV) Names of customers accounting for more than 10% of total purchases (sales) in any of the last two years, the amount of purchases (sales) and proportions, and explain the reasons for the changes:

1. List of main suppliers:

Unit: Thousand shares; %

	2022				2023				As of the last quarter of 2024 (Note 1)			
Item	Name (Note 2)	Amount	Proportion of net purchases for the year (%)	Relationship with the issuer	Name (Note 2)	Amount	Proportion of net purchases for the year (%)	Relationship with the issuer	Name (Note 2)	Amount	Proportion of net purchases for the year (%)	Relationship with the issuer
1	Other	14,630,988	100	None	Political Warfare Bureau, Ministry of National Defense	3,455,265	22.25	None	-	-	-	-
2					Other	12,074,492	77.75	None				

Note 1: Not applicable since the financial statements of Q1 2024 have not been reviewed by CPAs

Note 2: No single supplier that accounted for more than 10% of the total purchase amount in 2022.

2. Main sales list:

Unit: Thousand shares; %

	2022				2023				As of the last quarter of 2024 (Note 1)			
Item	Title	Amount	Proportion of annual net sales (%)	Relationship with the issuer	Title	Amount	Proportion of annual net sales (%)	Relationship with the issuer	Title	Amount	Proportion of annual net sales (%)	Relationship with the issuer
1	Taiwan Semiconductor Manufacturing Co., Ltd.	7,861,189	36.55	None	Taiwan Semiconductor Manufacturing Co., Ltd.	4,942,305	25.42	None	-	-	-	-
2	Other	13,644,913	64.45	None	Other	14,500,196	74.58	None	-	-	-	-

Note 1: Not applicable since the financial statements of Q1 2024 have not been reviewed by CPAs

Note 2: In the construction industry, because the contracted projects involve a large amount of money and the construction period is as long as 1 to 3 years, if the total contract amount of some projects is large, and the sales are calculated based on the percentage of completion, there will be concentration of certain projects in a certain period of time. However, the consolidated company's construction projects are all obtained through bidding or negotiation, and the main customers change with the construction and completion of the projects. Therefore, in the medium and long term, the consolidated company should have no concentration risk of sales to the general manufacturing industry.

(V) Table of production volume and value for the most recent two years:

Unit: Thousand shares

Year / Production volume value / Category	2022			2023		
	Production capacity	Production volume	Production value	Production capacity	Production volume	Production value
Real estate	-	184 households	4,910,864	-	282 households	3,725,895
Construction contract	-	-	10,666,857	-	-	9,840,622
Commodities, labor services and others	-	-	4,611	-	-	4,611
Total	-	-	15,582,332	-	-	13,571,128

Note: 1. The production volume of buildings and land is calculated based on the number of completed houses in the current year.
2. The production value is calculated based on the total operating cost of the year.

(VI) Table of sales volume and value in the most recent two years:

Unit: Thousand shares

Year / Sales volume and value / Category	2022				2023			
	Domestic sales		Export sales		Domestic sales		Export sales	
	Quantity	Value	Quantity	Value	Quantity	Value	Quantity	Value
Real estate	219 households	7,498,364	-	-	143 households	6,157,863	-	-
Construction contract	-	12,493,599	-	-	-	11,579,974	-	-
Commodities, labor services and others	-	1,514,139	-	-	-	1,704,664	-	-
Total	-	21,506,102	-	-	-	19,442,501	-	-

Note: 1. The sales volume of buildings and land is calculated based on the number of households that settled in the current year.
2. The sales value is calculated based on the operating revenue of the year.

III. Information on employees in the last two years and up to the publication date of the annual report:

Year		2022	2023	As of April 1, 2024
Number of employees	Engineering personnel	460	443	419
	Administrative staff	565	577	564
	Total	1,025	1,020	983
Average age		39.52	38.75	38.87
Average years of service		5.5	5.06	5.22
Education distribution ratio	Doctoral Degree	0.00%	0.00%	0.00%
	Master's Degree	17.96%	16.76%	18.01%
	Junior College	74.85%	78.14%	77.62%
	Senior High School	5.19%	5.10%	4.27%
	Below high school	0.00%	0.00%	0.10%

4. Information on environmental protection expenditure:

(1) Losses due to environmental pollution in the most recent year and up to the date of publication of the annual report:

Type	Violation of laws and regulations	Contents of violation	Penalty details
Water pollution	In accordance with Subparagraph 2, Paragraph 1, Article 30	Directly disposing of other pollutants in the Tamsui River System Control Zone	A fine of NTD 30,000 2 hours of environmental lectures

Type	Violation of laws and regulations	Contents of violation	Penalty details
	of the Water Pollution Control Act		
Noise pollution	Subparagraph 4, Article 8 of the Noise Control Act	Use of powered machinery for construction disturbs peace	A fine of NTD 72,000
Noise pollution	Subparagraph 4, Paragraph 1, Article 9 of the Noise Control Act and Article 6 of Noise Control Standards	Noise exceeding control standard	A fine of NTD 396,000 26 hours of environmental lectures
Waste cleanup	Subparagraph 11, Article 27 of the Waste Disposal Act	Water accumulation in the construction area is not properly treated, which is a potential breeding ground for disease vectors and mosquitoes	A fine of NTD 9,000
Waste cleanup	Article 31, Paragraph 1 and Paragraph 2 of the Waste Disposal Act	The output construction mixture stored on-site did not conform to the declaration	A fine of NTD 6,000 1 hour of environmental lectures

(2) Estimated amount of current and possible future occurrences and responsive measures:

Based on the business philosophy of environmental sustainability, the consolidated company has regarded pollution prevention and environmental protection as its corporate management responsibility. In the process of construction of each project, the contractors are strictly required to comply with environmental protection laws and regulations to reduce the penalty for pollution. To ensure the quality of the construction environment and maintain public health, in addition to adding pollution control equipment, the following specific measures have been implemented:

(A) Implement the environmental protection facilities and installation of the construction project, such as site fences, soundproof canvas, dustproof net, canvas, diagonal fences, garbage pipes, to suppress dust overflow and waste.

(B) Regular and irregular maintenance and dredging of the existing drainage system around the construction project, and actively consult the environmental protection authority for the adoption of roads and maintenance around the construction project.

(C) Actively select and introduce low-noise and low-pollution machines and working methods to reduce the impact on the surrounding environment of the construction in progress and the residents of neighboring houses. Control the working hours of vehicles and heavy machinery, and reduce noise to avoid disturbing the neighbors.

(D) Specify the noise, waste, and wastewater prevention and control clauses in contracts with professional vendors.

(E) Establishing the specific practices for site environmental protection and assigning personnel to be responsible for environmental protection operations.

(F) To meet the needs of the project organizers/proprietors, to achieve environmental sustainability goals, and to meet the greening volume indicators, base water retention indicators, water resource indicators, daily energy conservation indicators, carbon dioxide reduction indicators, waste reduction indicators. The nine major indicators of sewage and garbage improvement indicators, biodiversity indicators, and indoor environment indicators, and building construction toward "ecological, energy-saving, waste reduction, and healthy".

(G) According to the needs of the project organizer/owner, preference is given to products with less impact on the environment, so that the materials used in construction shall be as recyclable, low-pollution, and resource-saving products as possible.

(H) In line with the government's new energy policy of "Initiating Energy Transition and Electric Industry Reform" to maximize energy conservation and enhance energy efficiency, traditional lamps and fluorescent tubes are gradually replaced. Although the procurement and construction cost is higher, they are more durable and power-saving LED lamps and light tubes, the corridor areas are based on the zoned lighting plan, and the office areas (tables) are equipped with appropriate and sufficient lighting.

Divided according to the actual lighting needs to achieve the purpose of energy saving.

(I) Cooperate with the government's "National Action Program on Climate Change" to launch the five stages of the construction life cycle, including production and transportation of building materials, construction, building use, repair and renewal, and demolition and disposal The resulting carbon dioxide emissions are included in the calculation and assessment of the building's carbon footprint. For carbon labeling and diagnosis of carbon emission hotspots, the Company uses low-carbon building materials, low-carbon design and construction methods, and local procurement to reduce carbon emissions during transportation and design stages to truly achieve the goal of "carbon reduction".

(J) Promote paperless and building information modeling to reduce carbon emissions, develop and prioritize the adoption of ESG supply chain suppliers, incorporate mechanical and electrical planning and training courses into green energy analysis course training or seminars, continue to promote the implementation of face recognition access control management in construction projects. The system ensures the qualification and safety of personnel to enter the workplace, actively promotes workplace health, and hires nursing personnel and contracted professional physicians to provide health care for the Company's employees.

(K) The Environmental Sustainability Department is responsible for establishing environmental sustainability systems and regulations, assisting in the education and training of environmental protection laws and regulations and control measures, and supervising the implementation of environmental protection measures during the construction period of projects. In cooperation with the construction project, the Company sends personnel to participate in the regular or irregular environmental advocacy or education training organized by the environmental protection authorities of the local governments, and specifies the relevant information on the project notice boards to provide stakeholders with whistle-blowing information in case of violations.

(L) Introduce the ISO 14001 environmental management system, continue to strengthen and implement environmental protection operations; regularly review and implement the regulations of the construction management and environmental protection authorities of each county, city and unit, continue to invest in key environmental pollution prevention equipment, and select green building materials and low-pollution construction methods during the planning stage, low-noise machinery and noise prevention measures, etc., to reduce environmental impact as much as possible. Furthermore, professional contractors are required to comply with environmental protection laws and regulations and the owner's regulations during construction. The environmental protection personnel of the Environment Continuity Department and the project will conduct regular or irregular inspections. If any defect is found, they will require improvement and confirm that the improvement is effective.

(M) The consolidated company has budgeted for environmental protection measures to ensure that each project can comply with laws and regulations and that there are sufficient resources to implement environmental protection during the construction period. As of December 31, 2023, the environmental protection budget for the construction in progress and the amount of expenditure so far are as follows:

Environmental protection expenditure items	Budget	Spent	Completed execution rate
Fence	155,342	81,168	52.3%
Air pollution prevention	59,034	16,349	27.7%
Water pollution prevention	62,578	33,951	54.3%
Waste removal	117,971	52,391	44.4%
Earthwork treatment	927,836	648,124	69.9%
Noise/vibration monitoring	24,468	13,149	53.7%
Total	1,347,230	845,131	62.7%

(III) Environmental protection improvement countermeasures, preventive measures and resources invested:

1. Based on the concept of environmental sustainability, the consolidated company has formulated relevant operating standards based on the characteristics of various projects for waste (including waste soil) treatment, noise, air pollution and water pollution, and requires contractors to perform for environmental protection during the process to reduce pollution penalties. The Company has budgeted for the installation of pollution prevention and control equipment, and set up air quality (PM10, PM2.5) and noise monitoring systems for construction sites nationwide. The real-time monitoring of air pollution and noise exceeding standards and countermeasures can ensure the quality of the construction environment and

maintain public health.

2. The environmental personnel assigned by the environmental continuity department of the consolidated company and the engineering projects ensure that all environmental protection treatment procedures are implemented, including that all equipment and measures are in compliance with central and local environmental protection laws and regulations (such as the Waste Disposal Act, the Water Pollution and the Company's special regulations, etc.), and any defects found are to be corrected immediately. The surrounding environment of the construction site shall be properly maintained with good neighborliness and coordination.

V. Labor-management relations:

(I) The Company's employee welfare measures, advanced study, training, and retirement systems, and the implementation thereof, as well as agreements between labor and management and various employee rights and interests protection measures:

1. Employee benefits:

(1)The consolidated company has established the Employee Welfare Committee, which is responsible for the planning and implementation of various employee benefit programs.

(2)The main welfare measures and implementation of the consolidated company and the Employee Welfare Committee are as follows:

①Occupational safety culture: Create a workplace with a culture of occupational safety, and promote voluntary care, proactiveness, attention to detail, and quality.

②Diverse employee benefits: included

A. Dragon Boat Festival, Moon Festival, birthday, wedding, and baby bonuses.

B. Allowances for funerals, hospitalization, and major disasters.

C. Health examination, group insurance, and discounts on home purchases.

D. Employee remuneration paid out in accordance with the Company's articles of incorporation.

E. Holding group sports meetings, departmental friendships and club subsidies.

F. Hold health seminars to promote employees' physical and mental health.

G. Promote reading, set up a library on the first floor of the corporate building for employees to borrow.

2. Employee continuing education and training:

(1)The consolidated company formulates education and training plans each year based on business development and employees' career needs. Each employee is required to attend at least 12 hours of training courses each year.

(2)Training type: Internal and external training

①Internal training: Senior or specialized employees serve as lecturers to pass on their own experience and professional knowledge.

②External training: The Company provides employees with annual external training subsidies by participating in professional courses offered by corporate management companies, educational training institutions and government agencies.

(3) Scope of training: It can be summarized as the new recruits, general knowledge, management functions, professional skills training, continuing education subsidies, etc. The implementation is as follows

①New employee training: held regularly to introduce the corporate culture, organization, systems and regulations, and the operating rules and procedures of each department.

②General training: Training courses that all employees can participate in, such as ESG sustainable development courses, information knowledge, information security general knowledge, and health seminars.

③Management training: Development courses and recurring training for deputies.

④Professional skills training: Employees are encouraged to participate in professional skills training courses and obtain professional licenses. These trainings are conducted on a regular basis to enhance their own competitiveness.

(4) Education subsidy: The Company will subsidize the tuition and miscellaneous fees of outstanding employees by sending them to domestic universities for further education.

