Stock Code: 5512

Rich Development Co., Ltd.

Individual Financial Statements and Independent Auditors' Report

For the Years Ended December 31, 2022 and 2021

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Independent Auditors' Report

The Board of Directors and Shareholders of Rich Development Co., Ltd.

Audit Opinions

We have audited the Individual Balance Sheets of the Company as of December 31, 2022 and 2021, and the Individual Statements of Comprehensive Income, Changes in Equity, Cash Flows for the years then ended, and Notes to Individual Financial Statements (including Summary of Significant Accounting Policies).

In our opinion, the accompanying Individual Financial Statements present fairly, in all material respects, the individual financial position of the Company as of December 31, 2022 and 2021, and its individual financial performance and Individual cash flows for the years then ended in accordance with the "Regulations Governing the Preparation of Financial Reports by Securities Issuers."

Basis for Opinion

We conducted our audits in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and the Standards on Auditing of the Republic of China. Our responsibility under those standards are further decribed in the Auditors' Responsibility for the Audit of Individual Financial Statements section of our report. We are independent from the Company in accordance with The Norm of Professional Ethics for Certified Public Accountant of the Republic of China, and we have fulfilled our other responsibilities in accordance with these reuqirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide as 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 individual financial statements of the Company for the year ended December 31, 2022. These matters were addressed in the context of our audit of the individual 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, in our judgment, should be stated in the audit report are as follows:

1.Inventory evaluation

For the accounting policies for inventory evaluation, please refer to Note 4 (7) Inventories in the individual financial statements; for the assumptions and estimated uncertainties involved in inventory evaluation, please refer to Note 5; For inventory-related disclosures, please refer to Note 6 (4) Inventories.

Key audit matter is described as follows:

The Company's inventory is an important asset for operations, and its amount accounts for approximately 61% of the total assets; inventory evaluation is computed in accordance with International Accounting Standards No. 2, and because the net realizable value of The Company's inventory is based on the management's future sales price and the estimation of construction costs, and is easily affected by the political and economic environment; if the net realized value is not properly assessed, it will cause false financial statements. Therefore, the inventory valuation test is one of the key audit matters that we consider in performing our audit of the individual financial report of the Company.

To respond to this key matter, the audit procedures we performed were:

We obtained information on the net realizable value of inventories of the Company, and tested the aforementioned data on a sample basis to check with the consumable contracts, referring to the latest real estate price registration announced by the Ministry of the Interior or obtaining the concluded price of houses nearby and converting the average selling price into the net realizable value of the inventory

of houses for sale; for the net realizable value of construction land, land and houses under construction, we obtained samples and checked the Company's investment return analysis, comparing the investment return analysis data with market average, and when necessary obtained the external appraisal report to assess whether the net realized value of the inventory is fairly presented.

Responsibilities of Management and those charged with governance for the individual financial statements

Management is responsible for the preparation and fair presentation of the individual financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, and for such internal control as management determines is necessary to enable the preparation of the Corporation's financial statements that are free from material misstatement, whether due to fraud or error.

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

Those charged with governance in the Company, including the audit committee, are responsible for overseeing the Company's financial reporting process.

Auditors' Responsibilities for the Audit of the Individual Financial Statements

Our objectives are to obtain reasonable assurance about whether the individual financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with the auditing standards generally accepted in the Republic of China will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these individual financial statements.

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

1. Identify and assess the risks of material misstatement of the individual financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the individual financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the individual financial statements, including the disclosures, and whether the individual financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the individual financial statements for the year ended December 31, 2022 and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partners on the audit resulting in this independent auditors' report are

KPMG Taipei, Taiwan
CPA:
CHANG, SHU-YING
PAN, CHUN-MING

Approval number by the Securities Authority Agency-FSC- No. 0940100754
Approval number by the Securities Authority Agency-FSC- No. 1110333933

March 15, 2023

Notice to Readers

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

For the convenience of readers, the independent auditors' report and the accompanying financial statements have been translated into English from the original Chinese version prepared and used in the Republic of China. If there is any conflict between the English version and the original Chinese version or any difference in the interpretation of the two versions, the Chinese-language independent auditors' report and financial statements shall prevail

Rich Development Co., Ltd.
BALANCE SHEET
December 31, 2022 and 2021

Unit: NT$ Thousands

		December 31, 2022		December 31, 2021	
	Assets	**Amount**	**%**	**Amount**	**%**
	Current Assets:				
1100	Cash and cash equivalent (Note 6(1))	$ 301,649	1	291,617	1
1110	Financial assets at fair value through profit or loss－current (Note 6(2))	21,748	-	25,252	-
1150	Notes receivable, net (Notes 6(16) and 7)	63	-	16,502	-
1170	Account receivables, net (Notes 6(16) and 7)	2,584	-	3,182	-
1220	Current tax assets	3,103	-	-	-
1320	Inventory (applicable to construction industry) (Notes 6(4),7 and 8)	14,955,910	61	15,540,629	62
1476	Other financial assets－current (Notes 7, 8, and 9)	907,856	4	935,352	4
1479	Other current assets－others (Note 7)	24,054	-	14,610	-
1480	Incremental costs of obtaining a contract－current (Note 7)	39,716	-	18,676	-
		16,256,683	66	16,845,820	67
	Non-current Assets:				
1510	Financial assets at fair value through profit or loss－non-current (Note 6(2))	17,522	-	15,357	-
1517	Financial assets at fair value through other comprehensive income －non-current (Note 6(3))	155,617	1	228,349	1
1550	Investments accounted for using equity method (Note 6(5))	6,251,923	25	6,291,836	25
1600	Property, plant and equipment (Note 6(6))	1,467	-	2,294	-
1755	Right-of-use assets	5,249	-	7,736	-
1760	Investment property, net (Notes 6(7), 7 and 8)	1,357,397	6	1,371,597	5
1780	ntangible Assets	414	-	585	-
1840	Deferred Tax Assets (Note 6(13))	31,623	-	33,046	-
1980	Other financial assets－non-current (Note 8)	557,129	2	556,265	2
		8,378,341	34	8,507,065	33
	Total Assets	**$ 24,635,024**	**100**	**25,352,885**	**100**

Rich Development Co., Ltd.
BALANCE SHEET (CONTINUED)
December 31, 2022 and 2021

Unit: NT$ Thousands

		December 31, 2022		December 31, 2021	
	Liabilities and equity	**Amount**	**%**	**Amount**	**%**
	Current liabilities:				
2100	Short-term bank loans (Note 6(8))	$ 7,165,011	30	7,020,611	28
2110	Short-term notes and bills payable (Note 6(9))	1,133,000	5	1,234,900	5
2130	Contract liabilities－current (Notes 6(16) and 7)	501,965	2	357,252	1
2150	Notes payable (Note 7)	39,720	-	70,275	-
2170	Account payable (Note 7)	21,693	-	28,208	-
2200	Other account payable (Notes 6(17) and 7)	65,333	-	79,358	-
2230	Current tax liabilities	-	-	2,335	-
2280	Lease liabilities－current (Note 7)	4,523	-	4,471	-
2322	Long-term liabilities, current portion (Note 6(10))	58,818	-	286,818	1
2399	Other current liabilities－others (Note 9)	41,483	-	45,516	-
		9,031,546	37	9,129,744	35
	Non-current liabilities:				
2530	Corporate bond payable (Note 6(11))	1,996,904	8	1,995,830	9
2540	Long-term bank loans (Note 6(10))	309,809	1	623,871	3
2580	Lease liabilities－non-current (Note 7)	911	-	3,541	-
2640	Net defined benefit liability－non-current	25,957	-	30,373	-
2645	Refundable deposits (Note 7)	60,821	-	72,153	-
		2,394,402	9	2,725,768	12
	Total liabilities	11,425,948	46	11,855,512	47
	Equity (Note 6(14))：				
3110	Common shares	7,439,927	30	7,439,927	29
3200	Capital surplus	666,777	3	667,993	3
3310	Legal reserve	1,309,440	5	1,277,806	5
3320	Special reserve	176,084	1	113,043	-
3350	Unappropriated retained earning	3,976,793	16	4,234,583	17
3400	Other equity	(261,750)	(1)	(137,784)	(1)
3500	Treasury stocks	(98,195)	-	(98,195)	-
	Total equity	13,209,076	54	13,497,373	53
	Total liabilities and equity	**$ 24,635,024**	**100**	**25,352,885**	**100**

(The accompanying notes are an integral part of the individual financial statements)

Chairperson: Shu-Chen Kuo **Manager: Chi-Kang Kuo** **Accounting Manager: Hien-Jen Ke**

Rich Development Co., Ltd.

STATEMENTS OF COMPREHENSIVE INCOME

December 31, 2022 and 2021

Unit: NT$ Thousands

		2022		2021	
		Amount	%	Amount	%
4000	**SALES (Notes 6(16) and 7)**	$ 1,667,675	100	1,208,417	100
5000	**COST OF GOOD SOLD (Notes 6(4), (12) and 7)**	1,267,558	76	869,757	72
	GROSS PROFIT	400,117	24	338,660	28
	OPERATING EXPENSES (Notes 6(12), (17) and 7)：				
6100	Selling and marketing expenses	62,591	4	52,689	4
6200	General and administration expenses	115,573	7	116,248	10
		178,164	11	168,937	14
6500	**OTHER NON-OPERATING INCOME AND EXPENSES (Notes 6(18) and 7)**	-	-	306,815	25
	PROFIT FROM OPERATIONS	221,953	13	476,538	39
	NON-OPERATING INCOME AND EXPENSES (Note 6(19))：				
7100	Interest income	1,700	-	454	-
7010	Other income (Note 7)	11,785	1	17,729	1
7020	Other gains and losses (Note 7)	1,128	-	(744)	-
7050	Financial cost (Note 7)	(53,828)	(3)	(82,144)	(7)
7070	Share of profit of subsidiaries and associates accounted for using the equity method (Note 6(5))	(106,954)	(6)	(67,290)	(6)
		(146,169)	(8)	(131,995)	(12)
7900	**PROFIT BEFORE INCOME TAX**	75,784	5	344,543	27
7950	**LESS: INCOME TAX EXPENSES (Note 6(13))**	32,699	2	37,853	3
	NET PROFIT FOR THE YEAR	43,085	3	306,690	24
8300	**OTHER COMPREHENSIVE INCOME：(Notes 6(5) and 14)**				
8310	**Items that will not be reclassified to profit or loss**				
8311	Remeasurement of defined benefit plans	4,130	-	2,033	-
8316	Unrealized gain (loss) on investments in equity instruments at fair value through other comprehensive income	(72,732)	(4)	36,335	3
8330	Share of the other comprehensive income (loss) of subsidiaries and associates accounted for using the equity method－Items not be reclassified into profit or loss	(39,291)	(2)	(87,767)	(7)
8349	Less: Income tax related to items not be reclassified	-	-	-	-
	Total items not to be reclassified into profit or loss	(107,893)	(6)	(49,399)	(4)
8360	**Items may be reclassified subsequently into profit or loss**				
8380	Share of the other comprehensive loss of subsidiaries and associates accounted for using the equity method－Items may be reclassified to profit or loss	925	-	3,481	-
8399	Less: Income tax related to items may be reclassified into profit or loss	-	-	-	-
	Total of items may be reclassified subsequently into profit or loss	925	-	3,481	-
8300	**TOTAL OTHERCOMPREHENSIVE INCOME FOR THE YEAR**	(106,968)	(6)	(45,918)	(4)
8500	**TOTAL COMPREHENSIVE INCOME FOR THE YEAR**	**$ (63,883)**	**(3)**	**260,772**	**20**
	EARNINGS PER SHARE (Note 6(15))				
9750	**Basic EARNINGS PER SHARE (NT$)**	**$**	**0.06**		**0.42**
9850	**Diluted EARNINGS PER SHARE(NT$)**	**$**	**0.06**		**0.42**

(The accompanying notes are an integral part of the individual financial statements)

Chairperson: Shu-Chen Kuo **Manager: Chi-Kang Kuo** **Accounting Manager: Hien-Jen Ke**

Rich Development Co., Ltd.

STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY

December 31, 2022 and 2021

Unit: NT$ Thousands

			Retained earnings			Other equity			
	Common shares	Capital surplus	Legal reserve	Special reserve	Unappropriated earnings	Exchanges differences on translating the financial statements of foreign operation	Unrealized Gain (loss) on fair value changes of financial assets at fair value through profit or loss	Treasury stocks	Total equity
BALANCE AT JANUARY 1, 2021	$ 7,439,927	608,543	1,267,283	261,872	4,025,452	(5,184)	(75,864)	(98,195)	13,423,834
Net profit for the year	-	-	-	-	306,690	-	-	-	306,690
Other comprehensive profit and loss for the year	-	-	-	-	2,033	3,481	(51,432)	-	(45,918)
Total comprehensive profit and loss for the year	-	-	-	-	308,723	3,481	(51,432)	-	260,772
Appropriation and distribution of Earnings:									
Appropriated as legal reserve	-	-	10,523	-	(10,523)	-	-	-	-
Reversal of special reserve	-	-	-	(148,829)	148,829	-	-	-	-
Cash dividend on common shares	-	-	-	-	(245,518)	-	-	-	(245,518)
Changes in equity of associates accounted for using the equity method	-	-	-	-	(858)	-	-	-	(858)
Difference between consideration and carrying amount of subsidiaries acquired or disposed	-	23,049	-	-	-	-	-	-	23,049
Change in percentage of ownership interest in subsidiaries	-	36,401	-	-	(307)	-	-	-	36,094
Disposal of equity instruments measured at fair value through other comprehensive income	-	-	-	-	8,785	-	(8,785)	-	-
BALANCE AT DECEMBER 31, 2021	7,439,927	667,993	1,277,806	113,043	4,234,583	(1,703)	(136,081)	(98,195)	13,497,373
Net profit for the year	-	-	-	-	43,085	-	-	-	43,085
Other comprehensive profit and loss for the year	-	-	-	-	4,130	925	(112,023)	-	(106,968)
Total comprehensive profit and loss for the year	-	-	-	-	47,215	925	(112,023)	-	(63,883)
Appropriation and distribution of Earnings:									
Appropriated as legal reserve	-	-	31,634	-	(31,634)	-	-	-	-
Appropriated as special reserve	-	-	-	63,041	(63,041)	-	-	-	-
Cash dividend on common shares	-	-	-	-	(223,198)	-	-	-	(223,198)
Difference between consideration and carrying amount of subsidiaries acquired or disposed	-	(2,007)	-	-	-	-	-	-	(2,007)
Change in percentage of ownership interest in subsidiaries	-	791	-	-	-	-	-	-	791
Disposal of equity instruments measured at fair value through other comprehensive income	-	-	-	-	12,868	-	(12,868)	-	-
BALANCE AT DECEMBER 31, 2022	**$ 7,439,927**	**666,777**	**1,309,440**	**176,084**	**3,976,793**	**(778)**	**(260,972)**	**(98,195)**	**13,209,076**

(The accompanying notes are an integral part of the individual financial statements)