3. Employee code of conduct and ethics:

All employees of the consolidated company should abide by laws, regulations and the Company's internal control system when handling company affairs, and adhere to personal integrity and social ethics standards to safeguard the Company's assets, rights and images, and their scope covers the following items:

(1)Information confidentiality protection: employees of the consolidated company are also required to sign the "Employee Confidentiality Agreement" upon arrival, pledging not to disclose the Company's business secrets in any form during their employment and after resignation.
(2)Prohibition of seeking personal gain: Each employee shall not seek personal gain by using the Company's property, information or taking advantage of his/her position, and shall not operate the Company's similar business for himself or for others.
(3)No solicitation for improper benefits: No employee of the consolidated company may solicit gifts, kickbacks, entertainment or other improper benefits from customers of the Company, and supervisors are also prohibited from accepting gifts of any form from subordinates.
(4)Fair trade regulations: Every colleague shall treat the Company's purchase (sale) customers, competitors and employees fairly.
(5)Strict prohibition on insider trading: No employee may use the insider information obtained from the conduct of business for the benefit of others or for personal gain. The Company's financial and business information shall not be released without permission or prior to the disclosure, so as not to affect the rights and interests of other shareholders.

4. Retirement system:

The consolidated company has established retirement policies for employees who are officially employed. The retirement conditions, pension benefits and calculation methods of employees are handled in accordance with the Labor Standards Act, the Labor Pension Act and relevant laws and regulations:

(1) The new pension scheme under the Labor Pension Act is a defined contribution scheme. The Company makes a monthly contribution equal to no less than 6% of each employee's monthly salary to their individual pension accounts with the Bureau of Labor Insurance.
(2) The old pension scheme under the Labor Standards Act is a defined payment scheme. Two base points will be given to each employee for each full year of work experience, but one base point will be given for each full year of work experience when they have worked for more than 15 years, with a maximum of 45 base points in total. The pension is calculated based on the aforementioned base multiplied by the monthly average salary for the six months before the approved retirement date. In addition, for employees who choose to apply or retain part of their seniority under the old system, a contribution of 2% of their total monthly salary will be made to the employee pension fund, and make up the pension fund in accordance with Article 56, item 2 of the Labor Standards Act, which is deposited in a special account at the Bank of Taiwan.

5. Work environment and employee safety protection measures:

The consolidated company is committed to providing employees with a safe, healthy and comfortable working environment. In addition to continuing to organize various safety and health education and training, promotion, and drills, the consolidated company has insured all employees with group insurance, labor insurance, and national health insurance and provides health inspection, etc. The relevant measures are as follows:

(1) Comply with safety and health-related laws and other requirements, and conduct office or working environment inspections on a regular basis.
(2) Establish fire-fighting equipment and firefighters in compliance with laws and standards, regularly test the condition of equipment, and submit annual fire-fighting equipment safety inspection reports on time.
(3) Conduct labor safety and health education training, promotion and drills from time to time, and encourage employees to obtain labor safety and health and fire safety related certificates.
(4) The Company provides employees with a health checkup once a year, and the Company will subsidize the health checkup expenses within a certain amount. .
(5) In line with the requirements of the Labor Health Protection Regulations, the Company continues to promote employee workplace health. On December 02, 2018, the construction operation department was awarded the "ISO 45001 Occupational Safety and Health Management" certification by the international certification organization SGS.

(II) Agreements between labor and management:

The consolidated company's labor relations are harmonious and there are no labor disputes, so there is no labor agreement.

(III) Losses due to labor disputes in the most recent year and up to the date of publication of the annual report, and disclose the estimated amounts that may be incurred currently and in the future and countermeasures:

The consolidated company has no labor disputes, so this item is not applicable.

VI. Significant contracts:

April 1, 2024

Nature of contract	Party concerned	Start/end date of contract	Main Content	Restrictions
Leases	Taiwan Pingtung Farmland Irrigation Association	40 years (1990 - 2040)	Location: Subsection 3, Gongyuan Section, Pingtung City Annual rent: 10% of the declared land value Royalty: NTD 63,000 thousand	None
Joint development, investment and construction	First Construction Office of Taipei City Government MRT Engineering Bureau	Expected year of completion: 2024	Project name: 108A Location: National Freeway, Zhonghe District, New Taipei City Letter of guarantee from bank: NTD 55,990 thousand	None
Urban Renewal	Taipei City Urban Renewal Promotion Center	Expected year of completion: 2025	Project name: 108B Location: Dunhua Section, Songshan District, Taipei City Letter of guarantee from bank: NTD 300,000 thousand	None
Joint construction and allocation of units	43 employees of Amis Machinery Industrial Co., Ltd.	Expected year of completion: 2027	Project name: 108C Location: Zhixing Section, Wanhua District, Taipei City	None
Joint development, investment and construction	Department of Rapid Transit Systems, New Taipei City Government	Expected year of completion: 2024	Project name: 109A Location: Xiulangqiao Station, New Taipei City Loop Line Guarantee: NTD 6,980 thousand Letter of guarantee from the bank: NTD 68,381 thousand	None
Joint construction and allocation of units	Dongan Asset Development and Management Co., Ltd.	Expected year of completion: 2028	Project name: 110A Location: Hongfu Section, Xinzhuang District, New Taipei City Guarantee: NTD 350,000 thousand	None
Joint development, investment and construction	Taichung City Government	Expected year of completion: 2025	Project name: 110B Location: Dongshan Section, Beitun District, Taichung City Security deposit: NTD 51,361 thousand	None
Urban Renewal	New Taipei City Government	Expected year of completion: 2028	Project name: 110C Location: Fuzhong Section, Banqiao District, New Taipei City Guarantee: NTD 5,000 thousand Letter of guarantee from bank: NTD 20,000 thousand	None
Urban Renewal	Taiwan Power Company	Expected year of completion: 2028	Project name: 110D Location: Yucheng Section, Nangang District, Taipei City Letter of guarantee from bank: NTD 350,000 thousand	None
Joint development, investment and construction	Taichung City Public Transportation and Rapid Transit Engineering Office	Expected year of completion: 2029	Project name: 111B Location: Taichung MRT Green Line City Hall Station Letter of guarantee from the bank: NTD 303,656 thousand	None

Nature of contract	Party concerned	Start/end date of contract	Main Content	Restrictions
Urban Renewal	National Housing and Urban Renewal Center	Expected year of completion: 2030	Project name: 111C Location: Chenggong Section and Linyi Section, Zhongzheng District, Taipei City Letter of guarantee from bank: NTD 80,000 thousand	None
Joint construction and allocation of units	He Jun and other 6 people	Expected year of completion: 2028	Project name: 113A Location: Ruanqiao Section, Beitou District, Taipei City	None
Construction contract	Central Region Engineering Office, Railway Bureau, MOTC	Expected year of completion: 2025	C212 Tainan Railway Station Underground Project	None
Construction contract	New Construction Office of Taoyuan City Government	Expected year of completion: 2024	Taoyuan Convention and Exhibition Center Turnkey Project	None
Construction contract	Northern Engineering Office, Railway Bureau, MOTC	Expected year of completion: 2026	C611 Chiayi Elevated Railway and Under-the Bridge Road Project	None
Construction contract	National Housing and Urban Renewal Center	Expected year of completion: 2025	Turnkey project of Zhongshan Section Social Housing (Phase I) in Taishan, New Taipei City and National Military Service Dormitory	None
Construction contract	Directorate General of Highways, Ministry of Transportation and Communications	Expected year of completion: 2025	Reconstruction Project of Houlong Guan-Hai Bridge and Xihu River Bridge on Provincial Highway No. 61	None
Construction contract	Central Region Engineering Office, Railway Bureau, MOTC	Expected year of completion: 2026	C612 Jiabei and Chiayi Elevated Railway Stations and Tropic of Cancer Station Project	None
Construction contract	The Company won the tender from Taiwan Semiconductor Manufacturing Co., Ltd.	Expected year of completion: 2025	TSMC Zhunan Advanced Encapsulation and Testing Plant VI Phase II new construction project (FAB)	None
Construction contract	The Company won the tender from Taiwan Semiconductor Manufacturing Co., Ltd..	Expected year of completion: 2025	Leasing of parking lot for Phase II of TSMC's Zhunan Advanced Encapsulation and Testing Plant 6	None
Construction contract	The Company won the tender from Taiwan Semiconductor Manufacturing Co., Ltd.	Expected year of completion: 2024	TSMC Station South F18 Highway 25 Earthworks Transportation and Abandonment New Construction Project	None

Nature of contract	Party concerned	Start/end date of contract	Main Content	Restrictions
Construction contract	The Company won the tender from Taiwan Semiconductor Manufacturing Co., Ltd.	Expected year of completion: 2026	TSMC Zhunan Advanced Encapsulation and Testing Plant 6 Phase 2 new construction project (OFFICE)	None
Construction contract	The Company won the tender from Taiwan Semiconductor Manufacturing Co., Ltd.	Expected year of completion: 2024	TSMC Kaohsiung Plant 22 Phase 1 new construction project (SUPPORT)	None
Construction contract	GREAT WALL ENTERPRISE CO., LTD.	Expected year of completion: 2026	The new project of Dacheng Group's corporate headquarters	None
Construction contract	The Company won the tender from Taiwan Semiconductor Manufacturing Co., Ltd..	Expected year of completion: 2024	TSMC Advanced Sealing and Testing Plant Phase 2 expansion project (earthwork and retaining works)	None
Construction contract	YANKEY ENGINEERING CO., LTD.	Expected year of completion: 2026	Icemore Linkou Plant new construction project	None
Construction contract	MediaTek Inc.	Expected year of completion: 2025	Tonglu Industrial Park Plant New Construction Project	None
Construction contract	The Company won the tender from Taiwan Semiconductor Manufacturing Co., Ltd.	Expected year of completion: 2024	TSMC Zhunan Advanced Encapsulation and Testing Plant 5 Phase 2 new construction project (CUP)	None
Construction contract	The Company won the tender from Taiwan Semiconductor Manufacturing Co., Ltd.	Expected year of completion: 2024	Lease of parking lot for TSMC Zhunan Advanced Encapsulation and Testing Plant Phase 5	None
Leases	ASIA PACIFIC DEVELOPMENT CORPORATION	20 years from the commencement date of operation (2015 - 2035)	Location: No. 8, Fuxing 1st Rd., Guishan Dist., Taoyuan City (shopping mall) Letter of guarantee from bank: NTD 50,000 thousand	None
Leases	Taiwan Railways Administration, Ministry of Transportation and Communications	Operating period of 15 years (2009 - 2025)	Location: Banqiao Station Building from underground 1F to above ground 2F, 24F and 25F, the commercial space on the east and west sides of shopping malls Letter of guarantee from bank: NTD 61,550 thousand	None
Leases	Taiwan Railways Administration, Ministry of Transportation and Communications	Operating period 13 years (2011 - 2024)	Location: New Zuoying Station Building B1F to 4F above ground commercial space on the east and west sides of shopping malls Letter of guarantee from bank: NTD 3,000 thousand	None

Nature of contract	Party concerned	Start/end date of contract	Main Content	Restrictions
Leases	High-speed Railway Engineering Bureau, Ministry of Transportation and Communications	20 years from the signing date (2016 - 2036)	Location: Floor 1 to Floor 4 above ground of Tong Kai Building, Linkou Station of the Taoyuan International Airport MRT System Letter of guarantee from bank: NTD 29,000 thousand	None
Leases	Taiwan Railways Administration, Ministry of Transportation and Communications	Operating period of 15 years (2015 - 2030)	Location: No. 313, Nangang Rd., Nangang Dist., Taipei City Letter of guarantee from bank: NTD 20,000 thousand	None
Leases	High-speed Railway Engineering Bureau, Ministry of Transportation and Communications	20 years from the signing date (2020 - 2040)	Location: Shopping mall at Taiwan Taoyuan International Airport MRT A19 Station (Taoyuan Sports District Station) Letter of guarantee from bank: NTD 60,000 thousand	None
Joint venture contract	Blue Sky Computer Co., Ltd. and Huatai Investment Co., Ltd.	2022.08.10 (contract signing date)	According to the joint venture contract, Dacheng Co., Ltd. was established. Participation in the "Taipei Main Station Dedicated Area E1E2 Street Expressway Urban Renewal Project	None
Joint venture contract	EPOQUE CORPORATION	2022.12.14 (contract signing date)	Hon Hui Zhu Gao Co., Ltd. was jointly established pursuant to the joint venture agreement and participated in the "High Speed Rail Hsinchu Station Development and Management of Development Land	None

7. Information security:

(1) Describe the information communication security risk management framework, information communication security policy, specific management plan, and investment in information communication security management of resources:

1. Information security risk management framework:

(1) The Company's responsible unit for information security is the Information Division of the independent operating unit. There are a dedicated information officer and an information security officer and a dedicated information security engineer under the control. They are responsible for planning and executing information security operations and the promotion and implementation of information security policies. The Company also reports the implementation of information security to the Board of Directors every year.

The Company's cyber security risk management and cyber security policies are implemented in accordance with the "Kindom Development Corp. Cyber Security Policy" issued by the IT Division. Regarding information security incidents, the head of the Company's information department serves as the convener of the response team, responsible for disaster control, damage assessment, centralized reporting window, and command of information system disaster recovery operations.

(2) The Audit Office of the Company includes "the control of cyber security inspection" in the annual audit plan and conducts audit operations. If there is any defect, existing or potential risk, it will be immediately reviewed by the inspected unit and the coordinating operating unit, and the concrete improvement plan and process will be proposed, and regularly track the progress of improvement to implement the Company's information security policy.

2. Cyber security policy:

The Company's information communication security policy is based on the "Kindom Development Corp. Information Security Policy" promulgated by the IT Division to protect the security of its information resources in response to the relevant risks and security regulations that have been identified. The Company's information security policy applies to all information and data saved in electronic form, including all information newly created, received, stored, printed or created by inputting and data information application service and system. The Company's cyber security management mechanism is implemented in the following four aspects:

(1) Information security
(2) Information management roles and responsibilities
(3) Establish an information security management system
(4) Information security management measures

At the same time, the cyber security operation model adopts the PDCA (Plan-Do-Check-Act) management method to ensure the consistency with the objectives of the information security policy, and to achieve and continue to improve.

3. Cyber management solution:

The Company's information communication security management plan complies with the "Kindom Group Information Security Management Guidelines" promulgated by the Company's head office. Information security operating procedures and duties are planned and executed by the IT Division, and the effectiveness is supervised by the IT Division Supervisor. The Company's cyber security management mechanism is implemented in the following four aspects:

(1) Protection: To prevent various external information security threats, we adopt a multi-layer network design and established various information security protection systems to improve the security of the overall information environment. Aiming to protect information resources from viruses or other malicious software intrusions, all information systems must be monitored for potential security vulnerabilities. Meanwhile, in accordance with the Group's information security policy, external

professional information security consultants are retained every year to perform regular vulnerability scanning of information equipment and information service for the purpose of strengthening information security weaknesses.

(2) Response: To improve the Company's response speed and ability to respond to information security incidents, the Company has set up an information security anomaly monitoring system so that information security personnel can receive anomaly alerts at the first instance and grasp relevant threat information. All information systems, services and databases have a complete backup plan. Relevant backup data are also stored on a reputable cloud service platform to implement remote backup management. Disaster recovery drills are conducted for major services every year to ensure resilience against information security incidents.

(3) Governance: Internal regulations and systems related to information security are established to regulate the information security behavior of all employees, and relevant systems are regularly reviewed every year for compliance with laws and changes in the operating environment, and the review is revised according to the implementation and needs.

(4) Education: The Company organizes information security education and training courses annually, and new employees are required to participate in these courses. In addition, social engineering drills are also implemented, in order to continuously enhance employees' awareness for information security and personal information protection, thereby implementing information security policy of the Company.

4. Invest resources in cyber security management

The Company actively promotes information applications and digital transformation, while at the same time attaches great importance to information security and personal information protection. In 2023, a budget of approximately NT$2.7 million (an average of NT$29,000 per employee) was allocated for the construction of information security-related software and hardware and information security enhancement services, including but not limited to the following items:

(1) Anti-virus software and endpoint protection system (EDR)
(2) Introduce the privileged access management system of the user's computer
(3) Adopt sensitive data leakage prevention (DLP) software
(4) Multi-factor authentication mechanism for users
(5) Email security protection system
(6) Firewall equipment for the head office and remote offices
(7) Computer hardware management system
(8) Annual social engineering drill
(9) Conduct information system vulnerability detection and penetration testing to external parties on a yearly basis
(10) Conduct annual disaster recovery drills for major information services

(III) List the losses as a result of major cybersecurity incidents in the most recent year and up to the publication date of the annual report, the possible impacts, and countermeasures. If it cannot be reasonably estimated, the facts by which it cannot be reasonably estimated shall be stated: Most recent year and up to the publication date of the annual report there has been no major information and communication security incident causing loss to the Company.

VI. Financial Overview

I. Condensed balance sheets and comprehensive income statements for the last five years, and the auditors' audit opinions:

(I) Condensed balance sheet information

1. Consolidated financial statements:

Unit: Thousand shares

Item \ Year		Financial information for the most recent five years (Note 1)					As of March 31, 2024 (Note 2)
		2019	2020	2021	2022	2023	
Current assets		45,563,542	46,414,826	43,223,807	44,519,444	46,576,922	Not applicable
Property, plant and equipment		6,703,794	6,586,166	6,503,236	6,379,227	6,213,844	
Intangible assets		42,830	49,236	54,404	53,874	53,119	
Other assets		3,514,799	4,326,813	4,066,996	4,910,312	4,720,741	
Total assets		55,824,965	57,377,041	53,848,443	55,862,857	57,564,626	
Current liabilities	Before distribution	31,849,885	30,183,305	24,544,862	27,621,505	28,253,161	
	After distribution	32,605,572	31,392,403	25,930,287	28,591,303	Note 3	
Non-current liabilities		9,562,171	9,828,179	9,307,948	6,675,904	5,971,124	
Total liabilities	Before distribution	41,412,056	40,011,484	33,852,810	34,297,409	34,224,285	
	After distribution	42,167,743	41,220,582	35,238,235	35,267,207	Note 3	
Equity attributable to owners of the parent company		12,627,504	15,237,901	17,562,761	18,516,479	19,961,808	
Share capital		5,037,910	5,037,910	5,541,701	5,541,701	5,541,701	
Capital reserve		1,379,873	1,396,097	1,421,924	1,451,569	1,472,401	
Retained earnings	Before distribution	6,306,721	8,902,937	10,697,059	11,648,455	13,074,843	
	After distribution	5,551,034	7,693,839	9,311,634	10,678,657	Note 3	
Other equity		(25,804)	(27,847)	(26,727)	(26,544)	(28,435)	
Treasury stock		(71,196)	(71,196)	(71,196)	(98,702)	(98,702)	
Non-controlling interests		1,785,405	2,127,656	2,432,872	3,048,969	3,378,533	
Total equity	Before distribution	14,412,909	17,365,557	19,995,633	21,565,448	23,340,341	
	After distribution	13,657,222	16,156,459	18,610,208	20,595,650	Note 3	

Note 1: The Company's financial statements of each year have been audited and certified by the CPAs.
Note 2: The quarterly financial statements for the first quarter of 2024 have not been reviewed by CPAs, therefore not applicable.
Note 3: The proposal for distribution of earnings in 2023 has not yet been approved by the shareholders' meeting.

2. Parent company only financial statements:

Unit: Thousand shares

Item		2019	2020	2021	2022	2023	As of March 31, 2024 (Note 3)
Year		Financial information for the most recent five years (Note 1)					
Current assets		38,504,920	37,752,737	33,051,282	31,574,173	33,182,200	Not applicable
Property, plant and equipment		280,822	280,130	283,095	283,330	279,050	
Intangible assets		2,274	1,334	474	-	134	
Other assets		5,040,808	5,511,223	5,718,576	7,227,725	7,672,564	
Total assets		43,828,824	43,545,424	39,053,427	39,085,228	41,133,948	
Current liabilities	Before distribution	26,662,559	24,269,349	17,457,855	18,534,267	19,141,394	
	After distribution	27,418,246	25,478,447	18,843,280	19,504,065	Note 2	
Non-current liabilities		4,538,761	4,038,174	4,032,811	2,034,482	2,030,746	
Total liabilities	Before distribution	31,201,320	28,307,523	21,490,666	20,568,749	21,172,140	
	After distribution	31,957,007	29,516,621	22,876,091	21,538,547	Note 2	
Equity attributable to owners of parent company		12,627,504	15,237,901	17,562,761	18,516,479	19,961,808	
Share capital		5,037,910	5,037,910	5,541,701	5,541,701	5,541,701	
Capital reserve		1,379,873	1,396,097	1,421,924	1,451,569	1,472,401	
Retained earnings	Before distribution	6,306,721	8,902,937	10,697,059	11,648,455	13,074,843	
	After distribution	5,551,034	7,693,839	9,311,634	10,678,657	Note 2	
Other equity		(25,804)	(27,847)	(26,727)	(26,544)	(28,435)	
Treasury stock		(71,196)	(71,196)	(71,196)	(98,702)	(98,702)	
Non-controlling interests		-	-	-	-	-	
Total equity	Before distribution	12,627,504	15,237,901	17,562,761	18,516,479	19,961,808	
	After distribution	11,871,817	14,028,803	16,177,336	17,546,681	Note 2	

Note 1: The Company's financial statements of each year have been audited and certified by the CPAs.
Note 2: The proposal for distribution of earnings in 2023 has not yet been approved by the shareholders' meeting.
Note 3: The quarterly financial statements for the first quarter of 2024 have not been reviewed by CPAs, therefore not applicable.

(II) Condensed statement of comprehensive income

1. Consolidated financial statements:

Unit: Thousand shares

Year / Item	Financial information for the most recent five years (Note 1)					As of March 31, 2024 (Note 2)
	2019	2020	2021	2022	2023	
Operating revenue	15,326,899	27,345,405	25,191,138	21,506,102	19,442,501	Not applicable
Gross operating profit	4,028,294	7,110,611	7,017,355	5,923,770	5,871,373	
Operating profit	2,198,729	5,168,832	5,164,397	4,028,384	3,932,235	
Non-operating income and expenses	(384,465)	(280,033)	(185,711)	(188,472)	(105,120)	
Net income before tax	1,814,264	4,888,799	4,978,686	3,839,912	3,827,115	
Continuing operations Net income for the period	1,546,223	3,905,137	4,077,333	3,129,697	3,067,425	
Losses from discontinued operations	-	-	-	-	-	
Current net profit (loss)	1,546,223	3,905,137	4,077,333	3,129,697	3,067,425	
Other comprehensive income in the current period (net amount after tax)	1,185	(3,768)	(691)	5,026	(688)	
Total comprehensive income for the period	1,547,408	3,901,369	4,076,642	3,134,723	3,066,737	
Net profit attributable to the owners of the parent company	1,283,526	3,353,971	3,508,103	2,333,896	2,395,148	
Net profit for the period attributable to Non-controlling interests	262,697	551,166	569,230	795,801	672,277	
Total comprehensive income attributable to owners of the parent company	1,283,294	3,349,860	3,508,131	2,337,004	2,394,295	
Total comprehensive income attributable to non-controlling interests	264,114	551,509	568,511	797,719	672,442	
EPS (NT$)	2.60	6.18 (Note 3)	6.47	4.31	4.42	

Note 1: The Company's financial statements of each year have been audited and certified by the CPAs.

Note 2: The quarterly financial statements for the first quarter of 2024 have not been reviewed by CPAs, therefore not applicable.

Note 3: Earnings per share were retrospectively adjusted from the distribution of stock grants. The earnings per share before and after the adjustment were NTD 6.80 and NTD 6.18, respectively.

2. Parent company only financial statements:

Unit: Thousand shares

Item \ Year	Financial information for the most recent five years (Note 1)					As of March 31, 2024 (Note 2)
	2019	2020	2021	2022	2023	
Operating revenue	8,117,436	17,185,011	16,105,554	7,664,805	6,474,705	Not applicable
Gross operating profit	2,032,247	4,583,383	4,569,393	2,753,856	2,748,725	
Operating profit	1,329,758	3,771,698	3,949,085	2,177,814	2,207,598	
Non-operating income and expenses	131,028	365,537	247,706	570,886	565,196	
Net income before tax	1,460,786	4,137,235	4,196,791	2,748,700	2,772,794	
Continuing operations Net income for the period	1,283,526	3,353,971	3,508,103	2,333,896	2,395,148	
Losses from discontinued operations	-	-	-	-	-	
Net income for the period	1,283,526	3,353,971	3,508,103	2,333,896	2,395,148	
Other comprehensive income for the period (net amount after tax)	(232)	(4,111)	28	3,108	(853)	
Total comprehensive income for the period	1,283,294	3,349,860	3,508,131	2,337,004	2,394,295	
Net profit for the period attributable to Owner of the parent company	1,283,526	3,353,971	3,508,103	2,333,896	2,395,148	
Net profit for the period attributable to Non-controlling interests	-	-	-	-	-	
Total comprehensive income attributable to owners of the parent company	1,283,294	3,349,860	3,508,131	2,337,004	2,394,295	
Total comprehensive income attributable to non-controlling interests	-	-	-	-	-	
EPS (NT$)	2.60	6.18 (Note 3)	6.47	4.31	4.42	

Note 1: The Company's financial statements of each year have been audited and certified by the CPAs.

Note 2: The quarterly financial statements for the first quarter of 2024 have not been reviewed by CPAs, therefore not applicable.

Note 3: Earnings per share were retrospectively adjusted from the distribution of stock grants. The earnings per share before and after the adjustment were NTD 6.80 and NTD 6.18, respectively.

(3) The names of CPAs in the last 5 years and the audit opinions:

Year	Certified Public Accountant	Audit Opinions
2019	Ti-Nuan Chien, Shu-Ying Chang	Unqualified opinion
2020	Yi-Lian Han, Ti-Nuan Chien	Unqualified opinion
2021	Yi-Lian Han, Ti-Nuan Chien	Unqualified opinion
2022	I-Lien Han, Kuo-Yang Tseng	Unqualified opinion
2023	I-Lien Han, Kuo-Yang Tseng	Unqualified opinion

II. Financial analysis for the most recent five years:

(I) Consolidated financial statements:

Analysis Items	Year	2019	2020	2021	2022	2023	As of March 31, 2024 (Note 2)
		Financial analysis for the most recent five years (Note 1)					
Financial structure	Debt to assets ratio (%)	74.18	69.73	62.87	61.40	59.45	Not applicable
	Fixed assets, plants, and equipment to permanent capital ratio (%)	357.63	412.89	450.60	442.71	471.71	
Solvency	Current ratio (%)	143.06	153.78	176.10	161.18	164.86	
	Quick ration (%)	36.08	53.95	81.01	77.97	63.72	
	Interest coverage ratio (times)	5.03	14.33	16.80	13.68	15.27	
Operating ability	Accounts receivable turnover (times)	10.78	15.01	14.48	12.64	11.88	
	Average collection days	33.86	24.32	25.21	28.88	30.72	
	Inventory turnover (times)	0.34	0.63	0.68	0.68	0.53	
	Payable turnover rate (times)	2.32	3.72	3.12	2.51	2.14	
	Average number of days of sales	1,073.53	579.37	536.77	536.77	688.68	
	Property, plant and equipment turnover (times)	2.24	4.12	3.85	3.34	3.09	
	Total asset turnover (times)	0.29	0.48	0.45	0.39	0.34	
Profitability	Return on assets (%)	3.56	7.42	7.78	6.15	5.79	
	Return on equity (%)	11.05	24.58	21.83	15.06	13.66	
	Ratio of Pre-Tax Net Profit to Paid-in Capital (%) (Note 7)	36.01	97.04	89.84	69.29	69.06	
	Net profit margin (%)	10.09	14.28	16.19	14.55	15.78	
	EPS (NT$)	2.60	6.18 (Note 9)	6.47	4.31	4.42	
Cash flow	Cash flow ratio (%)	10.04	32.75	36.82	10.00	6.76	
	Cash flow adequacy ratio (%)	88.96	167.54	247.47	368.10	278.68	
	Cash reinvestment ratio (%)	10.23	30.66	24.42	4.49	2.95	
Leverage	Operating leverage	1.65	1.29	1.31	1.42	1.45	
	Financial leverage	1.26	1.08	1.06	1.08	1.07	

Reasons for changes of more than 20% in each financial ratio in the last two years:
1. The decrease in inventory turnover in 2023 from 2022 is mainly due to the decrease in cost of sales and the increase in average inventory.
2. The increase in average inventory turnover days in 2023 from 2022 was mainly due to the decrease in inventory turnover.
3. Lower cash flow ratio, cash flow adequacy ratio and cash reinvestment ratio for 2023 from 2022 mainly due to lower net cash inflow from operating activities; increase in inventories as a result of continuous investment in construction of buildings and land and the increase in the number of external construction projects.