Chairperson: Shu-Chen Kuo **Manager: Chi-Kang Kuo** **Accounting Manager: Hien-Jen Ke**

Rich Development Co., Ltd.
STATEMENTS OF CASH FLOWS
December 31, 2022 and 2021

Unit: NT$ Thousands

	2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES：		
Profit before income tax	$ 75,784	344,543
Adjustments for:		
Adjustments to reconcile profit (loss)		
Depreciation expense	35,325	44,299
Amortization expense	171	234
Net loss (gain) on financial assets or liabilities at fair value through profit or loss	2,677	9,213
Interest expense	20,996	39,348
Interest income	(1,700)	(454)
Dividend income	(175)	(155)
Share of profit (loss) of subsidiaries and associates accounted for using the equity method	106,954	67,290
Gains on disposals of investment property	-	(306,815)
Gain on disposal of equity investment accounted for using equity method	-	(24,152)
Impairment loss on financial assets	-	14,821
Gain on lease surrender and amendment	(80)	(324)
Total adjustments to reconcile profit (loss)	164,168	(156,695)
Changes in operating assets and liabilities:		
Decrease (increase) in financial assets at fair value through profit or loss, mandatorily measured at fair value	(1,337)	1,665
Notes receivable	16,439	(15,409)
Accounts receivable	598	621
Inventory	763,047	506,472
Other current assets	(9,444)	16,839
Other financial assets	9,496	(658,786)
Incremental costs of obtaining contracts	(21,040)	(16,800)
Total changes in operating assets	757,759	(165,398)
Changes in operating liabilities:		
Contract liabilities	144,713	269,817
Notes payable	(30,555)	41,699
Account payable	(6,515)	(9,848)
Other payables	(14,684)	21,976
Other current liabilities	(4,032)	3,114
Net defined benefit liability	(286)	(417)
Changes in operating liabilities	88,641	326,341
Total Changes in operating assets and liabilities	846,400	160,943
Total adjustments	1,010,568	4,248
Cash inflow (outflow) generated from operations	1,086,352	348,791
Interest received	1,700	454
Dividends received	108,552	185,748
Interest paid	(201,168)	(189,221)
Income tax paid	(36,714)	(44,618)
Net cash generated from operating activities	958,722	301,154

Rich Development Co., Ltd.
STATEMENTS OF CASH FLOWS(CONTINUED)
December 31, 2022 and 2021

Unit: NT$ Thousands

	2022	2021
CASH FLOWS FROM INVESTING ACTIVITIES:		
Acquisition of financial assets at fair value through other comprehensive income	-	(32,214)
Disposal of financial assets measured at fair value through other comprehensive income	-	16,843
Acquisition of investment accounted for using equity method	(215,000)	(382,500)
Disposal of investments accounted for using equity method	-	402,000
Acquisition of investment properties	(11,595)	(14)
Disposal of investment properties	-	759,410
(Increase) Decrease in other financial assets	17,135	(17,690)
Net cash provided by (used in) investing activities	(209,460)	745,835
CASH FLOWS FROM FINANCING ACTIVITIES:		
Increase in short-term bank loans	144,400	296,000
Decrease in short-term notes and bills payable	(101,900)	(347,800)
Borrowing of long-term loans	100,000	658,000
Repayments of long-term loans	(642,062)	(1,340,283)
Decrease in guaranteed deposit received	(11,332)	(15,857)
Repayments of principal portion of lease liabilities	(5,138)	(9,438)
Cash dividends paid	(223,198)	(245,518)
Net cash used in financing activities	(739,230)	(1,004,896)
Net increase (decrease) in cash and cash equivalents	10,032	42,093
Cash and cash equivalents at beginning of period	291,617	249,524
Cash and cash equivalents at end of period	**$ 301,649**	**291,617**

(The accompanying notes are an integral part of the individual financial statements)

Chairperson: Shu-Chen Kuo **Manager: Chi-Kang Kuo** **Accounting Manager: Hien-Jen Ke**

Rich Development Co., Ltd.
Notes to Individual Financial Statements
2022 and 2021
Expressed in thousands of NTD (Except as otherwise noted)

I. Company History

Rich Development Co., Ltd. (hereinafter referred to as the "Company") was incorporated on July 30, 1992 with the approval of the Ministry of Economic Affairs. The registered address is 8th Floor, No. 99, Jilin Road, Taipei City. The Company's main business items include commissioning manufacturers to build commercial buildings and lease and sale of public housing; commissioned by government industrial authorities to handle the development, leasing and management of industrial areas; interior decoration business, trading business of various building materials and construction machinery and acting as an agent for quoting, bidding and distributing business of related products as aforementioned.

II. The Date of Authorization for Issuance of the Financial Statements and Procedures for Authorization

The accompanying individual financial statements were approved by the Board of Directors on March 15, 2023.

III. Application of New, Amended and Revised Standards and Interpretations

a. The impact of the newly issued and revised standards and interpretations endorsed by the Financial Supervisory Commission (FSC) which have been applied

The company has applied the following newly revised International Financial Reporting Standards (IFRS) with effective date starting January 01, 2023 and did not have a significant effect on the individual financial statements.

·Amendments to IFRS 16 – "Property, Plant and Equipment: Proceeds before Intended Use"
·Amendment to IFRS 37 – "Onerous Contracts—Cost of Fulfilling a Contract"
·Annual Improvements to IFRSs 2018-2020 Cycle
·Amendment to IFRS 3"References to Conceptual Framework"

b. The impact of the newly issued and revised standards and interpretations endorsed by the FSC which have not yet been applied

The Company assesses that the following newly revised IFRS that have issued into effect with effective date starting January 01, 2023 will not have a significant effect on the individual 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"

c. The IFRSs issued by IASB but not yet endorsed and issued into effect by the FSC

The standards and interpretations issued and amended by the IASB but have not yet endorsed and issued into effect by the FSC that may be relevant to the Company are as follows:

New, Revised or Amended Standards and Interpretations	Main content of amendments	Effective Date Issued by IASB
Amendments to IFRS No. 1- "Classification of Liabilities as Current or Non-Current"	Under existing IAS 1 requirements, companies classify a liability as current when they do not have an unconditional right to defer settlement for at least 12 months after the reporting date. The International Accounting Standards Board (IASB) has removed the requirement for a right to be unconditional and instead now requires that a right to defer settlement must exist at the reporting date and have substance. The amendments also clarify how a company classifies a liability that can be settled in its own shares – e.g. convertible debt.	January 1, 2024
Amendments to IFRS No. 1- "Non-current Liabilities with Covenants"	After reconsidering certain aspects of the 2020 amendments1, the IASB reconfirmed that only covenants with which a company must comply on or before the reporting date affect the classification of a liability as current or non-current. Covenants with which the company must comply *after* the reporting date (i.e. future covenants) do not affect a liability's classification at that date. However, when non-current liabilities are subject to future covenants, companies will now need to disclose information to help users understand the risk that those liabilities could become repayable within 12 months after the reporting date.	January 1, 2024

The Company continues in evaluating the impact on its financial position and financial performance from the initial adoption of the aforementioned standards or interpretations and related applicable period. The related impact will be disclosed when the Company completes its evaluation.

The Company expects that other newly issued and revised standards but not yet endorsed will not have significant effect on the individual 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 IFRS 16 "Requirements for sale and leaseback transactions"

IV. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies presented in the individual financial statements are summarized below. The following accounting policies were applied consistently throughout the periods presented in the individual financial statements.

a. Statement of Compliance

The accompanying individual financial statements have been prepared in conformity with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

b. Basis of Preparation

1. Measurement base

Except for the following material items in the balance sheets, the individual financial statements have been prepared under the historical cost basis:

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

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

(3) Defined benefit liabilities (or assets) are recognized as the fair value of pension fund assets less the present value of the defined benefit obligation.

2. Functional currency and presentation currency

The Company's functional currency of each individual entity is the currency used in the primary economic environment in which it operates. The individual financial statements are presented in New Taiwan Dollar, the Company's functional currency. All the financial information in New Taiwan dollars is expressed in Thousands of New Taiwan dollars.

c. Foreign currency

1. Foreign currency transaction

Transactions in foreign currencies are translated into functional currencies at the exchanges rates at the dates of the transactions. At the end of each subsequent reporting period (hereafter the reporting date), monetary items denominated in foreign currencies are translated into the functional currencies using the exchange rate at the date. Non-monetary items denominated in foreign currencies that are measured at fair value are translated into the functional currencies using the exchange rate at the date that the fair value was denominated. Non-monetary items denominated in foreign currencies that are measured based on historical cost are translated using the exchange rate of the transaction.

Exchange differences are generally recognized in profit or loss, except for the differences relating to the following, which are recognized in other comprehensive income:

(1) an equity instrument designated as measured at fair value through other comprehensive income or loss;

(2) a financial liability designated as a hedge of the net investment in a foreign operation to the extent that the hedge is effective; or

(3) qualifying cash flow hedges to the extent that the hedges are effective.

2. Foreign operations

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on acquisition, are translated into the Company's functional currency at the exchange rates at the reporting date. Th income and expenses of foreign operations are translated into the Company's functional currency at the average exchange rate. Exchange differences are recognized in other comprehensive income.

When a foreign operation is disposed of such that the control, significant influence, or joint control is lost, the cumulative amount in the translation reserve related to that foreign operation is reclassified to profit or loss. When the Company disposed of partial investment in an associate or joint venture that includes a foreign operation while retaining significant or joint control, the relevant proportion of the cumulative amount is reattributed to profit or loss.

When the settlement of a monetary receivable from or payable to a foreign operation is neither planned nor likely to occur in the foreseeable future. Exchange differences arising from such a monetary item that are considered to form part of the net investment in foreign operation are recognized in other comprehensive income.

d. Criteria for classification of current and non-current assets and liabilities

The Company is mainly engaged in the contracting business of construction and civil engineering. Its business cycle is usually longer than one year. The criteria used to divide assets and liabilities related to construction projects into current or non-current are based on the business cycle of 3 to 5 years. The criteria for classification of other current and non-current assets and liabilities subjects are as follows:

Assets that meet one of the following conditions are classified as current assets, and all other assets that are not current assets are classified as non-current assets:

1. Assets that are expected to be realized during the Company's normal business cycle (for the master construction and project construction, it is normally longer than a year) or intended to be sold or consumed.
2. Assets that are held primarily for trading purposes;
3. Assets that are expected to be realized within 12 months after the reporting date; or
4. Assets that are cash and cash equivalents, excluding those that are restricted from being exchanged or used to settle a liability for at least 12 months after the reporting date.

Liabilities that meet one of the following conditions are classified as current liabilities, and all other assets that are not current liabilities are classified as non-current liabilities:

1. Liabilities that are expected to be settled within the Company's regular business cycle (for the master construction and project construction, it is normally longer than a year);
2. Liabilities that are held primarily for trading purposes;
3. Liabilities that are due to be settled within 12 months after the reporting date; or
4. The Company has no unconditional right to defer settlement for at least 12 months after the reporting period. Terms of a liability that could, at the option of the counterparty, result in its settlement by issuing equity instruments do not affect its classification.

e. Cash and cash equivalents

Cash comprises cash on hand and demand deposits. Cash equivalents are assets that are readily convertible to known amounts of cash and are high-liquidity investments that are subject to an insignificant risk of changes in their fair value. Time deposits are accounted under cash and cash equivalents if they are accord with the definition aforementioned and are held for the purpose of meeting short-term cash commitment rather than for investment or other purpose.

f. Financial instruments

Account receivables and corporate bonds are initially recognized when they are originated. All other financial assets and financial liabilities are initially recognized when the Company becomes a party to the contractual provisions of the instrument. A financial asset (unless it is an accounts receivable without a significant financing component) or financial liability is initially measured at fair value plus, for an item not at fair value through profit or loss (FVTPL), transaction costs that are directly attributable to its acquisition or issue. Accounts receivable without a significant financing component is initially measured at the transaction price.

1. Financial assets

Regular way purchases or sales of financial assets are recognized and derecognized on a trade date or settlement date basis for which financial assets were classified in the same way.

On initial recognition, financial assets are classified into the following categories: measured at amortised cost; debt instrument investments are measured at fair value through other comprehensive income (FVOCI), investments in equity instrument at fair value through other comprehensive income or loss (FVOCI), or fair value through profit or loss (FVTPL). Unless the Consolidated Company changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

(1) Financial assets measured at amortized cost

A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is to hold financial assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

These assets are subsequently measured at amortized cost, which is the amount at which the financial asset is measured at initial recognition, plus/less, the cumulative amortization using the effective interest method, adjusted for any loss allowance. Interest income, foreign exchange gains and losses, as well as impairment, are recognized in profit or loss. Any gain or loss on derecognition is recognized in profit or loss.

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

An investment in debt instruments is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding

On initial recognition, the Company may make an irrevocable election to report subsequent changes in the fair value of investments in equity instruments not held for trading in other comprehensive income. The above election is made on an instrument-by-instrument basis.

Investments in debt instruments at FVOCI are subsequently measured at fair value. Interest income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognized in profit or loss. Other net gains and losses are recognized in other comprehensive income. On derecognition, gains and losses accumulated in other comprehensive income are reclassified to profit or loss.

Investments in equity instrument at FVOCI are subsequently measured at fair value. Dividends are recognized as income in profit or loss (unless the dividend clearly represents a recovery of part of the cost of the investment). Other net gains and losses are recognized in other comprehensive income and are never reclassified to profit or loss.

Dividend income from equity investments is recognized on the date on which the Company 's right to receive the dividends is established (normally the ex-dividend date).

(3) Fair value through profit or loss (FVTPL)

All financial assets not classified as amortized cost or FVOCI described as above are measured at FVTPL. On initial recognition, the Company may irrevocably designate a financial asset, which meets the requirements to be measured at amortized cost or at FVOCI, as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

These assets are subsequently measured at fair value. Net gains and losses (including any interest or dividend income) are recognized in profit or loss.

(4) Impairment of financial assets

The Company recognizes its loss allowances for expected credit losses (ECL) on financial assets measured at amortized cost (including cash and cash equivalents, financial assets measured at amortized cost, notes and accounts receivable, other receivables, guarantee deposit paid and other financial assets), investments in debt instrument measured at fair value through other comprehensive income or loss, and expected credit losses on contract assets.

Financial assets measure its loss allowances at an amount equal to lifetime ECL, except for the following which are measured as 12-month ECL:

· debt securities that are determined to have low credit risk at the reporting date；and

· other debt securities and bank balances for which the credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

Loss allowance for accounts receivable and contract assets are always measured at an amount equal to lifetime ECL.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition, the Company considers reasonable and supportable information that is relevant and available (without undue cost or effort). This includes both quantitative and qualitative information and analysis based on the Company's historical experience and informed credit assessment, as well as forward-looking information

The Company considers a debt security to have low credit risk when its credit risk rating is equivalent to the globally understood definition of 'investment grade" (Standard & Poor's investment grade BBB, Moody's investment grade Baa3, or China Credit Ratings investment grade twA, or higher).

If the payment for the contract is overdue for more than 121 days, the Company shall assume the credit risk of financial assets has increased significantly.