Note 1: The Company's financial statements of each year have been audited and certified by the CPAs.

Note 2: The quarterly financial statements for the first quarter of 2024 have not been reviewed by CPAs, therefore not applicable.

Note 3: The relevant ratios are not calculated when the operating activities are net cash outflows.

Note 4: The calculation formula is as follows:

1. Financial structure
   (1) Liabilities to assets ratio = total liabilities/total assets.
   (2) Long-term capital to property, plant and equipment ratio = (total equity + non-current liabilities) / net property, plant and equipment.
2. Solvency
   (1) Current ratio = current assets/current liabilities.
   (2) Quick ratio = (current assets - inventory - prepayment) / current liabilities.
   (3) Interest coverage ratio = pre-income tax and interest income/interest expense for the current period.
3. Operating capacity
   (1) Accounts receivable (including accounts receivable and notes receivable arising from operations) turnover = Net sales/ The average balance of receivables (including accounts receivable and notes receivable arising from operations) during each period.
   (2) Average cash collection days = 365/receivables turnover rate.
   (3) Inventory turnover = cost of goods sold/average inventory.
   (4) Accounts payable (including accounts payable and notes payable arising from operations) turnover = Cost of goods sold/ The average balance of payables (including accounts payable and notes payable arising from operations) during each period.
   (5) Average sales days = 365/inventory turnover rate.
   (6) Property, plant and equipment turnover rate = net sales/average net property, plant and equipment.
   (7) Total asset turnover rate = net sales/average total assets.
4. Profitability
   (1) Return on assets = (profit or loss after tax + interest expenses x (1 - tax rate)) /average total assets.
   (2) Return on equity = profit or loss after tax/average total equity.
   (3) Net profit margin = profit or loss after tax/net sales.
   (4) Earnings per share = (Profit or loss attributable to owners of the parent company ((net profit after tax) in the parent company only financial statements) - Preferred stock dividend) / Weighted average number of issued shares.
5. Cash flow
   (1) Cash flow ratio = net cash flow from operating activities/current liabilities.
   (2) Net cash flow admissible ratio = net cash flow from operating activities in the last five years/the last five years (capital expenditure + inventory increase + cash dividends).
   (3) Cash reinvestment ratio = (net cash flow from operating activities - cash dividend) / (gross property, plant and equipment + long-term investment + other (Note 6)
6. Leverage
   (1) Operating leverage = (net operating revenue - variable operating costs and expenses)/operating income.
   (2) Financial leverage = operating income / (operating income - interest expenses).

Note 5: Notes on the calculation of earnings per share as stated above:

1. Based on the weighted average number of common shares and not the number of issued shares at the end of the year.
2. Where there is a capital increase by cash or treasury stock traded, the weighted average number of shares shall be calculated taking into account the outstanding period.
3. Where there is capitalization of earnings or capital reserve, in the calculation of earnings per share in previous years and six months, the retrospective adjustment shall be made in accordance with the proportion

of capital increase, without considering the issuance period of the capital increase.

4. If the preferred shares are non-convertible cumulative preferred shares, the dividends of the year (whether distributed or not) should be deducted from the net profit after tax, or added to the net loss after tax. If the preferred shares are not cumulative, the dividends of preferred shares shall be deducted from the net profit after tax; in case of loss, no adjustment is required.

Note 6: The cash flow analysis shall pay special attention to the following when measuring:

1. Net cash flow from operating activities refers to the net cash inflow from operating activities in the cash flow statement.
2. Capital expenditure refers to the annual cash outflow for capital investment.
3. The increase in inventory is calculated only when the ending balance is greater than the beginning balance. If the inventory at the end of the year decreases, it is calculated as zero.
4. Cash dividends include cash dividends from common shares and preference shares.
5. Gross property, plant and equipment refers to the total amount of property, plant and equipment before accumulated depreciation.

Note 7: The operating costs and operating expenses are divided into fixed and variable ones by nature. If they involve estimates or subjective judgments, they are reasonable and consistent.

Note 8: If the shares of the Company have no par value or the par value is not NTD 10 per share, the aforementioned calculation of the ratio of paid-in capital is changed to the equity ratio attributable to the owners of the parent company in the balance sheet.

Note 9: Earnings per share were retrospectively adjusted from the distribution of stock grants. The earnings per share before and after the adjustment were NTD 6.80 and NTD 6.18, respectively .

(II) Parent company only financial statements:

Analysis Items \ Year		Financial analysis for the most recent five years (Note 1)					As of March 31, 2024 (Note 9)
		2019	2020	2021	2022	2023	
Financial structure	Debt to assets ratio (%)	71.19	65.01	55.30	52.63	51.47	Not applicable
	Fixed assets, plants, and equipment to permanent capital ratio (%)	6,112.86	6,881.12	7,628.38	7,253.37	7,881.22	
Solvency	Current ratio (%)	144.42	155.56	189.32	170.36	173.35	
	Quick ration (%)	21.63	36.50	66.98	55.99	40.51	
	Interest coverage ratio (times)	5.26	17.02	20.53	14.24	16.78	
Operating ability	Accounts receivable turnover rate (%)	22.07	23.42	23.81	64.61	107.29	
	Average collection days	16.54	15.59	15.33	5.65	3.40	
	Inventory turnover (times)	0.19	0.41	0.46	0.23	0.16	
	Payable turnover rate (times)	2.16	5.04	5.80	3.95	3.21	
	Average number of days of sales	1,921.05	890.24	793.48	1,586.96	2,281.25	
	Property, plant and equipment turnover (times)	28.54	61.27	57.19	27.06	23.03	
	Total asset turnover (times)	0.19	0.39	0.39	0.20	0.16	
Profitability	Return on assets (%)	3.58	8.15	8.91	6.40	6.32	
	Return on equity (%)	10.49	24.07	21.39	12.94	12.45	
	Ratio of Pre-Tax Net Profit to Paid-in Capital (%) (Note 8)	29.00	82.12	75.73	49.60	50.04	
	Net profit margin (%)	15.81	19.52	21.78	30.45	36.99	
	EPS (NT$)	2.60	6.18 (Note 8)	6.47	4.31	4.42	
Cash flow	Cash flow ratio (%)	3.87	28.51	47.42	5.03	Note 2	
	Cash flow adequacy ratio (%)	51.26	113.78	194.72	265.02	192.91	
	Cash reinvestment ratio (%)	3.05	31.74	32.51	Note 2	Note 2	
Leverage	Operating leverage	1.23	1.10	1.09	1.17	1.17	
	Financial leverage	1.35	1.07	1.06	1.11	1.09	

Reasons for changes of more than 20% in each financial ratio in the last two years:
1. The decrease in quick ratio in 2023 from 2022 is mainly due to the decrease in quick assets and the increase in current liabilities.
2.The increase in receivables turnover rate in 2023 from 2022 is mainly due to the decrease in net sales.
3. The average number of cash collection days in 2023 was less than that in 2022: mainly due to the increase in receivables turnover.
4. The decrease in inventory turnover in 2023 from 2022 is mainly due to the decrease in cost of sales and the increase in average inventory.
5.The increase in average sales days in 2023 from 2022 is mainly due to the decrease in inventory turnover.
6. The increase in net profit margin in 2023 from 2022 is mainly due to the increase in income after tax and the decrease in net sales.
7. Percentage of reduction in cash flow 2023 when compared to 2022: mainly due to reduced net cash inflow from operating activities; continued investment in buildings and land construction resulted in an increase in inventories.

Note 1: The Company's financial statements of each year have been audited and certified by the CPAs.

Note 2: Since the numerator of the calculation formula is a negative number, it is not calculated.

Note 3: The calculation formula is as follows:

1. Financial structure
   (1) Liabilities to assets ratio = total liabilities/total assets.
   (2) Long-term capital to property, plant and equipment ratio = (total equity + non-current liabilities) / net property, plant and equipment.
2. Solvency
   (1) Current ratio = current assets/current liabilities.
   (2) Quick ratio = (current assets - inventory - prepayment) / current liabilities.
   (3) Interest coverage ratio = pre-income tax and interest income/interest expense for the current period.
3. Operating capacity
   (1) Accounts receivable (including accounts receivable and notes receivable arising from operations) turnover = Net sales/ The average balance of receivables (including accounts receivable and notes receivable arising from operations) during each period.
   (2) Average cash collection days = 365/receivables turnover rate.
   (3) Inventory turnover = cost of goods sold/average inventory.
   (4) Accounts payable (including accounts payable and notes payable arising from operations) turnover = Cost of goods sold/ The average balance of payables (including accounts payable and notes payable arising from operations) during each period.
   (5) Average sales days = 365/inventory turnover rate.
   (6) Property, plant and equipment turnover rate = net sales/average net property, plant and equipment.
   (7) Total asset turnover rate = net sales/average total assets.
4. Profitability
   (1) Return on assets = (profit or loss after tax + interest expenses x (1 - tax rate)) /average total assets.
   (2) Return on equity = profit or loss after tax/average total equity.
   (3) Net profit margin = profit or loss after tax/net sales.
   (4) Earnings per share = (Profit or loss attributable to owners of the parent company ((net profit after tax) in the parent company only financial statements) - Preferred stock dividend) / Weighted average number of issued shares.
5. Cash flow
   (1) Cash flow ratio = net cash flow from operating activities/current liabilities.
   (2) Net cash flow admissible ratio = net cash flow from operating activities in the last five years/the last five years (capital expenditure + inventory increase + cash dividends).
   (3) Cash reinvestment ratio = (net cash flow from operating activities - cash dividend) / (gross property, plant and equipment + long-term investment + other (Note 6)
6. Leverage
   (1) Operating leverage = (net operating income - variable operating costs and expenses)/operating profit (Note 7).
   (2) Financial leverage = operating income / (operating income - interest expenses).

Note 4: When measuring the earnings per share calculation formula, special attention should be paid to the following matters:

1. Based on the weighted average number of common shares and not the number of issued shares at the end of

the year.

2. Where there is a capital increase by cash or treasury stock traded, the weighted average number of shares shall be calculated taking into account the outstanding period.
3. Where there is capitalization of earnings or capital reserve, in the calculation of earnings per share in previous years and six months, the retrospective adjustment shall be made in accordance with the proportion of capital increase, without considering the issuance period of the capital increase.
4. If the preferred shares are non-convertible cumulative preferred shares, the dividends of the year (whether distributed or not) should be deducted from the net profit after tax, or added to the net loss after tax. If the preferred shares are not cumulative, the dividends of preferred shares shall be deducted from the net profit after tax; in case of loss, no adjustment is required.

Note 5: In the cash flow analysis, special attention shall be paid to the following matters:

1. Net cash flow from operating activities refers to the net cash inflow from operating activities in the cash flow statement.
2. Capital expenditure refers to the annual cash outflow for capital investment.
3. The increase in inventory is calculated only when the ending balance is greater than the beginning balance. If the inventory at the end of the year decreases, it is calculated as zero.
4. Cash dividends include cash dividends from common shares and preference shares.
5. Gross property, plant and equipment refers to the total amount of property, plant and equipment before accumulated depreciation.

Note 6: The issuer should divide various operating costs and operating expenses into fixed and variable ones by nature. If estimates or subjective judgments are involved, pay attention to their reasonableness and maintain consistency.

Note 7: If the shares of the Company have no par value or the par value per share is not NTD 10, the aforementioned calculation of the ratio of paid-in capital is changed to the equity ratio attributable to the owners of the parent company in the balance sheet.

Note 8: The earnings per share were retrospectively adjusted from the distribution of stock grants. The earnings per share before the adjustment were NTD 6.80 and the adjusted earnings per share were NTD 6.18.

Note 9: The quarterly financial statements for the first quarter of 2024 have not been reviewed by CPAs, therefore not applicable.

III. 2023 Annual Review Report of the Auditing Committee

Review Report of Audit Committee of Kindom Development Co., LTD.

For your approval

The Company's 2023 financial statements prepared by the Board of Directors and audited by CPAs Yi-Lien Han and Kuo-Yin Tseng of KPMG Taiwan, along with the Business Report and the Earnings Distribution Table, were reviewed by the Audit Committee and found no discrepancy. The report was prepared in accordance with Article 14-4 of the Securities and Exchange Act and Article 219 of the Company Act.

on the above

2024 Shareholders Annual General Meeting of Kindom Development Co., LTD.

Audit Committee Convener: Hung-Chin Huang

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	Proportion of ownership interests and voting rights 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 Hon Hui Zhu Gao 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 Hon Hui Zhu Gao 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 Tua Tiann 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 TUA TIANN CO., LTD., and the fair value adjustments at the time of acquisition and accounting policy differences. The purpose of this presentation is to adjust the aggregated financial information to the book value of the consolidated company's equity in TUA TIANN CO., LTD..