If the payment for the contract is overdue for more than 271 days, or the borrower is unlikely to perform its credit obligations and pay the full amount to the Company, the Company shall regard it as a default of the financial asset.

Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument.

12-month ECLs are the portion of ECLs resulting from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months).

The maximum period considered when estimating ECLs is the maximum contractual period over which the Consolidated Company is exposed to credit risk.

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls, i.e. the difference between the cash flows due to the Company in accordance with the contract and the cash flows that the Company expects to receive. ECLs are discounted at the effective interest rate of the financial asset.

At each reporting date, the Company assesses whether financial assets carried at amortized cost and debt securities measured at fair value through other comprehensive income are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred. Evidence that a financial asset is credit-impaired includes the following observable data：

·significant financial difficulty of the borrower or issuer;

·a breach of contract such as a default or being more than 271 days past due;

·the lender of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession that the lender would not otherwise consider;
·it is probable that the borrower will enter bankruptcy or other financial reorganization; or
·the disappearance of an active market for a security because of financial difficulties.

Loss allowances for financial assets measured at amortized cost are deducted from the gross carrying amount of the assets. For investments in debt instruments measured at fair value through other comprehensive income, the allowance for losses is adjusted to profit or loss and recognized in other comprehensive income (without reducing the carrying amount of the asset).

The gross carrying amount of a financial asset is written off when the Company has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. For individual accounts, the Company's policy is to write off the total carrying amount when the financial assets are past due for more than 271 days, based on the past recovery experience of similar assets. For corporate accounts, the Company analyzes the timing and amount of eliminations on a case-by-case basis based on whether they are reasonably expected to be recoverable. The Company expects that there will be no significant reversal of the amount written off. However, financial assets that have been written off may still be enforced in order to comply with the Company's procedures for recovering overdue amounts.

(5) Derecognition of financial assets

The Company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

The Company enters into transactions whereby it transfers assets recognized in its statement of balance sheet but retains either all or substantially all of the risks and rewards of the transferred assets. In these cases, continues to be recognized in the balance sheet.

2. Financial Liabilities and Equity Instruments

(1) Classification as debt or equity

Debt and equity instruments issued by the Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

(2) Equity transactions

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognized at the proceeds received, net of direct issue costs.

(3) Treasury shares

When shares recognized as equity are repurchased, the amount of the consideration paid (which includes directly attributable costs) is recognized as a deduction from equity. Repurchased shares are classified as treasury shares. When treasury shares are sold or reissued subsequently, the amount received is recognized as an increase in equity, and the resulting surplus or deficit on the transaction is recognized in capital surplus or retained earnings (if the capital surplus is not sufficient to be written down).

(4) Financial liabilities

Financial liabilities are classified as at amortized cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognized in profit or loss.

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

(5) Derecognition of financial liabilities

The Company derecognizes financial liabilities when, and only when, the Company's obligations are discharged, cancelled or they expire. When the terms of a financial liability are modified and the cash flows of the modified liability are materially different, the original financial liability is derecognized and the new financial liability is recognized at fair value on the basis of the modified terms.

On derecognition of a financial liability, the difference between the carrying amount of a financial liability extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognized in profit or loss.

(6) Offsetting of financial assets and liabilities

Financial assets and financial liabilities are offset and the net amount presented in the statement of balance sheet when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realize the asset and settle the liability simultaneously.

(7) Financial guarantee contracts

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the original or modified terms of a debt instrument.

Financial guarantee contracts issued by the Company which are not designated as at fair value through profit or loss, are measured initially at their fair value less directly attributable transaction costs, are measured subsequently at the higher of: (a) the amount of the loss allowance determined in accordance with IFRS 9; and (b) The amount recognized initially less, where appropriate, the amount of accumulated earnings recognized in accordance with the revenue recognition policies set out below.

g. Inventories

The original cost of inventory is the necessary expenditure incurred to get the inventory to the place where it is available for sale. The development cost of the premises includes construction costs, land costs, borrowing costs and project costs incurred during the development period. Upon completion, the real estate under construction is carried forward to the real estate for sale, and the operating cost is carried forward according to the sales proportion of the development cost of the real estate. Subsequently, based on the lower of cost and net realizable value, when the cost of inventory is higher than the net realizable value, the cost should be offset to the NRV, and the offset should be recognized as the cost of goods sold in the current period. The method for determining the net realizable value is as follows:

1. Land for construction:
   The NRV is calculated based on the replacement cost or estimated selling price (according to the prevailing market conditions) minus estimated selling expenses.
2. Buildings under construction:
   The NRV is calculated based on the estimated selling price (according to the prevailing market conditions) minus the costs that might incur until completion and sales expenses.
3. Premises for sale:
   The NRV is calculated based on the estimated selling price (according to the prevailing market conditions) minus the estimated selling expenses.

h. Investment in associates

An associate is an entity over which the Company has significant influence and that is neither a subsidiary nor an interest in a joint venture.

The Company uses equity method to account for investment in associates. Under the equity method, an investment is initially recognized at cost and the investment cost includes transaction cost. The book value of the investment in the associates includes the goodwill identified at the time of the original investment less any accumulated impairment losses.

The individual financial report recognizes the profit and loss of each investment related company and the amount of other comprehensive gains and losses based on the proportion of equity from the date of significant impact to the date of loss of significant impact after adjustments are made for consistency with the Company's accounting policies, When a non-profit and loss and other comprehensive gains and losses occur in the equity changes of the associates and do not affect the proportion of the Company's shareholding, the Company will recognize the equity change attributable to the Company under the share of the associates as capital surplus according to the shareholding ratio.

The unrealized gains and losses arising from transactions between the Company and the associates are only recognized in the financial statements of the company within the scope of the non-affiliated investor's interests in the associates.

When the Company's share of losses of an associate equal or exceed its interest in that associate, the Company discontinues recognizing its share of further losses. Additional losses and liabilities are recognized only to the extent that the Corporation has incurred legal obligations, or constructive obligations, or made payments on behalf of that associate.

i. Investment in subsidiaries

When preparing the individual financial statement, the Company uses the equity method to account for the invested company that is controlled by the Company. Under the equity method, the current profit and loss and other comprehensive gains and losses of the individual financial report are the same as the current profit and loss and other comprehensive gains and losses attributable to owners of parent in the individual financial report. And the equity in the individual financial report is the same as the equity attributable to the owners of the parent in the individual financial report.

Changes in the Company's ownership interests in subsidiaries that do not result in the Company losing of control over the subsidiary are accounted for as equity transaction.

j. Investment property

Investment properties are properties held to earn rentals and/or for capital appreciation not a property for normal business sale, for production, provision of goods or labor, or for administrative management purposes. Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are measured at cost less accumulated depreciation and accumulated impairment. Its depreciation method, useful lives and residual values refer to accounting treatment of property, plant, and equipment.

The profit or loss after the disposal of investment property (the difference between the net disposal proceeds and the carrying amount of the asset) is recognized in profit or loss.

The lease income of investment property is recognized as operating revenue using the straight-line method during lease period. The incentive provided to lease it is recognized as part of the lease income during the lease period.

k. Property, plant, and equipment

1. Recognition and measurement

Items of property, plant and equipment are measured at cost, which includes capitalized borrowing costs, less accumulated depreciation and any accumulated impairment losses.

If significant parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

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

2. Subsequent cost

Subsequent expenditure is capitalized only when it is probable that future economic benefits associated with the expenditure will flow to the Company.

3. Depreciation

Depreciation is calculated on the cost of an asset, less its residual value and is recognized in profit or loss on a straight-line basis over the estimated useful lives of each component of an item of property, plant and equipment.

Land is not depreciated.

The estimated useful lives for the current and comparative years of significant items of property, plant and equipment are as follows:

(1) Buildings and constructions	10 ~50 years
(2) Transportation equipment	3 ~ 5 years
(3) Other equipment	3 ~ 5 years

Depreciation methods, useful lives, and residual values are reviewed at each reporting date and adjusted if appropriate.

4. Reclassification to investment property

When the property for self-use is changed to investment property, the property is reclassified as investment property based on the book value at the time of the change of use.

l. Leases

The Company assesses whether a contract is a lease or contains a lease at the commencement date of the contract. A contract is, or contains, a lease if it conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

1. As a lessee

The Company recognizes a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be reliably determined, the Company's incremental borrowing rate. Generally, the Company uses its incremental borrowing rate as the discount rate.

Lease payments included in the measurement of the lease liability comprise the following:

(1) fixed payments, including in-substance fixed payments;

(2) variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;

(3) amounts expected to be paid under a residual value guarantee; and

(4) payments for purchase or termination options that are reasonably certain to be exercised.

The lease liability is measured at amortized cost using the effective interest method. It is remeasured when:

(1) change in future lease payments arising from the change in an index or rate; or
(2) change in the amount of the guarantee for residual value expected to be paid;
(3) change in the evaluation of the option to purchase the underlying assets;
(4) change in estimate of whether to exercise the option to extend or terminate and resulting in a change in the evaluation of the lease term;
(5) Modifications to the leased object, scope or other terms.

Lease liabilities are remeasured as a result of changes in the index or rate used to determine lease payments, changes in the residual value guarantee amount and changes in the valuation of purchase, extension or termination options as described above. The carrying amount of the right-of-use asset is adjusted accordingly, and the remaining remeasurement amount is recognized in profit or loss when the carrying amount of the right-of-use asset is reduced to zero.

For lease modifications that reduce the scope of the lease, which reduces the carrying amount of the right-of-use asset to reflect the partial or full termination of the lease, the difference between the carrying amount and the remeasurement amount of the lease liability is recognized in profit or loss.

Right-of-use assets and lease liabilities that do not meet the definition of investment property are presented in separate line items in the Company's balance sheet.

If the agreement contains lease and non-lease components, the Company will allocate the consideration in the contract to the individual lease components based on the relative separate prices. However, when leasing land and buildings, the Company chose not to distinguish between non-lease components and the lease component and non-lease component as a single lease component.

For short-term leases and leases of low-value underlying assets, the Consolidated Company has elected not to recognize right-of-use assets and lease liabilities, and instead recognizes the related lease payments as expenses on a straight-line basis over the lease term.

2. As a lessor

When the Company acts as a lessor in the transaction, on the commencement date of the lease, the criteria used to classify the lease contract is whether almost all risks and rewards attached to the ownership of the underlying asset is transferred. If it is, it is classified as a financial lease, otherwise it is classified as an operating lease. In the evaluation, the Company considers relevant specific indicators including whether the main part of the economic life of the underlying asset is covered during the lease period.

If the Consolidated Company is a sublease lessor, the main lease and sublease transactions are treated separately, and the classification of the sublease transactions is evaluated based on the right-of-use assets generated by the main lease. If the main lease is a short-term lease and the recognition exemption applies, its sublease transaction should be classified as an operating lease.

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If the agreement contains lease and non-lease components, the Consolidated Company uses IFRS No. 15 to allocate the consideration in the contract.

For operating leases, the Consolidated Company uses a straight-line basis to recognize the lease payments received as lease income during the lease period.

m. Intangible assets

1. Recognition and measurement

Other intangible assets are acquired by the Company and have finite useful lives are measured at cost less accumulated amortization and any accumulated impairment losses

2. Subsequent expenditure

Subsequent expenditure is capitalized only when it increases the future economic benefits embedded in the specific asset to which it relates. All other expenditures, including expenditures on internally generated goodwill and brands, it recognized in profit or loss as incurred.

3. Amortization

Except for goodwill, amortization is calculated over the cost of the asset, less its residual value, and is recognized in profit or loss on a straight-line basis over the estimated useful lives of intangible assets from the date that they are available for use.

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

Computer software 5~10 years

Amortization methods, useful lives and residual values are reviewed by the Company at each reporting date and adjusted if appropriate.

n. Impairment of non-financial assets

At each reporting date, the Company reviews the carrying amounts of its non-financial assets (other than inventories, contract assets, deferred tax assets) to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. The goodwill is tested for impairment regularly.

For impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGUs. Goodwill arising from a business combination is allocated to CGUs or groups of CGUs that are expected to benefit from the synergies of the combination.

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value. less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and risks specific to the asset or CGU.

An impairment loss is recognized if the carrying amount of an individual asset or CGU exceeds its recoverable amount.

An impairment loss is recognized immediately in profit or loss, and it is first allocated to reduce the carrying amount of any goodwill allocated to the cash generating unit, then to the other assets of the unit pro rata on the basis of the carrying amount of each asset in the unit.

An impairment loss recognized for goodwill is not reversed. Non-financial assets other than goodwill are reversed only to the extent that the carrying amount (less depreciation or amortization) of the asset does not exceed the amount that would have been determined had no impairment loss been recognized in prior years.

o. Provisions of after services

A provision is recognized if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects the current market assessments of the time value of money and the risks specific to the liability. The amortization of the discounted value is recognized as interest expense.

Provisions for after services

A Provision for after services recognized when the underlying products or services are sold. The provision is based on historical data and a weighting of all possible outcomes against them associated probabilities.

p. Revenue recognition

1. Revenue from contracts with customers

Revenue is measured based on the consideration to which the Company expects to be entitled in exchange for transferring goods or services to a customer. The Company recognizes revenue when it satisfies a performance obligation by transferring control of a good or a service to a customer. The accounting policies for the Company's main types of revenue are explained below:

(1) Land development and real estate sales

The Company develops and sells residential real estate, and often pre-sales real estate during or before construction. The Company recognizes revenue when the control of the real estate is transferred. Due to contractual restrictions, the real estate usually has no other purpose to the Company. However, after the legal ownership of the real estate is transferred to the customer, the Company will only have an enforceable right to the payment that has been completed so far. Therefore, the Company recognizes revenue when the legal ownership of the real is transferred or when the real estate is handed over to the customer.

Revenue is measured based on the agreed transaction price of the contract. If it is a sale of existing homes, in most cases, the consideration can be collected when the legal ownership of the real estate is transferred. In a few cases, the payment of the account can be deferred according to the contract agreement, but the deferred period does not exceed twelve months. Therefore, the transaction price is not adjusted to reflect the impact of significant financial components. In the case of pre-sale of real estate, the payment is usually received in installments during the period from the signing of the contract to the transfer of the real estate to the customer. If the contract contains a significant financial component, the transaction price is adjusted during the period according to the project loan interest rate of the construction project to reflect the impact from the time value of money. Advance receipts are recognized as contract liabilities, and interest expenses and contract liabilities are recognized when judging the impact of the time value of money needs to be adjusted. The accumulated contract liability amount is transferred to revenue when the real estate is transferred to the customer.

Some contracts include multiple delivery items, such as the sale of residential real estate and decoration services. The decoration services are regarded as a separate performance obligation, and the transaction price is allocated on the basis of the stand-alone selling price. If there is no directly observable price, the stand-alone selling price is estimated based on the expected cost plus profit. The revenue of the decoration service is recognized when the labor service is completed.

(2) Significant financial composition- advance real estate receipts

The revenue of the Company is measured in accordance with the transaction price of the contract agreement. If it is a sale of existing homes, in most cases, the consideration can be collected when the legal ownership of the real estate is transferred. In a few cases, the payment can be deferred in accordance with the contract agreement, but the deferred period does not exceed twelve months. The sale of real estate usually takes place during the period from the signing of the contract to the transfer of the real estate to the customer and the aforementioned payment is received; the Company evaluates whether the consideration commitment of the contract is different from the current selling price on the basis of individual contracts and whether the aforementioned pre-received consideration contains financial factors; the Company received consideration in advance to provide protection for the customer's performance of the contract, a subsidy, to reduce the re-sale price risk caused by the customer's non-fulfillment of the contract to the Company. Therefore, it is not a major financial component of the financing obtained from the customer. Thus, the transaction price is not adjusted to reflect the impact of significant financial components.

2. Contract costs

Incremental costs of obtaining a contract

The Company recognizes the incremental costs of obtaining a contract with a customer as an asset if the Company expects to recover those costs. The incremental costs of obtaining a contract are those costs that the Company incurs to obtain a contract with a customer that it would not have incurred if the contract had not been obtained. Costs to obtain a contract that would have been incurred regardless of whether the contract was obtained shall be recognized as an expense when incurred unless those costs are explicitly chargeable to the customer regardless of whether the contract is obtained. The Company recognizes as an asset the incremental cost, which is expected to be recoverable, incurred in obtaining customer contracts through the sale of real estate, and it is amortized on a systematic basis consistent with the transfer of pre-sale houses to customers.

q. Employee benefits

1. Defined contribution plans

For defined contribution retirement benefit plans, payments to the benefit plan are recognized as an expense when the employees have rendered service entitling them to the contribution.

2. Defined benefit plans

Net obligations of the Company to defined benefit plans are calculated by discounting the present value of future benefit amounts earned by employees for current or prior service, less the fair value of any plan assets.

The calculation of defined benefit obligations is performed annually by a qualified actuary using the projected unit benefit method. When the calculation may be beneficial to the Company, the asset is recognized to the extent of the present value of any economic benefits available in the form of refunds of contributions from the plan or reductions in future contributions to the plan. To calculate the present value of economic benefits, consideration is given to any applicable minimum funding requirements.

Remeasurements of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset limits if any (excluding interest), are recognized immediately in other comprehensive income, and accumulated in retained earnings within equity. The Consolidated Company determines the net interest expense (income) on the net defined benefit liability (asset) by using the net defined benefit liability (asset) and discount rate determined at the beginning of the annual reporting period. Net interest expense and other expenses related to defined benefit plans are recognized in profit or loss.

When a plan is amended or curtailed, the resulting change in benefits related to prior service cost or curtailment benefit or loss is recognized immediately in profit or loss. The Company recognizes a gain or loss on the settlement of a defined benefit plan when the settlement occurs.

3. Short-term employee benefits

Short-term employee benefit obligations are recognized as expenses when the services are rendered. If the Company has a present legal or constructive obligation to pay for services rendered by employees, and the obligation can be reliably estimated, the amount is recognized as a liability.

r. Income taxes

Income taxes comprise current taxes and deferred taxes. Except for expenses related to business combinations or recognized directly in equity or other comprehensive income, all current and deferred taxes are recognized in profit or loss.

The Company determines that interest or penalties related to income taxes (including uncertain tax treatment) do not meet the definition of income taxes and therefore applies the accounting treatment under IAS 37.

Current taxes comprise the expected tax payables or receivables on the taxable profits (losses) for the year, and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax payables or receivables is the best estimate of the tax amount expected to be paid or received that it is measured using tax rates enacted or substantively enacted at the reporting date.

Deferred taxes arise due to temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and their respective tax bases. Deferred taxes are recognized except for the following:

1.initially recognized assets or liabilities that are not part of the transaction of a business combination and do not affect the accounting profit or taxable income (loss) at the time of the transaction;

2.temporary differences arising from investments in subsidiaries, associates and joint venture interests at which the Consolidated Company is able to control the timing of the reversal of the temporary differences and where it is probable that the temporary differences will not reverse in the foreseeable future; and

3.taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax assets are recognized for unused tax losses and unused income tax credits in subsequent periods to the extent that it is probable that future taxable income will be available against which the temporary differences can be deducted. Deferred income tax assets are reassessed at each reporting date and are reduced to the extent that it is not probable that the related income tax benefit will be realized, or to the extent that it becomes probable that sufficient taxable income will be available to allow the reversal of the previously decreases.

Deferred taxes are measured at tax rates that are expected to be applied to temporary differences when they reserve, using tax rates enacted or substantively enacted at the reporting date.

Deferred tax assets and liabilities are offset by the Company if the following criteria are met:

1. has a legally enforceable right to set off current tax assets against urrent tax liabilities; and
2. the deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority on either:
   (1) the same taxable entity; or
   (2) different taxable entities which intend to settle current tax assets and liabilities on a net basis, or to realize the assets and liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

s. Earnings per share

The Company discloses the Company's basic and diluted earnings per share attributable to ordinary shareholders of the Company. Basic earnings per share are calculated as the profit attributable to ordinary shareholders of the Company, divided by the weighted-average number of ordinary shares outstanding. Diluted earnings per share are calculated as the profit attributable to ordinary shareholders of the Company, divided by the weighted-average number of ordinary shares outstanding after adjustment for the effects of all potentially dilutive ordinary shares, including convertible bond and employee stock options.

t. Operating segments

The company's information about the operating segments has been disclosed in the consolidated financial statements, so no such information will be disclosed in the individual financial statements.

V. Significant accounting assumptions and judgments, and major sources of estimation uncertainty

The preparation of the individual financial statements requires management to make judgments, estimates, and assumptions that affect the application of the accounting policies and the carrying amount of assets, liabilities, income, and expenses. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed by management on an ongoing basis and any changes in accounting estimates are recognized in the period of change and in the future periods affected.

Accounting policies do not involve significant judgments and have no material impact on recognized amounts for the individual financial report.

The following assumptions and estimated uncertainties have a significant risk of causing significant adjustments to the carrying amount of assets and liabilities in the next financial year and have reflected the impact of the COVID pandemic. The relevant information is as follows:

(1) Valuation of inventories

As inventories are measured at the lower of cost or net realizable value, the net realizable value of inventories that the Company evaluates at the end of the reporting date based on the estimation of future selling price and the construction cost, and since it is vulnerable to political and economic environment, there may be significant changes in the net realizable value of inventories. Please refer to Note 6(4) for further description of the valuation of inventories.

VI. Explanation of significant accounts

(a) Cash and cash equivalents

	December 31, 2022	December 31, 2021
Cash on hand	$ 111	191
Demand deposits	245,420	256,686
Checking accounts	56,098	34,720
Time deposits	20	20
Cash and cash equivalents in the consolidated statements of cash flows	**$ 301,649**	**291,617**

Please refer to note 6(20) for the exchange rate risk and sensitivity analysis of the financial assets and liabilities of the Company.

(b)Financial assets and liabilities at fair value through profit or loss

	December 31, 2022	December 31, 2021
Mandatorily measured at fair value through profit or loss:		
Non-derivative financial assets		
Shares of stocks of listed (cabinet) companies (current)	$ 21,748	25,252
Private equity funds (non-current)	17,522	15,357
Total	**$ 39,270**	**40,609**

1. Please refer to Note 6(19) for the amount that the Company re-measured and recognized in the profit and loss at fair value.
2. The Company has disclosed credit risk and fair value information related to financial instruments in Note 6(20).
3. The above financial assets have not been pledged as collateral.

(c) Financial assets at fair value through other comprehensive income

	December 31, 2022	December 31, 2021
Equity instruments measured at fair value through other comprehensive income or loss:		
Shares of stock of listed companies-Asia Pacific Telecom Co., Ltd.	$ 9,995	13,469
Emerging Stock -Tien Li Offshore Wind Technology Co., Ltd.	18,910	26,820
Shares of stock of unlisted companies - Hon Lin Heavy Industries Co., Ltd.	13,838	13,744
- Li Ling Film Co., Ltd.	12,280	18,440
- Lianda Wushih Marina Resort Co., Ltd.	99,840	154,544
- Lealea Tourism Development Co., Ltd.	754	1,332
Total	**$ 155,617**	**228,349**

1. Investments in equity instruments measured at fair value through other comprehensive income
   (1) The Company holds these investments in equity instruments as long-term strategic investments and are not held for trading purposes and therefore have been designated as measured at fair value through other comprehensive income.
   (2) The Company acquired 419,000 shares of Tien Li Offshore Wind Technology Co., Ltd. with an amount of $32,214 thousand in 2021.
   (3) As of December 31, 2021, the Company disposed of its investments in equity instruments designated as at fair value through other comprehensive income or loss as shown above, as follows:

Stock name	Fair value	Accumulated gains and losses on disposal
2021		
Tien Li Offshore Wind Technology Co., Ltd.	**$ 16,843**	**8,785**

2.For credit risk and fair value information related to financial instruments, please refer to note 6(20).

3. The above financial assets of the Company have not been pledged as collateral.

(d) Inventories

	December 31, 2022	December 31, 2021
Promises for sale	$ 1,408,199	2,566,073
Land for construction	3,154,028	3,093,537
Buildings under construction	10,286,699	9,812,585
Prepayment for land	190,661	157,953
Less: Allowance for inventory valuation losses	(83,677)	(89,519)
	$ 14,955,910	**15,540,629**

1.The cost of goods sold is broken down as follows:

	2022	2021
Carry forward of premises for sale	$ 1,146,322	804,345
Cost of disposal of volume	90,667	32,670
Leasing Costs	36,411	43,281
Inventory written down to net realizable value	(5,842)	(10,539)
	$ 1,267,558	**869,757**

2. As of December 31,2022 and 2021, the inventories that are expected to realize beyond 12 months are NT$11,975,262 thousand and NT$14,567,119 thousand respectively.
3. For the interest capitalization as of December 31, 2022 and 2021, please refer to Note 6(19).
4. As of December 31, 2022 and 2021, the inventories of the Company had been pledged as collateral, and for the details, please refer to Note 8.

(e) Investments accounted for using equity method

The Company' s financial investments that are accounted for using equity method at reporting date were as follows:

	December 31, 2022	December 31, 2021
Subsidiary	$ 6,184,720	6,223,987
Associates	67,203	67,849
	$ 6,251,923	**6,291,836**

1.Subsidiary

(1) For the relevant information of the above invested subsidiaries, please refer to the 2022 consolidated financial statements.

(2) As of December 31, 2022, and 2021, increased in investment in subsidiaries amounted to NT$215,000 thousand and NT$382,500 thousand respectively, and effect of the changes in shareholding net recognized were NT$ (2,007) thousand and NT$23,049 thousand respectively.

2. Associates

The Company' s financial information for investments in individually insignificant associates accounted for using equity method at reporting date was as follows. Such financial information is included in the individual financial statements.

	December 31, 2022	December 31, 2021
Carrying amount of individually insignificant associates' equity at the end of period	**$ 67,203**	**67,849**

	2022	2021
Shares attributed to the Consolidated Company:		
Profit (loss) from continuing operations	$ (646)	(3,351)
Total comprehensive income (loss)	**$ (646)**	**(3,351)**

3. Pledges

As of December 31, 2022, and 2021, none of the Company's investments accounted for using equity method were pledged as collateral.

(f) Property, plant, and equipment

The cost, depreciation, and impairment of the property, plant and equipment of the Company in 2022 and 2021, were as follows:

	Transportation equipment	Other equipment	Total
Cost or deemed cost:			
Balance on January 1, 2022	$ 7,437	12,823	20,260
Reclassification	-	30	30
Balance on December 31, 2022	**$ 7,437**	**12,853**	**20,290**
Balance on January 1, 2021	$ 7,437	12,823	20,260
Balance on December 31, 2021	**$ 7,437**	**12,823**	**20,260**
Depreciation and impairment loss:			
Balance on January 1, 2022	$ 6,001	11,965	17,966
Depreciation for the year	420	407	827
Reclassification	-	30	30
Balance on December 31, 2022	**$ 6,421**	**12,402**	**18,823**
Balance on January 1, 2021	$ 5,293	11,527	16,820
Depreciation for the year	708	438	1,146
Balance on December 31, 2021	**$ 6,001**	**11,965**	**17,966**
Carrying amounts:			
Balance on December 31, 2022	**$ 1,016**	**451**	**1,467**
Balance on January 1, 2021	**$ 2,144**	**1,296**	**3,440**
Balance on December 31, 2021	**$ 1,436**	**858**	**2,294**

As of December 31, 2022, and 2021, the property, plant, and equipment of the Company had not been pledged as collateral.

(g) Investment property

Investment property includes its own assets held by the Company. The initial non-cancellable period of leased investment property is one to ten years, and some lease contracts stipulate that the lessee has the option to extend the period upon expiration.

The rental income of leased investment property is a fixed amount, but some contracts require the lessee to pay insurance expenses, the amount of which is determined separately every year.

The movements in the investment property of the Company were as follows:

	Land and improvements	Buildings and construction	Construction in progress	Total
Cost and deemed cost:				
Balance on January 1, 2022	$ 901,505	787,830	10,371	1,699,706
Additions	9,856	1,729	10	11,595
Carry forward from inventories	1,856	1,721	-	3,577
Balance on December 31, 2022	**$ 913,217**	**791,280**	**10,381**	**1,714,878**

	Land and improvements	Buildings and construction	Construction in progress	Total
Balance on January 1, 2021	$ 1,248,486	987,819	10,357	2,246,662
Additions	-	-	14	14
Disposal	(346,981)	(199,989)	-	(546,970)
Balance on December 31, 2021	**$ 901,505**	**787,830**	**10,371**	**1,699,706**
Depreciation and impairment loss:				
Balance on January 1, 2022	$ -	328,109	-	328,109
Depreciation for the year	-	29,372	-	29,372
Balance on December 31, 2022	**$ -**	**357,481**	**-**	**357,481**
Balance on January 1, 2021	$ -	388,764	-	388,764
Depreciation for the year	-	33,720	-	33,720
Disposal	-	(94,375)	-	(94,375)
Balance on December 31, 2021	**$ -**	**328,109**	**-**	**328,109**
Carrying amounts:				
Balance on December 31, 2022	**$ 913,217**	**433,799**	**10,381**	**1,357,397**
Balance on January 1, 2021	**$ 1,248,486**	**599,055**	**10,357**	**1,857,898**
Balance on December 31, 2021	**$ 901,505**	**459,721**	**10,371**	**1,371,597**
Fair Value:				
Balance on December 31, 2022				**$ 2,073,343**
Balance on December 31, 2021				**$ 1,997,983**

1.The Company has established relevant criteria for judging whether an asset can be classified as investment property. Investment property is a property held for the purpose of earning rent or capital appreciation or both. Therefore, the Company considers whether the main cash flow generated by a property is independent of other assets held by the Company. Part of properties held by the Company are held for the purpose of earning rental income or capital appreciation, and the other part is held for management purposes. If each part of the investment properties can be sold separately, the Company shall make accounting treatment for each part separately. If each part cannot be sold separately, only when the part held for management purposes is insignificant, the property shall be deemed as an investment property.