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

	2023.12.31	2022.12.31
The 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

Notes to the consolidated financial statements (Continued)

	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	2023.12.31 Book value (Note)	2023.12.31 Market price	2022.12.31 Number of shares	2022.12.31 Book value (Note)	2022.12.31 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
Tua Tiann 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 (Tua Tiann 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 Shares C (FBFHCPSC)	-	Financial assets measured at fair value through other comprehensive income - non-current	10	534	- %	534	- %	

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	nvestee 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.	.n 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%

Notes to the consolidated financial statements (Continued)

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%
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.

Notes to the consolidated financial statements (Continued)

(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

Notes to the consolidated financial statements (Continued)

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.

Independent Auditors' Report

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

Audit Opinions

We have reviewed the accompanying Statement of Financial Position of Kindom Development Co., Ltd. (the "Company") as of December 31, 2023 and 2022, and the Statement of Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows for the years then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying parent company only financial statements present fairly, in all material respects, the financial position of Kindom Development Co., Ltd. as of December 31, 2023 and 2022, its financial performance and cash flows for the years then ended.

Basis for the audit opinion

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

Key audit matters

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

I. Revenue recognition

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

Description of Key Audit Matters:

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

The corresponding audit procedures:

Our audit procedures for the key audit matters above include:

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

II. Inventory valuation

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

Description of Key Audit Matters:

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

The corresponding audit procedures:

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

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

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

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

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

Auditors' Responsibilities for Auditing the Parent Company Only Financial Statements

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

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

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

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

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the parent company only financial statement for the year ended December 31, 2023 and are therefore the key audit matters. We describe these matters in our auditor’s report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

KPMG Taiwan

	Yi-Lian Han
Certified Public Accountant:	
	Kuo-Yang Tseng
Approval reference number of the securities authority:	Jin-Guan-Zheng-Shen-Zi No. 1090332798 Jin-Guan-Zheng-Liu No. 0940129108
March 12, 2024	

Kindom Development Co., Ltd.
Statement of Financial Position
December 31, 2023 and 2022

Unit: NTD thousand

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

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

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

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

Kindom Development Co., Ltd.

Statement of Comprehensive Income

January 1 to December 31, 2023 and 2022

Unit: NTD thousand

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

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

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

Kindom Development Co., Ltd.
Statement of Changes in Equity
January 1 to December 31, 2023 and 2022

Unit: NTD thousand

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

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

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

Kindom Development Co., Ltd.

Statement of Cash Flows

January 1 to December 31, 2023 and 2022

Unit: NTD thousand

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

Kindom Development Co., Ltd.
Statement of Cash Flows (Continued)
January 1 to December 31, 2023 and 2022

Unit: NTD thousand

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

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

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

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

I. Company history

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

II. Date and procedure for approving the financial statements

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

III. Application of new and revised standards and interpretations

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

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

·Amendments to IAS 1 "Disclosure of Accounting Policies"
·Amendments to IAS 8 "Definition of Accounting Estimates"
·Amendments to IAS 12 "Deferred Tax Related to Assets and Liabilities Arising from a Single Transaction"

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

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

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

The Company has assessed that the application of the following newly amended IFRSs effective on January 1, 2024 will not have a significant impact on the parent company only financial statements.

·Amendments to IAS 1 "Classification of Liabilities as Current or Non-current"
·Amendments to IAS 1 "Non-current Liabilities with Covenants"
·Amendments to IAS 7and IFRS 7 "Supplier Finance Arrangements"
·Amendments to IFRS 16 "Lease Liability in a Sale and Leaseback"

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

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

·Amendments to IFRS 10 and IAS 28 "Sale or Contribution of Assets between an Investor and its Associate or Joint Venture"
Amendments to IFRS 17 "Insurance Contracts" and IFRS 17
·Amendments to IAS 21 "Lack of Exchangeability"

IV. Summary of significant accounting policies

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

(I) Declaration of compliance

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

(II) Basis of preparation

1. Measurement basis

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

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

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

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

2. Functional currency and presentation currency

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

(III) Foreign currency

1. Foreign currency transactions

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

2. Foreign operations

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

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

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

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

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

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

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

(V) Cash and cash equivalent

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

(VI) Financial instruments

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

1. Financial assets

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

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

(1) Financial assets measured at amortized cost

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

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

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

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

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

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

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

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

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

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

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

(4) Impairment of financial assets

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

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

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

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

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

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

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

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

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

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

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

(5) Derecognition of financial assets

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

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

2. Financial liabilities and equity instruments

(1) Classification of liabilities or equities

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

(2) Equity transactions

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

(3) Treasury stock

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

(4) Financial liabilities

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

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

(5) Derecognition of financial liabilities

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

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

(6) Offsetting of financial assets and liabilities

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

(7) Financial guarantee contract

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

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

(VII) Inventories

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

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

1. Construction land

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

2. Construction in progress

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

3. Buildings and land held for sale

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

(VIII) Investment in subsidiaries

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

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

(IX) Joint Agreement

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

Joint venture

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

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

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

(X) Investment property

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

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

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

(XI) Property, plant and equipment

1. Recognition and measurement

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

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

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

2. Subsequent costs

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

3. Depreciation

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

Land is not depreciated.

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

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

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

(XII) Lease

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

1. Lessee

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

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

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

Lease payments included in the measurement of lease liabilities include:

(1) Fixed payments, including substantive fixed payments;

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

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

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

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

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

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

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

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

2. Lessor

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

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

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

(XIII) Intangible assets

1. Recognition and measurement

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

2. Subsequent expenses

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

3. Amortization

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

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

Computer software cost for 3 years

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

(XIV) Impairment of non-financial assets

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

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

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

(XV) Revenue recognition

1. Revenue from customer contracts

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

(1) Land development and sales of buildings and land

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

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

(2) Construction contracts

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

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

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

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

(3) Rental income

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

(4) Financial components

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

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

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

(XVI) Employee benefits

1. Definite contribution plan

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

2. Defined benefit plan

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

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

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

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

3. Short-term employee benefits

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

(XVII) Income tax

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

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

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

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

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

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

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

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

(XVIII) Earnings per share

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

(XIX) Segment information

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

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

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

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

Main sources of estimation and assumption uncertainty:

Valuation of inventories

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

VI. Description of important accounting items

(I) Cash and cash equivalent

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

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

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

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

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

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

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

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

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

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

(IV) Notes and accounts receivable

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

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

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

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

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

(V) Inventory

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

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

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

(VI) Investment under equity method

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

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

1. Subsidiaries

Please refer to the 2023 consolidated financial statements.

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

2. Joint ventures

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

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

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

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

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

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

3. Guarantee

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

(VII) Property, plant and equipment

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

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

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

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

(VIII) Right-of-use assets

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

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

(IX) Investment property

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

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

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

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

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

(X) Intangible assets

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

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

Amortization expense

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

	2023	2022
Operating expenses	**$ 45**	**474**

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

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

1. Other financial assets

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

2. Incremental cost of obtaining a contract - current

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

(XII) Short-term bills payable

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

	2023.12.31	2022.12.31
Commercial paper payable	$ 30,000	-

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

(XIII) Short-term loans

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

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

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

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

The Company's bonds payable details are as follows:

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

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

(XV) Lease liabilities

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

	2023.12.31	2022.12.31
Current	$ 6,460	5,142

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

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

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

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

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

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

(XVI) Operating lease

Lessor's lease

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

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

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

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

(XVII) Employee benefits

1. Defined benefit plan

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

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

The employee benefit liabilities of the Company are as follows:

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

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

(1) Composition of plan assets

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

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

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

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

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

(3) Changes in the fair value of plan assets

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

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

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

(5) Expenses recognized in profit or loss

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

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

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

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

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

(7) Actuarial assumptions

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

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

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

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

(8) Sensitivity analysis

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

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

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

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

2. Defined contribution plan

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

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

(XVIII) Income tax

1. Income tax expenses

Details of expenses for 2023 and 2022 are as follows:

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

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

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

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

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

(XIX) Capital and other equity

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

1. Capital reserve

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

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

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

2. Retained earnings

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

(1) Legal reserve

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

(2) Special reserve

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

(3) Earnings distribution

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

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

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

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

3. Treasury stock

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

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

Unit: Thousand shares

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

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

4. Other equity (net amount after tax)

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

(XX) Earnings per share

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

1. Basic earnings per share

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

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

(2) Weighted average outstanding common stock shares

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

2. Diluted earnings per share

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

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

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

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

(XXI) Revenue from customer contracts

1. Details of revenue

Revenues for 2023 and 2022 are as follows:

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

2. Breakdown of revenue recognized from customer contracts

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

3. Contract balance

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

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

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

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

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

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

(XXII) Remuneration to employees and directors

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

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

(XXIII) Non-operating income and expenses

1. Interest revenue

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

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

2. Other income

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

	2023	2022
Dividend income	$ 2,543	3,245

3. Other gains and losses

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

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

4. Financial costs

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

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

(XXIV) Financial instruments

1. Credit risk

(1) Credit risk exposure

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

(2) Concentration of credit risk

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

2. Liquidity risk

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

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

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

3. Interest rate analysis

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

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

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

4. Other price risks

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

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

5. Fair value information

(1) Types and fair values of financial instruments

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

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

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

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

(2.1) Non-derivative financial instruments

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

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

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

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

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

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

(3) Details of changes in level 3

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

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

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

(XXV) Financial risk management

1. Overview

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

(1) Credit risk

(2) Liquidity risk

(3) Market risk

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

2. Risk management framework

(1) Risk management policies:

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

(2) Organizational structure for risk management:

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

The organizational structure of risk management is as follows:

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

3. Credit risk

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

(1) Accounts receivable and other receivables

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

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

(2) Investment

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

(3) Guarantee

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

4. Liquidity risk

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

5. Market risk

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

(1) Interest rate risk

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

(2) Other market price risks

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

(XXVI) Capital management

The objectives of the Company's capital management are to ensure the ability to continue as a going concern, to continuously provide returns to shareholders and the interests of other stakeholders, and to maintain the optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders, issue new shares or sell assets to pay off liabilities.

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

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

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

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

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

7. Transactions with related parties

(I) Names of related parties and their relationships

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

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

(II) Major transactions with related parties

1. Procurement

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

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

2022			
Subsidiary - Kedge Construction	$ 13,491,658	1,886,595	4,286,047
Subsidiary - Dingtian Construction	187,732	16,974	16,974
Total	$ 13,679,390	1,903,569	4,303,021

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

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

2. Purchase of labor services from related parties

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

3. Receivables from related parties

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

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

4. Payables to related parties

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

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

5. Endorsements/guarantees

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

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

6. Leases

(1) Lease of housing and land from related parties

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

(2) Rental of land to related parties

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

7. Others

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

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

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

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

(III) Transactions by key management personnel

Remuneration to key management personnel includes:

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

VIII. Pledged assets

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

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

IX. Significant contingent liabilities and unrecognized contractual commitments

(I) Significant unrecognized contractual commitments:

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

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

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

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

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

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

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

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

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

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

X. Losses from major disasters: None.

XI. Material events after the period: None.

XII. Others

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

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

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

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

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

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

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

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

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

XIII. Disclosures in Notes

(I) Information on significant transactions

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

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

Unit: NTD thousand

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

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

(1) Companies with business transactions.
(2) A company in which the Company directly or indirectly holds more than 50% of the voting shares.
(3) A company in which the Company holds, directly or indirectly, more than 50% of the voting shares of the Company.
(4) Among companies in which the Company directly or indirectly holds more than 90% of the voting shares.
(5) Companies in the same industry or co-builders that require mutual guarantees in accordance with contractual provisions based on the needs of contracting projects.
(6) Companies that are endorsed and guaranteed by all contributing shareholders in accordance with their shareholding ratios for joint investment.
(7) The peers in the same trade are engaged in joint guarantees for the performance of the pre-sale house sales contract in accordance with the regulations of the Consumer Protection Act.

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

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

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

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

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

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

Unit: NTD Thousand/Thousand shares

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

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

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

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

Unit: NTD thousand

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

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

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)	Percentage in total purchase (sales)	Credit period	Unit price	Credit period	Balance	Ratio to total notes and accounts receivable (payable)	
Kindom Company	Kedge Construction	Investee company under the equity method valuation	Contract engineering projects	2,698,401	35.66%	50% at sight, 50% in 60 days or 100% at sight and 100% in 90 days	Equivalent	Slightly longer than general	(835,517)	(66.51)%	
Kedge Construction	Kindom Company	An investment in Kedge Construction under the equity method	Contract engineering projects	(2,698,401)	(18.62)%	Collect installments according to the contract or slightly longer than general	〃	〃	835,517	22.92%	

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

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

Unit: NTD thousand

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

9. Engagement in derivative transactions: None.

(II) Information on the reinvestment business:

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

Unit: NTD Thousand/Thousand shares

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

Name of Investment Company	Name of investee	Location of the Company	Main business items	Initial investment amount		Held at end of period			Investee profit or loss for the period	Investment gains and losses recognized in the current period	Remarks
				End of current period	End of last year	Number of shares	Ratio	Carrying amount			
	Banqiao Store)		retailing, and more.								
〃	Guan Hua Co., Ltd. (Global Mall Nangang Store)	Taiwan	Department stores, supermarkets, non-store retailing, and more.	140,000	140,000	14,000	100.00%	154,456	13,039	13,039	〃
〃	KGM International Investment Co., Ltd.(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	(56)	(56)	〃
Global Mall	Hon Hui Zhu Gao Co., Ltd. (on Hui Zhu Gao)	Taiwan	Department stores, supermarkets, non-store retailing, and more.	100,000	100,000	10,000	20.00%	100,229	1,370	274	Investment under the equity method
Guan Cheng Co., Ltd. (Global Mall Banqiao Store)	Guan You Co., Ltd.(Global Mall Zuoying Store)	Taiwan	Department stores, supermarkets, non-store retailing, and more.	230,006	230,006	13,500	100.00%	92,967	950	950	Third-Tier Subsidiary

(III) Information on investments in Mainland China:

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

Unit: USD thousand/RMB thousand/NTD thousand

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

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

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

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

(IV) Information of major shareholders:

Unit: shares

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

XIV. Segment information

Please refer to the 2023 consolidated financial statements.

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

Unit: NTD thousand

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

Statement of Other Financial Assets - Current

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

Kindom Development Co., Ltd.
Statement of Inventories
December 31, 2023

Unit: NTD thousand

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

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

Unit: NTD thousand

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

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

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

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

Unit: NTD thousand

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

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

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

Unit: NTD thousand

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

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

Unit: NTD thousand

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

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

Unit: NTD thousand

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

Statement of Operating Cost

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

Kindom Development Co., Ltd.
Statement of sales and marketing expenses
January 1, 2023 to December 31, 2023 **Unit: NTD thousand**

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

Statement of administrative expenses

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

VI. If the Company or its affiliates have experienced financial difficulties in the most recent year or up to the date of publication of the annual report, explain how said difficulties will affect the Company's financial situation

VII. Review and Analysis of Financial Position and Operating Results, and Risks

I. Financial position:

Comparative Analysis of Consolidated Financial Position

Unit: Thousand shares

Item \ Year	2022	2023	Difference	
			Amount	%
Current assets	44,519,444	46,576,922	2,057,478	4.62
Property, plant and equipment	6,379,227	6,213,844	(165,383)	(2.59)
Other assets	4,964,186	4,773,860	(190,326)	(3.83)
Total assets	55,862,857	57,564,626	1,701,769	3.05
Current liabilities	27,621,505	28,253,161	631,656	2.29
Non-current liabilities	6,675,904	5,971,124	(704,780)	(10.56)
Total liabilities	34,297,409	34,224,285	(73,124)	(0.21)
Share capital	5,541,701	5,541,701	-	-
Capital reserve	1,451,569	1,472,401	20,832	1.44
Retained earnings	11,648,455	13,074,843	1,426,388	12.25
Other equity	(26,544)	(28,435)	(1,891)	7.12
Treasury stock	(98,702)	(98,702)	-	-
Non-controlling interests	3,048,969	3,378,533	329,564	10.81
Total shareholders’ equity	21,565,448	23,340,341	1,774,893	8.23
Reasons for changes of more than 20%: None				

II. Financial performance

(1) Comparative Analysis of Consolidated Financial Position:

Unit: Thousand shares

Item \ Year	2022	2023	Increase (decrease) amount	Percentage of change (%)
Operating revenue	21,506,102	19,442,501	(2,063,601)	(9.60)
Operating cost	15,582,332	13,571,128	(2,011,204)	(12.91)
Gross operating profit	5,923,770	5,871,373	(52,397)	(0.88)
Operating expenses	1,895,386	1,939,138	43,752	2.31
Operating profit	4,028,384	3,932,235	(96,149)	(2.39)
Non-operating income and expenses	(188,472)	(105,120)	83,352	(44.23)
Net income before tax from continuing operations	3,839,912	3,827,115	(12,797)	(0.33)
Less: Income tax expense	710,215	759,690	49,475	6.96
Add: Cumulative effects of changes in accounting principles	-	-	-	-
Net income before tax from continuing operations	3,129,697	3,067,425	(62,272)	(1.99)
Reasons for changes of more than 20%: The net increase in non-operating income and expenses in 2023 from 2022 is mainly due to the increase in interest income and the decrease in finance costs.				

(II) Analysis of changes in gross profit :

Unit: Thousand shares

	Before and after Increase/decrease change	Reason for variance			
		Difference in selling price	Cost price difference	Difference in sales portfolio	Difference in quantity
Gross operating profit	(52,397)	-	-	-	-
Analysis: Mainly due to the operating revenue of the three major operating departments: the construction department decreased by 16%, the construction department decreased by 9%, and the department store business increased by 13%.					

(III) Expected sales volume in the coming year and the basis thereof:

The Construction and Operation Department's major projects of completion, construction or pre-sale include "Kindom Xinyi B", "Kindom Xinyi C", "Kindom Xinyi F", Kindom Anmuju", “Kindom Dazhi Zhan” and “Kindom Xin Tian Hui", the total number of saleable units is about 647 units. The construction and operation department's contracted projects from external customers are mainly government transportation construction and factory buildings of listed electronics companies. The total contract amount is about NTD 39.8 billion. The Department Store Operation Department has the all-customer shopping malls, "New Taipei Zhonghe" and "Pingtung" and station-type malls "Nangang Station", "Banqiao Station", "Taoyuan A8", "Linkou A9", "Xinzuoying Station" and "Taoyuan A19" with a total of eight stores, a total business area of 68,000 pings. In face of lifestyle changes in post-pandemic time, the virtual platform “Global Mall online” was added and combined with the advantages of transit stations, it can provide members with quality shopping services and the overall sales are of steady growth.

III. Cash flow:

(1) Liquidity analysis for the most recent two years:

Item \ Year	2022	2023	Increase (decrease) ratio %
Cash flow ratio (%)	10.00	6.76	(32.4)
Cash flow adequacy ratio (%)	368.10	278.68	(24.29)
Cash reinvestment ratio (%)	4.49	2.95	(34.3)
Reasons for changes in the percentage of significant increase or decrease: The decrease in cash flow ratio, cash flow adequacy ratio, and cash reinvestment ratio in 2023 from that in 2022 is mainly due to the decrease in net cash inflow from operating activities and the increase in inventories due to the continued investment in building and land construction and construction of contract projects.			

(2) Improvement plan for liquidity deficiency: None.

The consolidated cash outflow for 2023 was NTD 1,344,386 thousand, and the cash balance at the end of the period was NTD 14,178,534 thousand, with normal liquidity.

(3) Cash flow analysis for the coming year:

Unit: Thousand shares

Cash balance at the beginning of period (1)	Expected net cash flow from operating activities for the year (2)	Projected cash outflow for the year (3)	Projected cash surplus (deficit) amount (1)+(2)-(3)	Remedies for expected cash shortage	
				Investment plan	Wealth management plan
14,178,534	11,083,950	10,647,785	14,614,699	Not applicable	Not applicable
Analysis of cash flow changes in the coming year:					

1. Operating activities: It is expected that projects for completion, construction or pre-sale will be completed and delivered in the coming year, resulting in net cash inflow from operating activities. 2. Annual cash outflow: mainly due to the consideration of the impact of loan repayment, corporate bond and cash dividend payment.

IV. Impacts of major capital expenditures in the most recent year on financial operations:

(1) Utilization of material capital expenditures and sources of funds:

More than NTD 30,219 thousand required for the department store decoration project in 2023 was injected from bank loans and funds generated from operations.

(2) Expected benefits:

The department store's operating department will be able to provide consumers with more diversified products, services, and visual experiences after the renovation of some malls and the introduction of new brands, and the operating revenue and profit growth can be expected.

V. The policy on investment in the most recent year, the main reason for profit or loss, improvement plans, and investment plan in the year ahead:

(1) Reinvestment policy: Most of the Company's investments are in companies with stable operations or in industries related to the Company's business. The Company's reinvestment strategy is still focused on companies with sound financial development and sound financial structure, and a prudent investment evaluation is adopted. In order to ensure the success of the diversified business strategy, and follow "Procedures for Supervision and Management of Subsidiaries".

(2) Main reason for the profit or loss: The consolidated company's share of profit and loss of the affiliated enterprise recognized by the equity method in 2023 was NTD 9,021 thousand, and the profit situation was good.

(3) Improvement plans: None.

(4) Investment plan for the next year: None.

VI. Risk matters, analysis and assessment in the most recent year and up to the publication date of this annual report:

(1) Impacts of interest rate and exchange rate changes and inflation on the Company's profit and loss and future countermeasures:

The consolidated company's risk of changes in interest rates mainly comes from bank deposits and floating interest rate borrowings. The Central Bank will raise interest rates once in 2023 by 0.125%. The recent rise in interest rates has slowed down. However, the banking industry is still more stringent on the credit lending to the construction industry. Therefore, the consolidated company continues to maintain good relations with its banks, actively strives for favorable credit conditions, and will pay close attention to the trend of interest rates to respond to changes in interest rates and adjust the borrowing structure in a timely manner and retain flexible and safe cash positions to hedge risks. In addition, with the global emphasis on ESG, the consolidated company used the indicator data of carbon reduction in the Sustainability Report to apply for interest rate reduction from financial institutions to reduce the cost of capital.

The consolidated company belongs to a domestic-demand industry, so changes in foreign exchange rates have no significant impact on consolidated income.

As the inflation is expected to stabilize more slowly compared to the previous year, the impact on the profit and loss of the consolidated company is also expected to stabilize significantly. However, we still need to continue to pay attention to the trend and changes of international raw material prices and respond in time.

(2) The policy of engaging in high-risk and high-leverage investment, loaning of funds to others, endorsements and guarantees, and derivative commodity transactions, the main reasons for

profit or loss, and future countermeasures:

The consolidated company is committed to the development of the Company's business and is not engaged in high-risk, high-leverage investments, lending of funds to others, and derivatives trading. Endorsements/guarantees are mainly for the contracting of construction business and are provided in accordance with the "Endorsement and Guarantee Procedures" and relevant regulations of the competent authority. The subjects are mainly affiliated enterprises and companies with business dealings. Their operating and financial conditions are normal, and their contract performance and solvency are intact, and loss has not been incurred due to endorsements/guarantees.

(III)Future R&D plans and expected R&D expenses to be invested:

The consolidated company does not have a dedicated research and development department. Instead, the Planning and Design Department is responsible for the planning and design of construction products, and the Planning Department and the Development and Investment Department are responsible for the collection and development of market information.

In recent years, in addition to introducing the construction management system to the construction and operation departments of the consolidated company for site management, the Technical Research Department has also actively developed or introduced new construction methods and improved construction techniques to achieve the goals of shortening construction periods, reducing pollution and improving efficiency. NTD 10 million is expected to be invested in the coming year to strengthen and enhance the competitiveness of the following initiatives:

No.	Research plans in recent years
1	ERP System Innovation Plan
2	Introduction of Occupational Health and Safety Intelligent Management System
3	Construction occupational safety monitoring system
4	Research and development of BIM auxiliary project quantity output
5	Output of construction drawings from BIM software
6	Introduction of civil engineering CIM (Civil 3D / Infraworks)
7	Research and introduction of BIM maintenance and operation platform
8	Research on BIM, game engine, and MR glasses
9	Research and development of BIM combined with greenhouse gas inventory
10	Research and implementation of circular economy
11	Research on building automation

In addition, as the construction industry and department store industry do not require the R&D and design of new products like the general manufacturing industry or high-tech industry, no related R&D expenses were incurred.

(4) The impact of important domestic and foreign policy and legal changes on the Company's financial business and the corresponding measures:

The operation and management department of the consolidated company attaches great importance to the information of domestic and foreign political and economic developments and legal changes, and has the appropriate response ability, and has always complied with the relevant laws and regulations promulgated by the government, and adhered to the principle of stable operation to maintain sustainable development. Changes in important domestic and foreign policies and laws in recent years did not have a significant impact on the consolidated company's financial operations.

(5) Impacts of technological changes (including cyber security risks) and industry changes on the Company's financial operations, and countermeasures:

In response to changes in technology, cyber security, and industry, the consolidated company keeps abreast of market changes and assess cyber security risks, and actively obtains industry information in various ways for business expansion. Currently, there is no significant impact on financial business due to changes in technology and information security risks or industry changes of the consolidated company.

(6) Impacts of changes in corporate image on corporate crisis management and countermeasures:

Since the establishment, the consolidated company has adhered to the business philosophy of "integrity, service, innovation, and sustainability" to build a quality corporate image. The consolidated company has not changed its corporate image.

(7) Expected benefits and possible risks of mergers and acquisitions, and countermeasures: None.

(8) Expected benefits and possible risks associated with any plant expansion, and mitigation measures being or to be taken: None.

(9) Risks associated with any concentration of purchases or sales, and mitigation measures being or to be taken:

Due to the characteristics of the industry and the need to control the quality of new construction projects, the construction operation department outsources construction projects to affiliated companies. The construction technology and financial status are good. The construction department only needs to strengthen the control over the construction quality to avoid the risk of concentration of purchases. In addition, the sales targets of the project are the general public and corporate firms, and there is no concentration of sales.

The construction operation department carefully evaluates the reputation, technical level and financial status of contractors and building materials suppliers, and when necessary, relatively large projects or building materials are contracted or supplied by several suppliers to ensure the smooth progress of the project. In addition, the construction and operation department will conduct credit investigations on the landlords before contracting projects, and the main landlords are government agencies, well-known electronic technology manufacturers and the parent company, Kindom Development Corp., and there is no risk of sales concentration.

The department stores operations have leased the mall to hundreds of vendors to operate department stores, restaurants, and entertainment businesses. There is no concentration of purchases and sales.

(10) Impacts upon and risks to the Company in the event a major quantity of shares belonging to a director, supervisor, or shareholder holding greater than a 10 percent stake in the Company has been transferred or has otherwise changed hands, and mitigation measures being or to be taken: None.

(11) Impacts and risks to the Company due to change in management rights, and responsive measures: Not applicable.