Investment property includes several commercial properties leased to others. For relevant information (including rental income and direct operating expenses incurred), please refer to Note 6(12).

The fair value of investment property is based on the evaluation of independent appraisers (with recognized relevant professional qualifications and recent experience in the location and type of investment property being evaluated). The input value used in its fair value evaluation technology belongs to the third level; or it refers to the property transaction price inquiry service network of the Ministry of the Interior and the real estate agency website for inquiries, where similar locations and types of recent transaction prices are the evaluation basis.

2. As of December 31, 2022 and 2021, the investment property of the Company had been pledged as collateral, and for the details, please refer to Note 8.

(h) Short-term loans

The details for the short-term loans of the Company were as follows:

	December 31, 2022	December 31, 2021
Unsecured bank loans	$ 761,500	813,500
Secured bank loans	6,403,511	6,207,111
Total	**$ 7,165,011**	**7,020,611**
Unused credit line	**$ 1,550,294**	**1,053,391**
Range of interest rates	**2.38%~3.03%**	**1.75%~2.4%**

For the details of the Company's assets pledged as collateral for bank loans, please refer to Note 8.

(i) Short-term notes and bills payable

The details of the Company's short-term notes and bills payable were as follows:

	December 31, 2022		
	Guarantee/Accepting Institution	Range of interest rates	Amount
Commercial paper payable	International Bills Finance Corporation	2.76%	$ 429,000
	China Bills Finance Corporation	2.34%	420,000
	Grand Bills Finance Corporation	2.26%	134,000
	Mega Bills Finance Co., Ltd.	3.05%	150,000
Total			**$ 1,133,000**

	December 31, 2021		
	Guarantee/Accepting Institution	Range of interest rates	Amount
Commercial paper payable	International Bills Finance Corporation	1.80%	$ 429,000
	China Bills Finance Corporation	1.75%	515,900
	Grand Bills Finance Corporation	1.80%	140,000
	Mega Bills Finance Co., Ltd.	1.74%	150,000
Total			**$ 1,234,900**

For the details of the Company's assets pledged as collateral for commercial paper payable, please refer to Note 8.

(j) Long-term loans

The details, conditions, and terms of the Company's long-term loans were as follows:

	December 31, 2022			
	Currency	Range of interest rate	Maturity year	Amount
Secured bank loans	NTD	2.09%~2.78%	112~124	$ 368,627
Less: current portion				(58,818)
Total:				**$ 309,809**
Unused credit line				**$ 200,000**

	December 31, 2021			
	Currency	Range of interest rate	Maturity year	Amount
Secured bank loans	NTD	1.59%~2.23%	111~124	$ 910,689
Less: current portion				(286,818)
Total:				**$ 623,871**
Unused credit line				**$ 230,000**

Please refer to Note 8 for the pledge of the Company's assets for bank loans.

(k) Bonds payable

The details of the Company's bond payable were as follows:

	December 31, 2022	December 31, 2021
Ordinary corporate bonds issued	$ 2,000,000	2,000,000
Less: unamortized discount on bonds payable	(3,096)	(4,170)
Bonds payable, end of the year	**$ 1,996,904**	**1,995,830**

The offering information and main rights and obligations of secured ordinary bonds issued by the Company in 2020 were as follows:

Item	1st secured ordinary bonds issued in 2020	2nd secured ordinary bonds issued in 2020
Issuing amount	NT$1,000,000 thousand	NT$1,000,000 thousand
Issuance date	October 23, 2020	December 14, 2020
Issuance period	October 23, 2020~ October 23, 2025	December 14, 2020~ December 14, 2025
Coupon rate	0.62%	0.58%
Guarantee Institution	Mega International Commercial Bank	Yuanta Commercial Bank
Trust institution	Taipei Fubon Commercial Bank	Taipei Fubon Commercial Bank
Repayment method	Repay principal in one lump sum at maturity.	

The Company recognized the amortized interest expenses of ordinary corporate bonds in 2022 and 2021. Please refer to Note 6 (19) for details.

(l) Operating leases

The Company leases its investment property. Since almost all risks and rewards belonging to the ownership of the underlying asset have not been transferred and paid, these lease contracts are classified as operating leases. Please refer to Note 6 (9)－Investment property for details.

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

	December 31, 2022	December 31, 2021
Less than a year	$ 54,592	59,885
Between one and two years	32,839	53,298
Between two and three years	22,178	31,615
Between three and four years	21,721	20,322
Between four and five years	20,767	19,730
More than five years	33,588	52,025
Total amount of undiscounted lease payments	**$ 185,685**	**236,875**

Please refer to Note 6 (16) for the rental income generated from real estate for sale and investment properties in 2022 and 2021. The maintenance expenses incurred by investment property (recognized in "Cost of Goods Sold and Operating Expenses") are as follows:

	2022	2021
Rental income generating ones	**$ 113**	**527**

(m) Income taxes

1. Income tax expense

The components of the Company's income tax in the years 2022 and 2021 were as follows:

	2022	2021
Current income tax expense		
Current income tax	$ -	2,335
Land appreciation tax	27,632	34,708
Adjustments in respect of current income tax of prior periods	3,644	-
	31,276	37,043
Deferred income tax expense		
The origination and reversal of temporary differences	1,423	810
Income tax expense	**$ 32,699**	**37,853**

2. The reconciliation of the Company's pre-tax profit and income tax expense for the years ended December 31, 2022 and 2021 were as follows:

		2022	2021
Profit before income tax	$	75,784	344,543
Income tax on pre-tax financial income calculated at the domestic rates applicable to profits in the country concerned	$	15,157	68,909
Tax exemption on income from land transactions		(45,009)	(75,326)
Investment income－equity method		21,391	13,458
Book-tax-difference in interest capitalization		(4,171)	(3,064)
Gain(loss) on valuation of financial assets and liabilities		535	1,843
Dividend income		(35)	(31)
Land appreciation tax		27,632	34,708
Current-year losses for which no deferred tax asset was recognized		14,537	-
Under(over)estimation in the previous period		3,644	-
Others		(982)	(2,644)
Total	**$**	**32,699**	**37,853**

3. Deferred tax assets and liabilities

Recognized deferred tax assets and liabilities

The movements in deferred tax assets were as follows:

		Unrealized provisions for contingent service cost	Unrealized Impairment losses	Unrealized Inventory valuation losses	Others	Total
Deferred tax assets:						
Balance on January 1, 2022	$	7,184	6,577	17,904	1,381	33,046
Debit (Credit) income statement		(198)	-	(1,168)	(57)	(1,423)
Balance on December 31, 2022	**$**	**6,986**	**6,577**	**16,736**	**1,324**	**31,623**
Balance on January 1, 2021	$	7,230	6,577	18,585	1,464	33,856
Debit (Credit) income statement		(46)	-	(681)	(83)	(810)
Balance on December 31, 2021	**$**	**7,184**	**6,577**	**17,904**	**1,381**	**33,046**

4. Status of approval of income tax

The Company's income tax returns through 2020 have been assessed and approved by the Tax Authority.

(n) Share capital and other equities

As of December 31, 2022, and 2021, both of the authorized capital of the Company was NT$10,100,000 thousand, with a par value of NT$10 per share, and each of the outstanding shares was 743,993 thousand shares, and the capital that rose from the shares had all been retrieved.

1. Capital surplus

The components of the capital surplus were as follows:

	December 31, 2022	December 31, 2021
Conversion of corporate bonds at premium	$ 12,949	12,949
Treasury stock transactions	3,337	3,337
Difference between consideration and carrying amount of subsidiaries acquired or disposed	436,442	438,449
Changes in ownership interest in associates and joint ventures accounted for using equity method	73	73
Recognized changes in ownership interest in. subsidiaries	213,976	213,185
	$ 666,777	**667,993**

According to Company Act, the realized capital surplus can only be used to increase the common stock or be distributed as cash dividends in accordance with proportions of shareholdings after the capital surplus is used to offset a deficit. The aforementioned realized capital surplus includes capital surplus resulting from premium on issuance of capital stock and earnings from donated assets received. According to the Regulations Governing the Offering and Issuance of Securities by Securities Issuers, capital increases by transferring capital surplus in excess of par value should not exceed 10% of the total common stock outstanding.

2. Retained earnings

The Company's Article of Incorporation stipulates that Company's net earnings should first be used to offset the prior years' deficits, if any, before paying any income taxes. Of the remaining balance, 10% is to be appropriated as legal reserve until the accumulated legal reserve equals the Company's paid-in capital. In addition, a special reserve, in accordance with applicable laws and regulations, shall also be set aside. Then, any remaining profit, together with any undistributed retained earnings, shall be distributed according to the distribution plan proposed by the Board of Directors and submitted to the stockholders' meeting for approval.

The Company is in a volatile industrial environment and the life cycle of the company is at a growth stage and is developing towards diversification. Considering the company's future capital needs, long-term financial planning and shareholders' demand for cash inflows, if the company's shareholders' meeting decides to issue shareholder dividends, the cash dividend shall not be less than 10% of the total dividend, but if the cash dividend per share is less than NT$0.1, it will not be paid and will be paid as a stock dividend, but the board of directors may change the aforementioned ratio according to the economic environment and changes in the Company's operating conditions.

(1) Legal reserve

When a company incurs no loss, it may, pursuant to a resolution by a shareholders' meeting, distribute its legal reserve by issuing new shares or by distributing cash, and only the portion of legal reserve which exceeds 25% of capital may be distributed.

(2) Special reserve

If the difference between the net decrease in other shareholders' equity and the remaining. balance of the special reserve is recognized in the current year, a special reserve shall be appropriated from the current period's profit or loss and the prior period's undistributed earnings; the amount of the decrease in other shareholders' equity accumulated in the prior period shall not be distributed from the prior period's undistributed earnings. If there is a reversal of the decrease in other shareholders' equity, the reversal may be distributed as part of the earnings.

As of the end of the period, a subsidiary that holds shares of the parent company at a market price lower than the book value should not distribute the same amount of special reserve based on the percentage of ownership. If the market price subsequently increases, the special reserve may be reversed based on the percentage of ownership.

The Company resolved at the shareholders' meeting on June 15, 2022 to appropriate special reserve of NT$56,736 thousand and to appropriate special reserve of NT$6,305 thousand for the change in market value of the parent company's shares held by its subsidiaries; and resolved at the shareholders' meeting on July 14, 2021 to reverse the special reserve of NT$149,144 thousand for the decrease in equity and to appropriate special reserve of NT$315 thousand for the change in market value of the parent company's shares held by its subsidiaries.

(3) Earnings distribution

On June 15, 2022 and July 14, 2021, the Company's shareholders' meeting resolved to appropriate the 2021 and 2020 earnings. The amount of dividends distributed to owners were as follows:

	2021		2020	
	Amount per share(NT$)	Amount	Amount per share(NT$)	Amount
Dividends distributed to common stock owners:				
－cash	$ 0.30	**223,198**	0.33	**245,518**

3. Other equity accounts (net of tax)

	Exchange differences on translation of foreign financial statements	Unrealized gains (losses) on financial assets measured at fair value through other comprehensive income	Total
Balance on January 1, 2022	$ (1,703)	(136,081)	(137,784)
Shares of unrealized gains (losses) on subsidiaries accounted for using equity method, measured at fair value through other comprehensive income	-	(39,291)	(39,291)
Shares of differences on translation of associates and subsidiaries accounted for using equity method	925	-	925
Unrealized gains (losses) on financial assets measured at fair value through other comprehensive income	-	(72,732)	(72,732)
Disposal of equity instruments measured at fair value through other comprehensive income	-	(12,868)	(12,868)
Balance on December 31, 2022	**$ (778)**	**(260,972)**	**(261,750)**
Balance on January 1, 2022	$ (5,184)	(75,864)	(81,048)
Shares of unrealized gains (losses) on subsidiaries accounted for using equity method, measured at fair value through other comprehensive income	-	(87,767)	(87,767)
Shares of differences on translation of associates and subsidiaries accounted for using equity method	3,481	-	3,481
Unrealized gains (losses) on financial assets measured at fair value through other comprehensive income	-	36,335	36,335
Disposal of equity instruments measured at fair value through other comprehensive income	-	(8,785)	(8,785)
Balance on December 31, 2021	**$ (1,703)**	**(136,081)**	**(137,784)**

(o) Earnings per share

1. Basic earnings per share

The basic earnings per share for the years ended December 31, 2022 and 2021, which are based on the profit attributable to ordinary shareholders and outstanding weighted-average number of ordinary shares, were calculated as follows:

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

	2022	2021
Net profit attributable to ordinary shareholders	**$ 43,085**	**306,690**

(2) Outstanding weighted-average number of ordinary shares

	2022	2021
Issued ordinary share as of January 1	743,993	743,993
Effects of Treasury stocks	(6,305)	(6,305)
Outstanding weighted-average number of ordinary shares as of December 31	**737,688**	**737,688**
Earnings per share (NT$)	**$ 0.06**	**0.42**

2. Diluted earnings per share

The diluted earnings per share for the years ended December 31, 2022 and 2021, which are based on the nte profit attributable to the Company's ordinary shareholders and outstanding weighted-average number of ordinary shares, were calculated as follows:

(1) Net profit attributable to the Company's ordinary shareholders (diluted)

	2022	2021
Net profit attributable to the Company	$ 43,085	306,690
Effect of conversion of convertible bonds	-	(5)
Net profit attributable to the Company's ordinary shareholders	**$ 43,085**	**306,685**
(After adjusting the number of shares of for the effects of dilutive potential ordinary shares)		

(2) Outstanding weighted-average number of ordinary shares (diluted)

	2022	2021
Outstanding weighted-average number of ordinary share (basic)	737,688	737,688
Effect of bonus share to employees	71	300
Outstanding weighted-average number of ordinary shares (diluted) as of December 31	**737,759**	**737,988**
Earnings per share (NT$)	**$ 0.06**	**0.42**

(p) Revenue from contracts with customers

1. Disaggregation of revenue

	2022	2021
Major geographic markets:		
Taiwan	**$ 1,667,675**	**1,208,417**

		2022	2021
Main product/Service lines:			
Rentals from investment property (Note)	$	59,522	78,750
Revenue from real estate sales		1,607,489	1,109,667
Revenue from other businesses		664	20,000
	$	**1,667,675**	**1,208,417**
Timing of revenue recognition:			
Service gradually transferred over time	$	59,522	78,750
Goods transferred at a point in time		1,607,489	1,129,667
Service transferred at a point in time		664	-
	$	**1,667,675**	**1,208,417**

Note：The Company recognized rental revenue by applying IFRS No. 16.