(12) Lawsuits or non-litigation events should disclose significant litigation, non-litigation, or administrative litigation involving the company, directors, supervisors, general managers, substantial responsible persons, shareholders holding more than ten percent of shares, and subsidiary companies that have been finalized or are pending and may have a significant impact on shareholder equity or securities prices. This disclosure should include disputed facts, amounts involved, start dates of litigation, main parties involved in the litigation, and the status as of the printing date of the annual report:

1. Major litigation, non-litigation or administrative disputes still under review:

Subject matter of the case	Cause of occurrence and current response	Effect on financial operations
980K	Customer Huang ○○ claimed defective and incomplete payment for a house purchase dispute due to his different knowledge of parking space registration method, and requested the Company to compensate NTD 20,255 thousand. The Company has won the case.	No significant impact
980F	A customer, Liu ○○, and 34 other households claimed that the payment was incomplete due to a house purchase dispute in which they had different understanding of the brands and specifications of sanitary ware. The customer collectively requested the Company for compensation of NTD 10,697 thousand. The case is currently pending at the court of first instance.	No significant impact
950B	The landowner, Chen ○, and other 5 parties claimed that they had suffered damages due to a dispute over the performance of the partial joint construction contract. They have jointly claimed the Company for compensation of NTD 38,417 thousand.	No significant impact
110A	The Company's urban renewal joint construction project in Xinzhuang District, New Taipei City, was unable to perform according to the original joint construction contract due to circumstances beyond the Company's imputation due to the need for urban planning change procedures, and therefore requested the landlord to return the guarantee deposit of NTD 350,000 thousand and the spent development expense of NTD 188,544 thousand, they are currently pending trial in the court of first instance.	No significant impact

2. Disclosure should be made of significant lawsuits, non-litigation, or administrative disputes involving directors, supervisors, general managers, substantial responsible persons, shareholders holding more than ten percent of shares, and subsidiary companies that have been finalized or are pending and may have a significant impact on shareholder equity or securities prices. This disclosure should include the disputed facts, amounts involved, start dates of litigation, main parties involved in the dispute, and the status as of the printing date of the annual report: There is no such situation.

(13) Other important risks and countermeasures:

1. Risk management policies:
   (1) Establish and maintain an effective risk management framework, ensure the integrity of risk management operations, and implement checks and balances to enhance the division of labor.
   (2) Establish a sound risk identification, measurement, supervision and control mechanism to control risks within the tolerable range of the Company, achieve the goal of rational risk and return, and enhance corporate value.
   (3) Establish communication channels to appropriately conduct risk communication and consultations with internal and external stakeholders to ensure the continuous application and effective operation of risk management.
   (4) Shaping the culture of risk management, enhancing the awareness of risk management, and implementing risk management in an all-round way.

2. Organizational structure for risk management:

Each level or department in the consolidated company is responsible for risk management. Each department shall monitor its own business risks and propose countermeasures according to the scope of its duties and the nature of its business. Risk management information is regularly reported to supervisors at all levels. In case of abnormal risks, the relevant departments shall adopt countermeasures, and report the risks and the countermeasures to the President in a timely manner.

The Group's organizational structure of risk management is as follows:

Name of the organization	Scope of responsibility
Board of Directors	Board of Directors is the highest decision-making body for the Company's risk management. It appoints and supervises the Company's management. It is responsible for approving risk management policies and important risk management systems, and supervising the implementation of risk management systems to ensure the effective operation of the risk management mechanism.
Risk management team	Risk Management Execution Team: The President directs the heads of each department and is responsible for formulating various risk management policies, reviewing the Company's risk management reports, strategies and improvement plans, and supervising the implementation and communication of risk control measures and improvement plans, discuss risk management matters, and conduct review and assessment of the effectiveness of risk management measures.
Audit Department	Assist the Board of Directors and managers in the inspection and review of the deficiencies of the internal control system, and measure the effectiveness and efficiency of operations. Each year, the Company formulates an annual audit plan based on the risk assessment results, and regularly reports the audit implementation results to the Audit Committee and the Board of Directors to ensure the continuous and effective implementation of the internal control system and serve as the basis for internal control system review.
Other departments	It is the basic risk management and execution unit that is responsible for the work objectives of its business, and promotes, identifies, evaluates and executes daily risk management in accordance with risk management policies and relevant internal regulations; department heads supervise colleagues' implementation of risk identification. It is also able to determine the level of risk and suggest ways to assume it based on changes in the external environment and internal strategies, and coordinate cross-departmental risk management interactions and communications when necessary.

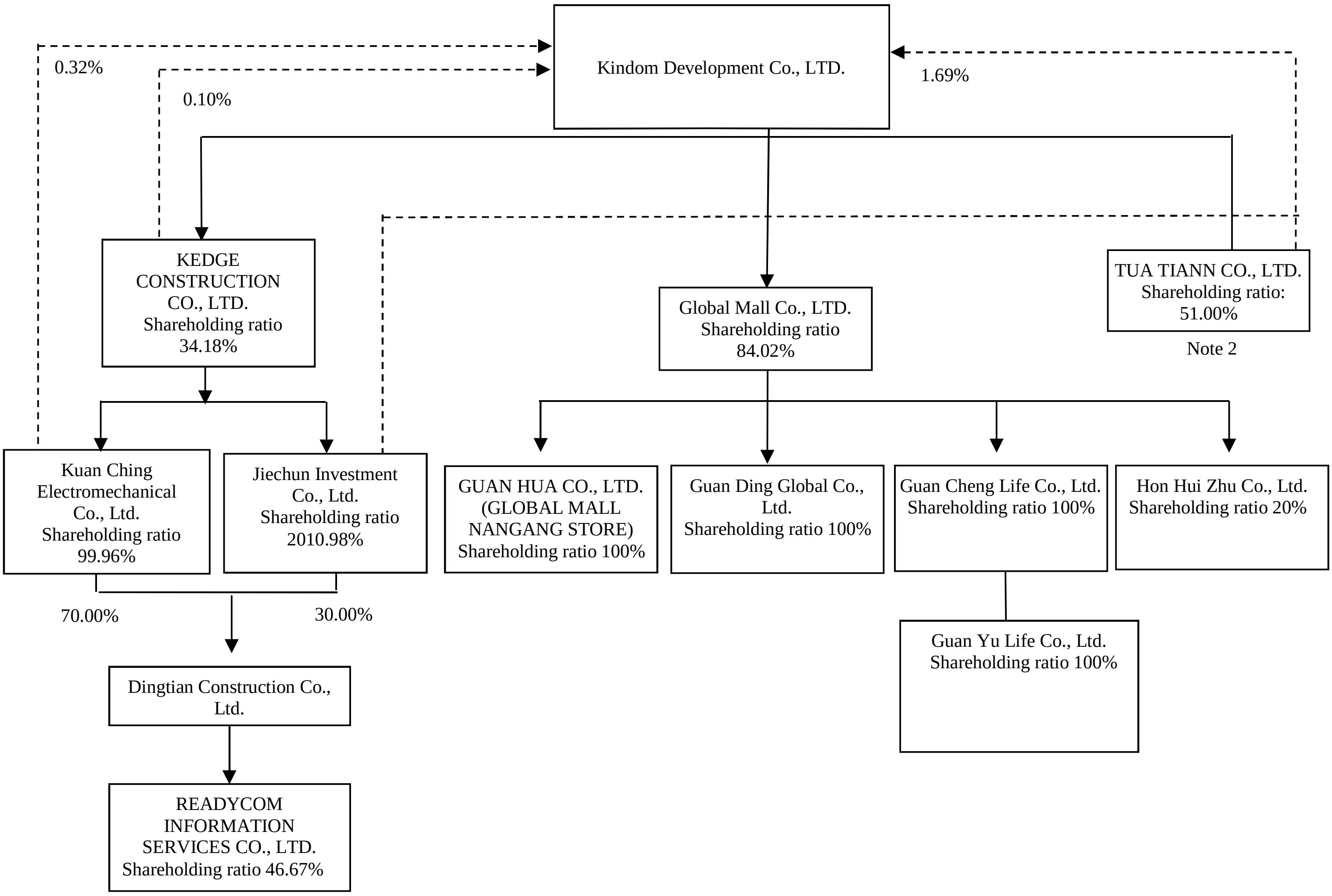
VII.Other important matters: None.

VIII. Special Notes

1. Information on affiliates:

(I) Organizational chart of affiliated enterprises (Note 1):

December 31, 2023



Note 1: According to Article 369-2 of the Company Act, it is presumed that the holding company's voting shares or capital contribution exceeds half of the total number of voting shares or capital contribution of another company, which is the controlling company, and the other company is a subsidiary.

Note 2: The Company, Clevo Co. and Huatai Investment Co., Ltd. jointly participated in Taipei Station Special Area E1E2 Street Public Urban Regeneration Project, and Tua Tiann Co., Ltd. was established in August, 2022 in accordance with the terms of the joint venture agreement.

(II) Basic information of each affiliated enterprise:

December 31, 2023 (Unit: shares)

Company name	Date of establishment	Address	Paid-up capital	Main business items
Kindom Development Co., LTD.	68.11	2F, No. 131, Sec. 3, Heping E. Rd., Taipei City, Taiwan	5,541,701	1. Housing and building development and rental business. 2. Investment, Development and Construction in Public Construction. 3. Process Zone Expropriation and Urban Land Readjustment Agency. 4. Real Estate Business. 5. Real Estate Leasing.
KEDGE CONSTRUCTION CO., LTD.	71.04	6F, No. 131, Section 3, Heping E. Rd., Taipei City	1,207,216	Comprehensive construction activities.
Guanqing Electromechanical Co., Ltd.	86.12	3F, No. 131, Sec. 3, Heping E. Rd., Taipei City, Taiwan	77,500	Electrical Appliance Installation and Fire Safety Equipment Installation Engineering.
Jiequn Investment Co., Ltd.	87.01	3F, No. 131, Sec. 3, Heping E. Rd., Taipei City, Taiwan	164,000	General investment.
Dingtian Construction Co., Ltd.	72.07	8F, No. 131, Sec. 3, Heping E. Rd., Taipei City, Taiwan	23,000	Comprehensive construction activities.
READYCOM INFORMATION SERVICES CO., LTD.	97.05	6F-1, No. 207, Dunhua North Road, Taipei City	30,000	IT software service and management consulting.
Global Mall Co., LTD.	91.11	8F, No. 131, Sec. 3, Heping E. Rd., Taipei City, Taiwan	3,810,000	Supermarkets, department stores, international trading, wholesale and retail of medical equipment, and more.
Guan Cheng Life Co., Ltd.	98.03	B1, 1F, 2F, 24F & 25F, No. 7, Sec. 2, Xianmin Boulevard, Banqiao District, New Taipei City	200,000	Department stores, supermarkets, non-store retailing, and more.
Guan Yu Life Co., Ltd.	2011.10	24F, No. 7, Sec. 2, Xianmin Boulevard, Banqiao District, New Taipei City	135,000	Department stores, supermarkets, non-store retailing, and more.
GUAN HUA CO., LTD. (GLOBAL MALL NANGANG STORE)	2015.07	8F, No. 131, Sec. 3, Heping E. Rd., Taipei City, Taiwan	140,000	Department stores, supermarkets, non-store retailing, and more.

Company name	Date of establishment	Address	Paid-up capital	Main business items
KGM International Investment Co., Ltd. (KGM)	2011.10	Unit 1502,15/F,Jubilee Centre,46 GloucesterRoad,Wan Chai,Hong Kong	9,339	Investing and operating the overall planning of shopping malls in mainland China, supporting engineering consulting, shopping mall leasing planning and consulting.
TUA TIANN CO., LTD.	2022.08	8F, No. 131, Sec. 3, Heping E. Rd., Taipei City, Taiwan	2,000,000	Department stores, supermarkets, non-store retailing, and more.
Hon Hui Zhu Gao Co., Ltd.	2022.12	37F, No. 555, Siyuan Rd., Xinzhuang Dist., New Taipei City	500,000	Housing and building development and rental, department stores, supermarkets, etc.

(III)Information on the same shareholders presumed to have controlling and affiliation relation:

Unit: Thousand shares

Inferred cause	Name	Number of shares held		Date of establishment	Address	Paid-up capital	Main business items
		Number of shares	Shareholding ratio				
None							

(IV) Industries covered by the business operations of the overall affiliated enterprises:

1. The overall business of the affiliated companies is mainly residential and building development and rental, comprehensive construction and shopping malls.
2. KEDGE CONSTRUCTION CO., LTD. and Dingtian Construction Co., Ltd. contracted most of the construction works of KINDOM DEVELOPMENT CO., LTD.

(V) Information on directors, supervisors, and presidents of affiliates:

December 31, 2023 (Unit: Thousand shares; NTD thousand; %)

Company name	Title	Name or Representative	Shareholding/capital contribution	
			Number of shares/capital contribution	Shareholding/ contribution ratio
Kindom Development Co., LTD.	Chairman	Yu-De Investment Co., Ltd. Legal Representative: Mike Ma	105,935 11,480	19.12% 2.07%
	Director	Yu-De Investment Co., Ltd. Legal Representative: Mei-Chu Liu	105,935 65,635	19.12% 11.84%
	Director	Yu-De Investment Co., Ltd. Legal Representative: Chen-Tan He	105,935 -	19.12% -
	Director	Yu-De Investment Co., Ltd. Legal Representative: Sui-Chang Liang	105,935 -	19.12% -
	Director Vice President	Yu-De Investment Co., Ltd. Legal Representative: Mike Ma	105,935 -	19.12% -
	Director Vice President	Yu-De Investment Co., Ltd. Legal Representative: Sheng-An Chang	105,935 9	19.12% -
	Independent Directors	Shen-Yu Kung	-	-
	Independent Directors	Hung-Chin Huang	-	-
	Independent Directors	Kuo-Feng Lin	-	-
KEDGE CONSTRUCTION CO., LTD.	Chairman	Kindom Development Co., LTD. Legal Representative: Ai-Wei Yuan	41,268 -	34.18% -
	Director	Kindom Development Co., LTD. Legal Representative: Mike Ma	41,268 2,085	34.18% 1.73%
	Directors	Legal Representative of Kindom Development Co., Ltd.: Sui-Chang Liang	41,268 -	34.18% -
	Directors Vice President	Kindom Development Co., LTD. Legal Representative: Yi-Fang Huang	41,268 -	34.18% -
	Director Vice President	Kindom Development Co., LTD. Legal Representative: Chun-Ming Chen	41,268 1	34.18% -
	Directors	Legal Representative of Kindom Development Co., Ltd.: Chen-Dan He	41,268 -	34.18% -
	Independent Directors	Shen-Yu Kung	-	-
	Independent Directors	Hung-Chin Huang	-	-
	Independent Directors	Kuo-Feng Lin	-	-

Note: A total of 9 directors (including independent directors) were elected by the 12th general shareholders' meeting on June 2, 2023

December 31, 2023 (Unit: Thousand shares; NTD thousand; %)

Company name	Title	Name or Representative	Shareholding/capital contribution	
			Number of shares/capital contribution	Shareholding/ contribution ratio
Guanqing Electromechanical Co., Ltd. (Note 1)	Chairman	KEDGE CONSTRUCTION CO., LTD. Legal Representative: Chin-Hua Fan	7,747 -	99.96% -
	Directors	KEDGE CONSTRUCTION CO., LTD. Legal Representative: Mike Ma	7,747 -	99.96% -
	Directors	KEDGE CONSTRUCTION CO., LTD. Legal Representative: Chih-Kuo Tseng	7,747 -	99.96% -
	Supervisor	Chia-Lin Chen	-	-
Global Mall Co., LTD.	Chairman	Kindom Development Co., LTD. Legal Representative: Mike Ma	320,105 -	84.02% -
	Directors	Kindom Development Co., LTD. Legal Representative: Chin-Hua Fan	320,105 -	84.02% -
	Directors	Kindom Development Co., LTD. Legal Representative: Yun-Chih Li	320,105 -	84.02% -
	Directors	Kindom Development Co., LTD. Legal Representative: Ching-Yuan Lin	320,105 -	84.02% -
	Directors	Kindom Development Co., LTD. Legal Representative: Yun-Zhi Tao	320,105 -	84.02% -
	Directors	Kindom Development Co., LTD. Legal Representative: Jie-Ting Liu	320,105 -	84.02% -
	Directors	Chiloo Industries, Inc. Legal Representative: Chang-Jung Huang	54,095 -	14.20% -
	Supervisor	Jung-Tai Chen	-	-
	Supervisor	Chi Yang Development Co., Ltd. Legal Representative: Chen Kuo-Ping	(Note 2) -	- -

Note 1: On June 30, 2023, the shareholders' meeting passed the amendment to the Articles of Incorporation, including three directors and one supervisor, and the re-election of new directors and supervisors with a term of office from June 30, 2023 to June 29, 2026.

Note 2: 100 shares held.

December 31, 2023 (Unit: Thousand shares; NTD thousand; %)

Company name	Title	Name or Representative	Shareholding/capital contribution	
			Number of shares/capital contribution	Shareholding/ contribution ratio
Jiequn Investment Co., Ltd. (Note 1)	Chairman	KEDGE CONSTRUCTION CO., LTD. Legal Representative: Shu-Yuan Lin	16,396 -	99.98% -
	Directors	KEDGE CONSTRUCTION CO., LTD. Legal Representative: Mike Ma	16,396 -	99.98% -
	Directors	KEDGE CONSTRUCTION CO., LTD. Legal Representative: Ming-Hua Ma	16,396 -	99.98% -
	Supervisor	Si-Fan Pan	-	-
Dingtian Construction Co., Ltd.	Chairman	Guanqing Electromechanical Co., Ltd. Legal Representative: Chou Shih-Hsuan	1,610 -	70.00% -
READYCOM INFORMATION SERVICES CO., LTD.	Chairman	Yu-Chang Li	-	-
	Directors	Ming-Nai Ma	-	-
	Directors	Da-Long He	-	-
	Supervisor	Dingtian Construction Co., Ltd. Legal Representative: Shao-Ling Ma	1,400 -	46.67% -
Guan Cheng Life Co., Ltd.	Chairman	Global Mall Co., LTD. Legal Representative: Chen Yi-Hua	20,000 -	100% -
	Supervisor	Global Mall Co., LTD. Legal Representative: Lin Shu-Yuan	20,000 -	100% -
Guan Yu Life Co., Ltd.	Chairman	Guan Cheng Life Co., Ltd. Legal Representative: Chen Yi-Hua	13,500 -	100% -
	Supervisor	Guan Cheng Life Co., Ltd. Legal Representative: Po-Zhen Fan Jiang	13,500 -	100% -
GUAN HUA CO., LTD. (GLOBAL MALL NANGANG STORE)	Chairman	Global Mall Co., LTD. Legal Representative: Yi-Hua Chen	14,000 -	100% -
	Supervisor	Global Mall Co., LTD. Legal Representative: Chang Shu-Lian	14,000 -	100% -
KGM International Investment Co., Ltd. (KGM)	Directors	Global Mall Co., LTD. Legal Representative: Mike Ma	9,339 (Note 2) -	100% -
	Directors	Da-Song Liu	-	-

Note 1: On June 30, 2023, the shareholders' meeting passed the amendment to the Articles of Incorporation, including three directors and one supervisor, and the re-election of new directors and supervisors with a term of office from June 30, 2023 to June 29, 2026.

Note 2: Amount of investment.

December 31, 2023 (Unit: Thousand shares; NTD thousand; %)

Company name	Title	Name or Representative	Shareholding/capital contribution	
			Number of shares/capital contribution	Shareholding/ contribution ratio
TUA TIANN CO., LTD.	Chairman	Huatai Investment Co., Ltd. Legal Representative: Tai Hsu-Kun	49,000 -	24.5% -
	Directors	Kindom Development Co., LTD. Legal Representative: Tseng Ching-Song	102,000 -	51% -
	Directors	Kindom Development Co., LTD. Legal Representative: Lin Ching-Yuan	102,000 -	51% -
	Supervisor	Blue Sky Computer Co., Ltd. Legal Representative: Wu Mai	49,000 -	24.5% -
Hon Hui Zhu Gao Co., Ltd.	Chairman	EPOQUE CORPORATION Legal Representative: Tai Hsu-Kun	40,000 -	80% -
	Directors	EPOQUE CORPORATION Legal Representative: Hsu Yueh-Yuan	40,000 -	80% -
	Directors	Global Mall Co., LTD. Legal Representative: Chou Shih-Hsuan	10,000 -	20% -
	Supervisor	Hsu Kun-Yuan	-	-
	Supervisor	Po-Chen, Fan Chiang	-	-

(VI) Overview of the operation of each affiliated enterprise:

December 31, 2023; Unit: NTD Thousand (except earnings per share)

Company name	Capital amount	Total asset value	Total liabilities	Net worth	Operating revenue	Operating profit (loss)	Current profit and loss (after tax)	Earnings per share (NTD) (after tax)
Kindom Development Co., LTD.	5,541,701	41,133,948	21,172,140	19,961,808	6,474,705	2,207,598	2,395,148	4.42
KEDGE CONSTRUCTION CO., LTD.	1,207,216	12,507,943	7,702,270	4,805,673	14,219,639	1,165,102	990,345	8.20
Guanqing Electromechanical Co., Ltd.	77,500	313,748	53,431	260,317	113,397	(1,401)	14,977	1.93
Jiequn Investment Co., Ltd.	164,000	553,417	1,110	552,307	28,408	27,958	27,032	1.65
Dingtian Construction Co., Ltd.	23,000	143,148	87,874	55,274	228,481	6,767	7,494	(Note 1)
READYCOM INFORMATION SERVICES CO., LTD.	30,000	37,073	2,507	34,566	11,065	(266)	3,726	1.24
Global Mall Co., LTD.	3,810,000	10,423,050	4,781,777	5,641,273	1,217,561	417,310	454,851	1.19
Guan Cheng Life Co., Ltd.	200,000	1,267,733	867,766	399,967	382,050	169,904	139,266	6.96
Guan Yu Life Co., Ltd.	135,000	171,995	79,028	92,967	56,351	(417)	950	0.07
GUAN HUA CO., LTD. (GLOBAL MALL NANGANG STORE)	140,000	733,110	578,654	154,456	122,090	21,625	13,039	0.93
KGM International Investment Co., Ltd. (KGM)	9,339	1,740	-	1,740	-	(80)	(56)	(Note 1)
TUA TIANN CO., LTD.	2,000,000	2,015,306	1,218	2,014,088	-	(176)	13,740	0.07
Hon Hui Zhu Gao Co., Ltd.	500,000	2,084,184	1,583,039	501,145	-	(868)	1,370	0.03

Note 1: It is a limited company.

(VII) Consolidated financial statements of affiliated enterprises: they are the same as the consolidated financial statements, and there is no need to prepare them repeatedly.

(VIII) Affiliation report:

Statement of Declaration

The related-party report for 2023 (from January 1, 2023 to December 31, 2023) of the Company is prepared in accordance with the "Criteria Governing Preparation of Affiliation Reports, Consolidated Business Reports and Consolidated Financial Statements of Affiliated Enterprises". The information disclosed therein is not materially inconsistent with the relevant information disclosed in the financial report notes for the aforementioned period.

We hereby declare

Company name: Kindom Development Co., LTD.

Chairman: Mike Ma

Date: March 12, 2024

CPA's review opinion on the relationship report

Company name: Kindom Development Co., Ltd.

2023 Affiliation Report of Kindom Development Co., Ltd. has been approved by the Securities and Futures Commission, Ministry of Finance on November 30, 1999, in accordance with Tai-Cai-Zheng (6) Letter No. 04448." This review was conducted to determine whether the 2023 affiliation report of the Company was prepared in accordance with the "Criteria Governing Preparation of Affiliation Reports, Consolidated Business Reports and Consolidated Financial Statements of Affiliated Enterprises" and whether there are any material discrepancies with the relevant information disclosed in the notes to the financial statements for the same period audited by us on March 12, 2024, we issued a review opinion.

Our review results do not find any violation of the "Criteria Governing Preparation of Affiliation Reports, Consolidated Business Reports and Consolidated Financial Statements of Affiliated Enterprises" nor any information disclosed in the aforementioned affiliation report. There is a material inconsistency with the relevant information disclosed in the notes to the financial statements for the same period.

KPMG

Accountant	:	Yi-Lian Han Kuo-Cheng Tseng
Approval reference number of the securities authority	:	Jin-Guan-Zheng-Liu No. 1090332798 Jin-Guan-Zheng-Liu No. 0940129108

April 1, 2024

Kindom Development Co., LTD.

1. Organizational chart of affiliated enterprises:

Yu-De Investment Co., Ltd.

↓ 19.12%

Kindom Development Co., LTD.

2. Overview of the relationship between the subsidiary and the controlling company:

December 31, 2023 (unit: shares: %)

Name of controlling company	Reason for control	Shareholding and pledge of shares by the controlling company			Personnel appointed by the controlling company as directors, supervisors, or managers	
		Number of shares held	Shareholding ratio	Number of pledged shares	Title	Name
Yu-De Investment Co., Ltd.	Designated personnel appointed as the Company's directors	105,935,137	19.12%	-	Chairman	Mike Ma
					Directors	Mei-Chu Liu
					Directors	Chen-Tan He
					Directors	Sui-Chang Liang
					Director and President	Chang-Jung Hsieh
					Director and President	Sheng-An Chang

3. Transactions with each other:
   (1) Purchase and sale transactions: None.
   (2) Property transactions: None.
   (3) Capital financing: None.
   (4) Asset leasing: None.
   (5) Other important transactions: None.
4. Endorsements and guarantees: None.
5. Other matters that have a significant impact on finance and business: None.
6. Private placement of securities in the last year up till the publication date of this annual report: No such situation.
7. The holding or disposal of the Company's shares by subsidiaries in the most recent year and up to the publication date of the annual report: No such situation.
8. Other supplementary information: None.
9. Matters with material influence on shareholders' equity or securities prices as defined by Article 36, Paragraph 2, Subparagraph 2 of the Securities and Exchange Act, in the most recent year to the day this report was printed: None.

II. Private placement of securities in the last year up till the publication date of the annual report: None.

III. Holding or disposal of the Company's shares by subsidiaries during the most recent year and up to the date of publication of the annual report:

April 1, 2024 (Unit: thousand; shares; %)

Name of subsidiary (Note 1)	Paid-up capital	Source of funds	Shareholding ratio of the Company	Date of acquisition or disposal	Number and amount of shares acquired (Note 2)	Number and amount of shares disposed of (Note 2)	Investment profit or loss	Number and amount of shares held at the end of the year or on the date of publication of the prospectus (Note 3)	Status of pledge	Amount of endorsements/guarantees made by the Company for subsidiaries	Amount lent by the Company to the subsidiary
Guanqing Electromechanical Co., Ltd.	77,500	Cash	34.17%	2023	- shares - NTD thousand	- shares - NTD thousand	-	1,767,700 shares 68,675 thousand	None	-	-
				Current year up to the publication date of the annual report	- shares - NTD thousand	- shares - NTD thousand	-	1,767,700 shares 73,890 thousand	None	-	-
KEDGE CONSTRUCTION CO., LTD.	1,207,216	Cash	34.18%	2023	- shares - NTD thousand	- shares - NTD thousand	-	550,000 shares 21,368 thousand	None	-	-
				Current year up to the publication date of the annual report	- shares - NTD thousand	- shares - NTD thousand	-	550,000 shares 22,990 thousand	None	-	-
Jiequn Investment Co., Ltd.	164,000	Cash	34.17%	2023	- shares - NTD thousand	- shares - NTD thousand	-	9,373,084 shares 364,144 thousand	None	-	-
				Current year up to the publication date of the annual report	- shares - NTD thousand	- shares - NTD thousand	-	9,373,084 shares 391,795 thousand	None	-	-

Note 1: Please list separately by subsidiary.
Note 2: The alleged amount refers to the amount of actual acquisition or disposal.
Note 3: The holdings and disposals should be listed separately, including the valuation adjustments at the end of the period.

IV. Other matters for supplementary clarification: None.

IX. Events that significantly impacted shareholders' equity or the price of the Company's securities during the most recent year or during the current year up to the date of publication of the annual report: None.