2.Balance of contract

		December 31, 2022	December 31, 2021	January 1, 2021
Notes receivable	$	63	16,502	1,093
Account receivable		2,584	3,182	3,803
Less: allowance for loss		-	-	-
Total	**$**	**2,647**	**19,684**	**4,896**
		111.12.31	**110.12.31**	**110.1.1**
Contract liability－ advance construction receipts	**$**	**501,965**	**357,252**	**87,435**
Amount expected to be settled after more than twelve months	**$**	**14,925**	**14,925**	**14,925**

The Company applies the simplified approach to provide for its expected credit losses, i.e. the use of lifetime expected loss provision for all notes and accounts receivable. To measure the expected credit losses, notes and accounts receivable have been grouped based on shared credit risk characteristics representing the customer's ability to pay all due amounts in accordance with contractual terms, and as well as incorporated forward looking information, including macroeconomic and relevant industry information. The loss allowance provision of notes receivable and account receivable were determined as follows:

	December 31, 2022		
	Notes receivable and carrying amount of AR	Weighted-average loss rate	Loss allowance provision
Not past due	**$ 2,647**	-	-

	December 31, 2021		
	Notes receivable and carrying amount of AR	Weighted-average loss rate	Loss allowance provision
Not past due	$ 19,684	-	-

3.Changes in contract liabilities are mainly due to the difference between the time when the Company transfers goods or services to customers to satisfy the performance obligations and the time when customers pay. As of 2022 and 2021, there were no significant changes.

(q) Remuneration of employees and directors

In accordance with the Company' s Articles of Incorporation, if there is any profit for the year, remuneration of employees shall be appropriated at the rate no less than of 0.5%, and the board of directors shall decide to issue stocks or cash. The payment objects include employees of controlling or affiliated companies that meet certain conditions. The board of directors or their authorized persons are authorized to determine the conditions and rule for distributions; the Company shall allow the board of directors to resolve by allocating no more than 3% the aforementioned amount of profit as directors' remuneration. The distributions for employee and director remuneration shall be reported to the shareholders meeting. However, when the company still has accumulated losses, it shall reserve the amount of remuneration in advance, and then appropriate employee and directors' remuneration based on the aforementioned proportions.

For the years ended December 31, 2022 and 2021, remuneration of employees of NT$219 thousand and NT$52,686 thousand respectively, and remuneration of directors of NT$1,315 thousand and NT$16,118 thousand respectively, which were estimated on the basis of the Company's net profit before tax, excluding the remuneration of employees and directors of each period, multiplied by the percentage of remuneration of employees and directors as specified in the Company's Articles of Incorporation, and recognized as operating expenses for the respective periods. If the actual distribution amount differs from the estimated amount in the following year, the difference is treated as a change in accounting estimate and recognized as profit or loss in the following year.

The appropriated amount of remuneration for employees and directors for 2021 were NT$2,686 thousand and NT$16,118 thousand respectively, and the actual distribution amount were overestimated by NT$869 thousand and NT$5,218 thousand respectively.The appropriated amount of remuneration for employee and director for 2020 were NT$526 thousand and NT$3,153 thousand respectively, which were underestimated by NT$ 253 thousand and underestimated by NT$ 894 thousand from the actual distribution amount respectively. For further information, please refer to Market Observation Post System.

(r) Net other income and expense

For the years ended December 31, 2022 and 2021, the Company's net other income and expenses were as follows:

	2022	2021
Gains on disposals of investment property	$ -	306,815

(s) Non-operation income and expense

1. Interest income

The details of the Company's interest income for the years ended December 31, 2022 and 2021 were as follows:

	2022	2021
Interest income of bank deposits	$ 1,700	454

2. Other income

The details of the Company's other income for the years ended December 31, 2022 and 2021 were as follows:

		2022	2021
Dividend income	$	175	155
Remuneration for directors and supervisors of subsidiaries		2,501	742
Guarantee fee income		9,000	9,606
Others		109	7,226
	$	**11,785**	**17,729**

3. Other gains and losses

The details of the Company's other gains and losses for 2021 and 2020 were as follows:

		2022	2021
Net gain or loss on financial assets at fair value through profit or loss	$	(2,677)	(9,213)
Gain on lease surrender		80	324
Impairment losses		-	(14,821)
Loss from currency exchange		3,725	(1,186)
Gain on disposal of investments		-	24,152
	$	**1,128**	**(744)**

The bargain purchase gain of NT$27,394 thousand on the acquisition date of Lealea Hotels & ResorstTourism Co., Ltd. was recognized under "Other income" in the accompanying statements of comprehensive income for the year ended December 31, 2020, and a fair value loss of NT$14,821 thousand was recognized as an adjustment in the year ended December 31, 2021.

4. Financial costs

The details of the Company's finance costs for the years ended 2022 and 2021 were as follows:

		2022	2021
Interest expenses			
Bank loans	$	189,557	174,667
Amortizations for corporate bond discount		1,074	1,074
Interest of bond payable		12,000	12,000
Interest of lease liabilities		191	533
Capitalized borrowing cost		(181,905)	(149,015)
Other interest expenses		79	89
Financial expenses		32,832	42,796
	$	**53,828**	**82,144**
Capitalization rates		**1.61%~2.16%**	**1.55%～1.64%**

(t) Financial instruments

1. Credit risks

(1) Maximum amount of credit risk exposure

The carrying amount of financial assets and contract assets represents the Company's maximum credit exposure.

(2) Concentration of credit risks

The Company's broad customer base, and customers are not correlated, so the concentration of credit risks is limited.

(3) Credit risk on receivables and debt securities

For the information of credit risk exposure of notes receivable and account receivable, please refer to Note 6(16)

Other financial assets measured at amortized cost include other receivables and investment bonds, corporate bonds, and time deposits, etc.

The aforementioned financial asset is assessed as financial assets with low credit risk, so the allowance for the period is measured based on the amount of expected credit loss in twelve months (please refer to Note 4(6) for the explanation of how the Company determines that the credit risk is low).

2. Liquidity risk

The following table shows the contractual maturities of financial liability, including estimated interest, without the impact of netting agreements:

	Carrying amount	Contractual cash flows	Within a year	Between 1-2 years	Between 2-5 years	Over 5 years
December 31, 2022						
Non-derivative financial liabilities						
Variable interest rate instruments	$ 7,533,638	7,854,200	4,362,876	820,885	2,663,355	7,084
Fixed interest rate instruments	3,129,904	3,167,558	1,145,000	12,033	2,010,525	-
Non-interest bearing liabilities	187,567	187,567	187,567	-	-	-
Lease liabilities	5,434	5,534	4,605	697	232	-
	$ 10,856,543	**11,214,859**	**5,700,048**	**833,615**	**4,674,112**	**7,084**
December 31, 2021						
Non-derivative financial liabilities						
Variable interest rate instruments	$ 7,931,300	8,093,867	5,505,493	1,839,500	740,992	7,882
Fixed interest rate instruments	3,230,730	3,282,277	1,247,719	12,000	2,022,558	-
Non-interest bearing liabilities	249,994	249,994	249,994	-	-	-
Lease liabilities	8,012	8,199	4,616	3,583	-	-
	$ 11,420,036	**11,634,337**	**7,007,822**	**1,855,083**	**2,763,550**	**7,882**

The Company does not expect that the cash flow at maturity to be analyzed will occur significantly earlier or the actual amount will be significantly different.

3. Interest rate analysis

Please refer to the note on liquidity risk management for the interest rate exposure of the Company's financial assets and liabilities.

The following sensitivity analysis is based on the exposure to the interest rate risk of derivative and non-derivative financial instruments on the reporting date. Regarding liabilities with variable interest rates, the analysis is based on the assumption that the amount of liabilities outstanding at the reporting date was outstanding throughout the year. The rate of change is expressed as the interest rate which increases or decreases by 1% when reporting to the internal management, which also represents the Company management's assessment of the reasonably possible interest rate change.

If the interest rate increases/decreases by 1%, with all other variable factors that remaining constant, the Company's net income would have decreased/increased by NT$52,215 thousand and NT$55,051 thousand for the years ended December 31, 2022 and 2021 respectively. This is mainly due to the Company's borrowings and bank deposits in variable rates.

4.Other price risks

If the price of equity securities changes on the reporting date (the two-period analysis adopts the same basis and assumes that other variable factors remain unchanged), the effects on profit or loss before tax and comprehensive income or loss items were as follows

Prices of securities on the reporting date	2022		2021	
	Other comprehensive income before tax	Net income before tax	Other comprehensive income before tax	Net income before tax
Increasing10%	$ 15,562	3,927	22,835	4,061
Decreasing10%	$ (15,562)	(3,927)	(22,835)	(4,061)

5. Fair value information

(1) The valuation process of the fair value of financial instruments

The accounting policies and disclosures of the Company include the use of fair value to measure its financial and non-financial assets and liabilities. The Company establishes relevant internal control systems for fair value measurement. This includes establishing a valuation team to be responsible for reviewing all major fair value measurements (including level 3 fair value) and reporting directly to the chief financial officer. The valuation team regularly reviews significant unobservable input values and adjustments. If the input value used to measure the fair value is to use external third-party information (such as a broker or pricing service agency), the valuation team will evaluate the evidence provided by the third party to support the input value and determine the valuation and its fair value classification. It complies with the requirements of the IFRS.

When measuring its assets and liability, the Company uses observable market data to evaluate its assets and liabilities when it is possible. The level of fair value is categorized as follows based on the input value used in the valuation technology:

- Level 1: fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2: fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3: inputs for the assets or liability that are not based on observable market data. (unobservable inputs).

(2) Categories and fair value of financial instruments

The Company's financial assets and liabilities measured at fair value through profit or loss and financial assets measured at fair value through other comprehensive income are measured at fair value on a recurring basis. The carrying amounts and fair values of each class of financial assets and financial liabilities (including fair value hierarchy information, except for financial instruments not measured at fair value whose carrying amounts are a reasonable approximation of fair value, and lease liabilities, for which disclosure of fair value information is not required) were described as follows:

	December 31, 2022				
		Fair value			
	Carrying amount	Level 1	Level 2	Level 3	Total
Financial assets at fair value through profit or loss					
Non-derivative financial assets mandatorily measured at fair value through profit or loss (current and non-current)	$ 39,269	21,747	-	17,522	39,269
Financial assets at fair value through other comprehensive income					
Stocks listed on domestic markets	28,905	9,995	18,910	-	28,905
Investments in equity instruments Non-publicly traded equity investments	126,712	-	-	126,712	126,712
Subtotal	155,617	9,995	18,910	126,712	155,617
Total	**$ 194,886**	**31,742**	**18,910**	**144,234**	**194,886**

	December 31, 2021				
		Fair value			
	Carrying amount	Level 1	Level 2	Level 3	Total
Financial assets at fair value through profit or loss					
Non-derivative financial assets mandatorily measured at fair value through profit or loss (current and non-current)	$ 40,609	25,252	-	15,357	40,609
Financial assets at fair value through other comprehensive income					
Stocks listed on domestic markets	13,469	13,469	-	-	13,469
Investments in equity instruments Non-publicly traded equity investments	214,880	-	26,820	188,060	214,880
Subtotal	228,349	13,469	26,820	188,060	228,349
Total	**$ 268,958**	**38,721**	**26,820**	**203,417**	**268,958**

(3) Valuation techniques of financial instruments not measured at fair value

The approaches and assumptions used by the Company to estimate instruments that were not measured at fair value were as follows:

(3.1) Financial assets and liability measured at amortized cost

If there is quoted price generated by transactions or market makers for financial liabilities, the recent transaction price and quoted price data is used as the basis for fair value measurement. However, if no quoted prices are available, then valuation approach is used to estimate. The estimates and assumptions used in the valuation approach are the discounted cash flows for the estimation of the fair value.

(4) Valuation techniques for financial instruments measured at fair value

(4.1) Non-derivative financial instruments

If the quoted market price in active markets is available for the financial instrument, the fair values are based on quoted market prices in active markets. The quoted price of a financial instrument obtained from main exchanges and on-the-run bonds from Taipei Exchange can be used as a basis to determine the fair value of the listed companies' equity instrument and debt instrument of the quoted price in an active market.

If a quoted price of a financial instrument can be obtained in time and often from exchanges, brokers, underwriters, industrial union, pricing institute, or authorities, and such price can reflect those actual trading and frequently happen in the market, then the financial instrument is considered to have a quoted price in an active market. If a financial instrument is not in accord with the definition mentioned above, then it is considered to be without a quoted price in an active market. In general, market with large bid-ask spreads, significantly increasing bid-ask spreads, or low trading volume is an indication of a non-active market.

If the financial instruments held by the Company are financial assets belong to those with active markets (such as listed common shares, beneficiary certificates, etc., which are financial assets with standard terms and conditions and traded on the active market), the fair value are determined by reference to the market quotation.

If the financial instruments held by the Company belongs to those with no active markets, their fair value is an equity instrument with no quoted market price in terms of its category and attribute. The fair value is estimated using the market approach and the binominal tree convertible bond valuation model. The main assumption is that it is measured based on the invested company's peer companies' market value and financial information. This estimate has been adjusted for the liquidity discount of the equity certificate.

(5) Transfer between level 1 and level 2: None.

(6) The details of movement of Level 3

	Debt instruments with no quoted market price at fair value through profit or loss	Equity instruments with no quoted market price at fair value through other comprehensive income
January 1, 2022	$ 15,357	188,060
Total profits or losses		
Recognized in profit or loss	828	-
Recognized in other comprehensive income	-	(61,348)
Purchased	1,337	-
December 31, 2022	**$ 17,522**	**126,712**
January 1, 2021	$ 13,734	39,485
Total profits or losses		
Recognized in profit or loss	3,288	-
Recognized in other comprehensive income	-	44,055
Purchased	3,201	-
Disposal of subsidiaries, regarded as a reacquired	-	104,520
Investment recovery	(4,866)	-
December 31, 2021	**$ 15,357**	**188,060**

The above total profits or losses were recognized in "Other Profits and Losses" and "Unrealized Valuation Loss of Financial Assets Measured at Fair Value through Other Comprehensive Profits and Losses". Among them, those related to the assets still held as of December 31, 2022 and 2021 were as follow

	2022	2021
Recognized in profit or loss (recorded in Other Profits or Losses)	828	3,288
Recognized in other comprehensive income (recorded in Unrealized Valuation Loss of Financial Assets Measured at Fair Value through Other Comprehensive Profits and Losses)	(61,348)	44,055

(7) Quantitative information of fair value measurement for significant unobservable Inputs (level 3)

The Company's fair value categorized as level 3 are financial assets measured at fair value through profit or loss and other comprehensive income－Debt instrument and equity securities investments and financial liabilities at fair value through profit or loss - derivative financial instruments.

Most of the Company's fair values categorized as level 3 have only one significant unobservable input.

Quantitative information of significant unobservable inputs of fair value measurement were as follows:

Category	Valuation technique	Significant unobservable inputs	Correlation between significant unobservable Input value and fair value
Financial assets -equity instruments with no quoted market price at fair value through other comprehensive income	Market approach and asset-based approach	·Liquidity discount (13.51%~30% for December 31, 2022 and 23.16%~30% for December 31, 2021 respectively)	·The higher the liquidity discount, the lower the fair value
Financial assets -debt instruments with no quoted market price at fair value through profit or loss	Asset-based approach	·Liquidity discount (10% for both December 31, 2022 and December 31, 2021)	·The higher the liquidity discount, the lower the fair value

(8) For the level 3 of fair value measurement, the sensitivity analysis of fair value to reasonably possible alternative assumptions

The Company's measurement of the fair value of financial instruments is reasonable, but the use of different valuation models or valuation parameters may result in different valuation results. For financial instruments categorized as level 3, if the valuation parameters change, the effect on the current profit and loss or other comprehensive profit and loss was as follows:

	Inputs	Change upwards or downwards	Change of fair value response to current net profit		Change of fair value response to other comprehensive income	
			Favorable change	Unfavorable change	Favorable change	Unfavorable change
December 31, 2022						
Financial assets -debt instruments with no quoted market price at fair value through profit or loss						
	Liquidity discount	+1%	-	(195)	-	-
	Liquidity discount	-1%	195	-	-	-
Financial assets-equity instruments with no quoted market price at fair value through other comprehensive income						
	Liquidity discount	+1%	-	-	-	(1,714)
	Liquidity discount	-1%	-	-	1,834	-

	Inputs	Change upwards or downwards	Change of fair value response to current net profit		Change of fair value response to other comprehensive income	
			Favorable change	Unfavorable change	Favorable change	Unfavorable change
December 31, 2021						
Financial assets -debt instruments with no quoted market price at fair value through profit or loss						
	Liquidity discount	+1%	-	(171)	-	-
	Liquidity discount	-1%	171	-	-	-
Financial assets-equity instruments with no quoted market price at fair value through other comprehensive income						
	Liquidity discou	+1%	-	-	-	(2,796)
	Liquidity discou	-1%	-	-	2,796	-

The favorable and unfavorable changes of the Company represent the fluctuation of the fair value, and the fair value is calculated based on the unobservable input parameters to different degrees and calculated by the valuation technique. If the fair value of a financial instrument is affected by more than one input value, the above table only reflects the impact from the change in a single input value and does not take into account the interrelation and variances between input values.

(u) Financial risk management

1. Overview

The Company is exposed to the following risks from its financial instruments:

(1) Credit risk

(2) Liquidity risk

(3) Market risk

In this note, the information on aforementioned risk exposure and objectives, policies and procedures of risk measurement and management are expressed. For quantitative information, please refer to the related notes in the individual financial report.

2. Risk management framework

The Company's risk management policies are established to identify and analyze the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company, through their training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Company's supervision and management personnel in Audit Committee oversee how management monitors compliance with the Company's risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the Company. Internal Audit personnel undertake both regular and ad hoc reviews of risk management controls and procedures and exception management, the results of which are reported to the Audit Committee.

3. Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the Company's receivables from customers and investment securities.

(1) Accounts receivable and other receivables

Since the Company's main business is pre-sales of real estate, it has a large customer base and geographically dispersed sales territories, and has not significantly concentrated transactions with a single customer, so the credit risk of accounts receivable is not likely to be significantly concentrated; the Company's construction engineering follows the rule of the company's contracting project operation, subcontracting reputable construction manufacturers with construction technology that meets the requirements, so its construction quality and progress can be fully controlled.

The Company establishes loss allowance accounts to reflect the estimation of incurred losses in its accounts receivable, other receivables and investments. The main components of the allowance account contain specific losses associated with individual major risks. The component, and the component of the combined loss established for the loss of a similar group of assets, has occurred but not yet identified. The loss allowance account is determined based on historical payment statistics of similar financial assets.

(2) Investment

The exposure to credit risk for bank deposits, fixed income investments, and other financial instruments, is measured and monitored by the Company's finance department. The Company only deals with banks, other external parties, corporate organizations, government agencies and financial institutions with good credit rating. The Company does not expect any of the counterparties above to fail in meeting their obligations; hence, there is no significant credit risk arising from these counterparties

(3) Guarantees

According to the Company's policy and rules, the Company can only provide guarantees to its subsidiaries. As of December 31, 2022, and 2021, the Company did not provide any external endorsement and guarantees.

4. Liquidity risk

Liquidity risk is a risk that the Company is unable to meet the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as much as possible, that it always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

The Company calculates the funds required for the cost of each development and construction project, the term payment that can be collected from customers, and the construction financing that the bank can offer, and properly plans the timing of funds generated from revenue and expenditure to ensure that there is sufficient liquidity to cover the due liabilities. As part of the funds required during the development and construction of the project can be financed from the bank, customers can also obtain mortgage from the bank to pay most of the price when the real estate is delivered, and the Company will not incur major losses or risk of reputational damage.

5. Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates, and equity instrument prices, that will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return.

Interest rate risk

The interest rate risk of the Company mainly arises from its bank borrowings. Interest-bearing loans with floating interest rates will create cash flow risks for the Company, and fixed-rate borrowings will cause fair value risks for the company. In recent years, the business environment in which the Company assesses the interest rate level has remained stable, which should not create significant interest rate risks.

(v) Capital management

The objective of the Company's capital management is to ensure its ability to operate continuously to provide returns to stockholders and the interests of other related parties, while maintaining the optimal capital structure to reduce costs of capital.

To maintain or adjust the capital structure, the Company may adjust the dividend payment to stockholders, return capital to stockholders, issue new shares or dispose assets to redeem liabilities.

Similar to its peers, the Company monitors its capital based on debt to capital ratio. The ratio is calculated as net debt divided by its total capital. The net debt is derived by taking the total liabilities on the balance sheets minus cash and cash equivalents. The total capital consists of total equity (including capital, paid-in capital, retained earnings and other components of equity) plus net debt.

The Company's strategy for capital management in 2022, which is same as that of 2021, is to maintain a reasonable ratio in order to raise capital with reasonable cost. The debt to capital ratios as of December 31, 2022 and 2021 were as follows:

	December 31, 2022	December 31, 2021
Total liabilities	$ 11,425,948	11,855,512
Less: cash and cash equivalents	(301,649)	(291,617)
Net debt	11,124,299	11,563,895
Total equity	13,209,076	13,497,373
Total capital after adjustment	**$ 24,333,375**	**25,061,268**
Debt to capital ratios	**45.72%**	**46.14%**

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

The Company's financing activities through non-cash transactions for the years ended December 31, 2022 and 2021 were as follows:

The reconciliation of liabilities arising from financing activities was as follows:

	January 1, 2022	Cash flow	Change in non-cash	December 31, 2022
Lease Liability	**$ 8,012**	**(5,138)**	**2,560** (Note1)	**5,434**

	January 1, 2021	Cash flow	Change in non-cash	December 31, 2021
Lease Liability	**$ 27,912**	**(9,438)**	**(10,462)** (Note 2)	**8,012**

Note 1: This was due to the increase in lease adjustment of NT$557 thousand and an increase of NT$2,003 thousand in the current period.

Note 2: This was due to the decrease in lease concessions of NT$712 thousand due to the pandemic and the decrease in lease termination of NT$9,750 thousand.

VII. Related-party transactions

a. Names and relationship with related parties

The related parties involved in transactions with the Company during the period covered by this individual financial report are as follows:

Name of related party	Relationship with the Company
Lea Ho Investment Co., Ltd. (Hereafter Lea Ho Investment)	Subsidiary
Green Forest Development Enterprise Co., Ltd. (Hereafter Green Forest)	Subsidiary
Orient Forest Development Enterprise Co., Ltd. (Hereafter Orient Forest)	Subsidiary
Forest Water Environmental Engineering Co., Ltd. (Hereafter Forest Water)	Subsidiary
Rich Forest Leisure Development Co., Ltd. (Hereafter Rich Forest)	Subsidiary
Lealea Hotels Co., Ltd. (Hereafter Lealea Hotels)	Subsidiary
Yilan Lealea Hotels & Resorts Co., Ltd. (Hereafter Yilan Lealea)	Subsidiary
Ho Ching Enterprises Co., Ltd. (Hereafter Ho Ching Co.)	Subsidiary
Lea Ching Co., Ltd (Hereafter Lea Ching Co.)	Subsidiary
Blossom Increase Limited	Subsidiary
Re-use Environmental Co., Ltd. (Hereafter Re-Use)	Subsidiary
Grain Forest Green Energy Co., Ltd. (Hereafter Grain Forest)	Subsidiary
Lealea Hotels & Resorts Co., Ltd. (Hereafter Lealea Resorts)	Subsidiary
Lealea Mingchih Resort Co., Ltd.	Subsidiary
Lealea Eagle Travel Service Co., Ltd.	Subsidiary
The Richforest Hotel Co., Ltd.	Subsidiary (Note 1)
Shu Cheng Kuo	The Company's chairman
Lead Way Investment Group Co., Ltd.	The chairman is the Company's chairman
Artblooming Co., Ltd.	The chairman is the Company's chairman
Zhi Mao International Co., Ltd.	The chairman is the Company's chairman
Chi Mei International Enterprise Co., Ltd.	The chairman is the Company's chairman
Taiwan Green Power Co., Ltd.	The chairman is the Company's chairman
Lianda Wushih Marina & Resorts Co., Ltd.	The director is the Company's chairman
Li Peng Enterprise Co., Ltd. (Hereafter Li Peng Co.)	The chairman is the Company's chairman's second degree of kingship
Lealea Technology Co., Ltd.	The chairman is the Company's chairman's second degree of kingship
Lea Jie Energy Co., Ltd.	The chairman is the Company's chairman's second degree of kingship
Lealea Enterprise Co., Ltd. (Hereafter Lealea Enterprise)	The chairman is the Company's chairman's second degree of kingship
Broadway Hotels	The chairman is the Company's chairman's second degree of kingship
Li Ling Film Co., Ltd.	The chairman is the Company's chairman's second degree of kingship
Eton Petrochemical Co., Ltd.	The chairman is the Company's chairman's second degree of kingship
Apex Fong Yi Technology Co., Ltd.	The chairman is the Company's chairman's second degree of kingship

Related party	Relationship with the Consolidated Company
Jet Goal Enterprises Co., Ltd.	The chairman is the Company's director
Giantforest Solutions Co., Ltd.	The chairman is the Company's director
ITT Management Co., Ltd.	The chairman is the Company's director
Yilan County Private Lealea Lohas Long Term Care Center	The chairman is the Company's director
Mu Sheng Yun Duo Design Co., Ltd.	The chairman is the Company's director
Howsler Food Co., Ltd.	The chairman is the Company's director
Vesun International Co., Ltd.	The chairman is the Company's director
Jia Ruei International Development Co., Ltd.	The chairman is the Company's director
Lealea Green Care Foundation	The chairman is the Company's director
About Design Interior Decoration Co., Ltd.	The chairman is the Company's director
Qing Shan Lin Limited	The chairman is the Company's director
Hon Lin Heavy Industries Co., Ltd.	The chairman is the Company's chairman's second-degree of kinship
Neng Pang Construction Co., Ltd.	The director is the Company's director
Lead U Education Co., Ltd.	The director is the Company's director
Leader Construction Co., Ltd.	The director is the Company's director
Buy Chow Food Co., Ltd.	The director is the Company's director
Teamphon Energy Co., Ltd	The director is the Company's director
Forest Water Sustainability Tech EP Eng'G Co., Ltd.	The director is the Company's director
Yi Lea Hotels Co., Ltd.	The supervisor is the Company's director
GEC Electric Co., Ltd.（Hereafer GEC Electric）	Substantive related party
Lealea Development Enterprise Co., Ltd.（Hereafer Lealea Development）	Substantive related party
Qing Yi Development Co., Ltd.（Hereafer Qing Yi Development）	Substantive related party
S.T.Y Steels Co., Ltd (Hereafter S.T.Y. Steels)	Substantive related party
Li Yang Electric Development Co., Ltd. (Hereafter Li Yang Electric)	Substantive related party
Lea Long Enterprise Co., Ltd.	Substantive related party
Richforest Garden Hotels Kentin Co., Ltd.	Substantive related party
Regiant Industrial Co., Ltd.	Substantive related party
Learned Winner Enterprise Co., Ltd.	Substantive related party
Lian Ta Construction Co., Ltd.	Substantive related party (Note 2)
Lian Da Construction Co., Ltd.	Substantive related party (Note 2)
Guan Tian Xia Construction Co., Ltd.	Substantive related party (Note 2)
Lian Yun Construction Co., Ltd.	Substantive related party (Note 2)
Lian Zong Construction Co., Ltd.	Substantive related party (Note 2)
Ja Han Lin	Substantive related party (Note 2)

Related party	Relationship with the Consolidated Company
Sea Mild Biotechnology Co., Ltd.	Substantive related party (Note 3)
Leadingage International Co., Ltd.	Substantive related party
Lineng Power Co., Ltd.	Substantive related party
Shun Yu Investment Co., Ltd.	Substantive related party
Triple Cube Agriculture Co., Ltd.	Substantive related party
Di Yuan Agricultural Products Co., Ltd.	Substantive related party
Sheng Fang Agriculture Co., Ltd.	Substantive related party
Guozhu Development Co., Ltd.	Substantive related party
Zeng Fang Agricultural Co., Ltd.	Substantive related party
Jiang Yang	Substantive related party
Jun Yang	Substantive related party

Note 1: Formerly an associate, the Company acquired control of the company and became a subsidiary since November 25, 2020. On October 6, 2022, the company was dissolved through a merger.

Note 2: The Company gradually disposed of its shareholding in Lealea Wushih Marina Resort Co., Ltd. since September 2021, resulting in the shareholding ratio of the Consolidated Company dropping to 10.71% and the Company lost control over the company, it became a non-related party on September 16, 2021.

Note 3: The director is no longer a related party of the Company after his resignation in September, 2022.

b. Significant Transactions with related parties

1. Sale of properties

The Company's contractual commitments and prepayments to related parties were as follows:

	Contracts of sale and purchase of houses and land (tax included)		Income from sale of properties		Contract liabilities	
	December 31, 2022	December 31, 2021	2022	2021	December 31, 2022	December 31, 2021
Shun Yu Investment Co., Ltd.	$ 142,880	-	-	-	39,600	-
Jiang Yang, Jun Yang	-	-	28,472	-	-	-
	$ 142,880	-	**28,472**	-	**39,600**	-

For transactions between the Company and related parties, the transaction prices and payment terms are not significantly different from those of other unrelated parties.

2. Purchase of Goods from Related Parties

(1) The purchase amount and outstanding balance of the project contracted by the Company to other related parties are as follows:

	Contract amount		Purchase (Current price)	
	December 31, 2022	December 31, 2021	2022	2021
Leader Construction	$ 1,832,152	769,657	163,406	197,297
Li Yang Electric	119,048	119,048	25,655	55,179
S.T.Y Steels	37,186	37,186	(202)	4,023
	$ 1,988,386	**925,891**	**188,859**	**256,499**

The price of the project contracted by the Company to the related party is based on the project budget plus reasonable management costs and profits, determined after the price comparison and negotiation between the two parties, and paid in accordance with the contractual payment terms.

3. Receivables-related parties

Details of the Company's receivables-related parties were as follows:

Account Items	Categories of related party	December 31, 2022	December 31, 2021
Notes receivable	Other related parties	$ 63	12
Account receivable	Other related parties	11	636
Other receivable	Orient Forest	9,450	9,450
	Other related parties	63	21
		$ 9,587	**10,119**

4. Payables-related parties

The details of the Company's payables-related parties were as follows:

Account items	Categories of related parties	December 31, 2022	December 31, 2021
Notes payable	Leader Construction	$ 20,716	62,149
	GEC Electric	4,444	4,613
	Li Yang Electric	-	105
	Other related parties	-	627
Accounts payable	Li Yang Electric	11,612	8,918
	Other related parties	2,272	105
Other payables	GEC Electric	-	285
	Other related parties	92	62
		$ 39,136	**76,864**

5. Acquired or disposed of other assets

(1) The Company's deposits for the signing of joint built sub-housing and joint investment construction contracts with other related parties - the Company's chairman Shu Cheng Kuo as of December 31, 2022 and 2021 both were NT$111,020 thousand. Please refer to Note 9 (1) for details.

(2) The Company purchased assets for lease from other related party - Lealea Enterprise amounting to NT$6,917 thousand in 2022, which was recognized as investment property.

(3) The Company disposed of 40,000 thousand shares of Lealea Wushih Marina & Resorts Co., Ltd. to other related parties - Lian Da, Lian Yun, Guan Tian Xia and Ja Han Lin for a total amount of NT$402,000 thousand in September 2021, and as of September 30, 2021, the related procedures were completed and a gain of NT$31,776 thousand was recognized as disposal.

(4) The Company disposed of the land and buildings on Songjiang Road, Zhongshan District, Taipei City to other related parties - Lealea Enterprise and Li Peng Enterprise for a total amount of NT$768,560 thousand (tax included) in November 2021, and as of December 31, 2021, the transfer procedures had been completed, the price of NT$768,560 thousand had been received, and other gains and losses of NT$306,815 thousand had been recognized. The prices of the land and buildings were determined with reference to the appraisal report of Zonetai Real Estate Appraisal Firm.

6. Endorsement Guarantee

As of December 31, 2022, and 2021, the amount of guarantees provided by the Company for its subsidiaries' financing was NT$900,000. The Company also recognized guarantee fee income of NT$9,000 thousand and NT$9,606 thousand (recorded as other income) for the years ended December 31, 2022 and 2021, respectively.

7. Leases

(1) Lease as a lessor:

The Company leases office buildings, parking spaces and hotels to associates and other related parties, and signs lease contracts for a period of 1 ~ 6 years with reference to the lease prices of neighboring areas. The rental income in 2022 and 2021 were NT$20,237 thousand and NT$36,464 thousand, respectively. As of December 31, 2022, and 2021, the deposited amount for lease guarantees was NT$3,578 thousand and NT$3,831 thousand, respectively.

(2) Lease as a lessee:

The Company leases office buildings and parking spaces from other related parties and signs a 1~5 years lease contract with reference to the lease prices of offices and parking spaces in neighboring areas. The recognized interest expenses in 2022 and 2021 were NT$126 thousand and NT$460 thousand respectively, and the balance of lease liabilities as of December 31, 2022 and 2021 were NT$3,519 thousand and NT$6,322 thousand, respectively.

8. Others

(1) The Company entrusted Regiant Industrial and other related parties to sell real estate in the years ended December 31, 2022 and 2021, and paid sales commissions of NT$9,483 thousand, NT$935 thousand, and $0 and NT$5,753 thousand, respectively, based on the agreed rates of 1% to 3%. In addition, as of December 31, 2022 and 2021, the acquisition contract cost to other related parties - Ching Yi Development was NT$9,523 thousand and $0, respectively.

(2) The Company's unrecognized contractual commitments for construction of premises under construction to other related parties as of December 31, 2022 and 2021, please refer to Note 9(1).

(3) The Company paid other related parties' software lease setting maintenance fees of NT$913 thousand and NT$1,691 thousand as of December 31, 2022 and 2021 respectively (account for operating costs and operating expenses).

(4) The Company paid NT$6,921 thousand and NT$4,890 thousand for entertainment expenses, management fees, miscellaneous fees and employee travel to associates and other related parties due to operating requirements as of December 31, 2022 and 2021 respectively.

(5) The Company donated NT$2,630 thousand and NT$0 thousand to other related parties as of December 31, 2022 and 2021 respectively.

(6) As of December 31, 2022, the Company received consulting income of NT$20,000 thousand respectively from other related parties - Lian Yun Construction and Lian Zong Construction for consulting services related to the construction industry, which were accounted for as operating income.

(C) Key management personnel transaction

Remuneration for key management personnel

	2022	2021
Short-term employee benefits	**$ 21,490**	**38,216**

VIII. Pledged assets

The carrying values of the Company's pledged assets were as follow:

Pledged assets	Subject of pledge	December 31, 2022	December 31, 2021
Inventory	Commercial paper payable and Bank borrowing	$ 14,406,451	15,069,125
Other financial assets-current	Credit account	208,694	222,537
Other financial assets-current	Bank borrowing, Bank	-	18,000
Other financial assets-non-current	Bond payable	552,670	552,670
Net investment property	Bank borrowing	1,071,319	1,097,538
		$ 16,239,134	**16,959,870**

IX. Significant Contingent Liabilities and Unrecognized Contract Commitments

a. Significant unrecognized contract commitments:

1.Unreconized contract commitment by the Company were as follows:

	December 31, 2022	December 31, 2021
Signed contracts		
Sales premises and sold floor areas	$ 1,859,468	1,584,289
Purchase land for construction	370,318	245,730
Hotel construction and renovation contract	-	10,000
Contract issuance of premises under construction	1,988,386	925,891
Price received or paid		
Sales premises and sold floor areas	$ 501,965	357,252
Purchase land for construction	190,661	157,953
Hotel construction and renovation contract	-	3,000
Contract issuance of premises under construction	827,252	638,393

2. Details of the joint construction contract or joint investment construction contract signed by the Company as of December 31, 2022 and 2021 are as follows:

Project Name	Nature of joint construction	Joint Construction Guarantee (Recognized as other financial assets-current) December 31, 2022	December 31, 2021
Rich Tian Mu	Joint construction sub-housing	$ 15,464	15,464
Sec. 6, Chung Shan North Rd.	〃	11,000	11,000
Huan Shan Project	〃	111,020	111,020
Yong An Section, Yong He District	〃	85,370	82,820
Chong De Section, Xizhi District	〃	430,000	430,000
Daye Road Project	〃	35,000	35,000
Sec. 1, Zhong Cheng Rd.	〃	1,680	-
		$ 689,534	**685,304**

b. Contingent liability:

1. As of December 31, 2022 and 2021, the Company issued NT$78,097 thousand and NT$580,000 thousand, respectively, of guarantee refundable deposits for the construction business and other needs.
2. As of December 31, 2022 and 2021, the Company's endorsement and guarantee, please refer to Note 13.
3. The Company filed a lawsuit against the counter-parties in September 2022 due to the long delay in the progress of the project of No. 28 and No. 30 Dihua Street. The total contract price of the project was NT$11,437 thousand, and the price had been paid for NT$11,350 thousand and was recognized as prepayment for the land. The estimated claim amount is NT$17,069 thousand for the paid price plus the liquidated damages. The attorneys assessed that the Company already holds a substantial guarantee, so there is no concern about the impairment of the amount.

X. Significant losses due to major disasters: None.

XI. Significant subsequent Events: None.

XII. Others

a. The followings are the summary statement of employee benefits, depreciation, depletion, and amortization expenses by function in the current period:

:

By Function / By item	2022			2021		
	Operating cost	Operating expenses	Total	Operating cost	Operating expenses	Total
Employee benefits						
Salary	13,309	37,139	50,448	17,330	32,260	49,590
Labor and health insurance	1,089	2,946	4,035	1,321	2,722	4,043
Pension	564	2,027	2,591	695	2,090	2,785
Directors' remuneration	-	14,529	14,529	-	30,923	30,923
Other employee remunerations	315	1,816	2,131	338	1,445	1,783
Depreciation	29,373	5,952	35,325	33,720	10,579	44,299
Amortization	-	171	171	-	234	234

Additional information of the number of employees and employee benefits of the Company in 2022 and 2021:

	2022	2021
The number of employees	54	62
The number of directors who do not serve concurrently as an employee	7	7
The average of employees' benefits	$ 1,260	1,058
The average of salary	$ 1,073	902
The average of salary adjustment	18.96%	1.24%
Supervisor's remuneration	$ -	-

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

1. If the Company makes a profit during the year, it shall allocate no less than 0.5% for employee's remuneration, and no more than 3% for director's remuneration. However, if the company still has accumulated losses, it shall reserve the amount of remuneration in advance, and then appropriate employee and directors' remuneration based on the aforementioned proportions.
2. The remuneration standard for new recruits is based on the employment market information and the comprehensive consideration of the position and experience of the employee.
3. The annual bonus distribution and salary adjustment are determined based on the Company's overall operating performance and individual performance evaluation results.

XIII. Other disclosures:

a. Information on significant transactions:

In accordance with the "Regulations Governing the Preparation of Financial Reports by Securities Issuers", the following information regarding significant transactions shall be disclosed for the year ended December 31, 2022:

1. Loaning of funds to other parties:

Unit: NT$ thousand

No.	Financing company	Counter party	Financial statement account	Related Party	Maximum balance	Ending balance	Amount actually drawn	Interest rate	Nature for financing	Transaction amount	Reason for financing	Allowance for bad debt	Collateral		Financing limits for each borrowing company	Total Financing limits
													Item			
1	Ho Ching Enterprises Co., Ltd.	Forest Water Environmental Engineering Ltd.	Other receivables	Yes	300,000	300,000	-	2%	2	-	Operating capital	-			739,076	1,478,153

Note 1: According to Operational Procedures for Loaning Funds to Others of Ho Ching Enterprises Co., Ltd.:

(1) Loans of funds to companies or firms with which the Company has business transactions are limited to a total amount not exceeding 40% of the Company's net worth, and individual loans are limited to an amount not exceeding the amount of business transactions between the two parties in the most recent year.
Maximum amount of loaning funds to others:3,695,382×40%=1,478,153 thousand.

(2) Loans of funds to companies or firms with short-term financing needs shall be limited to 40 percent of the Company's net worth, and individual loans shall be limited to 20 percent of the Company's net worth.
Maximum amount of loaning funds to others:3,695,382 thousand×40%＝1,478,153 thousand.
The individual limits of funds loaned to others:3,695,382 thousand×20%＝739,076 thousand.

Note 2: Description of the loan of funds:

(1) 1 for those with business transactions
(2) 2 for short-term financing facilities

2. Endorsement/Guarantee provided to others:

Unit: NT$ thousand

No.	Endorsement/ Guarantee Provider	Guaranteed party		Limits on Endorsement/ Guarantee Amount	Maximum Balance for the Period	Ending balance	Amount actually drawn	Amount of Endorsement/ Guarantee Collateralized by Properties	Ratio of Accumulated Endorsement / Guarantee to Net Equity per Latest Financial Statements	Maximum Endorsement/Guarantee Amount Allowed	Guarantee Provided by Parent Company	Guarantee Provided by A Subsidiary	Guarantee Provided to Subsidiaries in Mainland China
		Name	Relationship										
0	The Company	Orient Forest Development Enterprise Co., Ltd.	2	52,836,304	900,000	900,000	900,000	-	6.81%	79,254,456	Y	N	N
1	Forest Water Environmental Engineering Co., Ltd.	Grain Forest Green Energy Co, Ltd.	2	1,060,184	500,000	407,000	407,000	-	7.70%	2,650,460	Y	N	N

Note 1: No. 0 represents the Company

Note2: There are seven types of relationship between the endorsement/guarantee provider and the counter-party the categories are coded as follows:

(1) A company with which it does business.

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

(3) A company that directly and indirectly holds more than 50 % of the voting shares in the public company.

(4) A company in which the Company holds, directly or indirectly, 90% or more of the voting shares.

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

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

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

Note 3: The Company's Operational Procedures for Endorsement and Guarantees set the limits for the total amount of endorsement and guarantee liability and the limit of an individual enterprise's endorsement as follows:

The total amount of the Company's external endorsements and guarantees shall not exceed (excluding) six times the company's net worth, and the amount of endorsement and guarantees for a single enterprise is limited to four times the Company's net worth. If the business relationship is engaged in endorsement and guarantees, in addition to the aforementioned restrictions, it shall not exceed the total amount of transactions with the company in the most recent year. The net worth is based on the most recent financial statement audited or reviewed by CPA.

Note 4: Forest Water Environmental Engineering Co., Ltd.'s Operational Procedures of Endorsement and Guarantee sets the limit for the total amount of endorsement and guarantee liability and the endorsement limit of an individual enterprise as follows:

(1) The total external endorsement guarantee liability shall not exceed 50% of the net worth of the Forest Water Environmental Engineering Co., Ltd.

(2) The amount of endorsement and guarantee for an individual enterprise shall not exceed 20% of the current net worth of the Forest Water Environmental Engineering Co., Ltd.

3. Securities held as of December 31, 2022 (excluding those investments in subsidiaries, associates and joint ventures):

Unit: NT$ thousand

Held Company Name	Marketable Securities Type and Name	Relationship with the Company	Financial Statement Account	December 31, 2022				Note
				Shares/Units	Carrying Value	Percentage of Ownership	Fair Value	
The Company	Trade-Van Information Services Co., Ltd.	-	Financial assets at fair value through profit or loss- current	85,535	5,047	0.06 %	5,047	
The Company	Beijing Enterprises Medical and Health Industry Group Limited	-	Financial assets at fair value through profit or loss- current	60,192,000	16,118	0.99 %	16,118	
The Company	Beijing Sports and Entertainment Industry Group Limited	-	Financial assets at fair value through profit or loss- current	1,972,500	583	0.14 %	583	
The Company	Agate-Jt Healthcare Fund L.P.	-	Financial assets at fair value through profit or loss- non-current	-	17,522	- %	17,522	
The Company	Lealea Tourism Development Co., Ltd.	The chairman is the Company's director's first degree of kingship	Financial assets at fair value through other comprehensive income－non-current	200,000	754	7.69 %	754	
The Company	Cando Corporation	-	Financial assets at fair value through other comprehensive income－non-current	1,745,772	-	0.45 %	-	
The Company	Hon Lin Heavy Industries Co., Ltd.	-	Financial assets at fair value through other comprehensive income－non-current	1,875,000	13,838	6.44 %	13,838	

Held Company Name	Marketable Securities Type and Name	Relationship with the Company	Financial Statement Account	December 31, 2022				Note
				Shares/Units	Carrying Value	Percentage of Ownership	Fair Value	
The Company	Millenmin Ventures Inc. Equity	-	Financial assets at fair value through other comprehensive income－non-current	2,479,000	-	5.89 %	-	
The Company	Asia Pacific Telecom Co., Ltd.	-	Financial assets at fair value through other comprehensive income－non-current	1,638,578	9,995	0.04 %	9,995	
The Company	Li Ling Film Co., Ltd.	-	Financial assets at fair value through other comprehensive income－non-current	4,000,000	12,280	6.67 %	12,280	
The Company	Tien Li Offshore Wind Technology Co., Ltd.	-	Financial assets at fair value through other comprehensive income－non-current	562,977	18,910	0.80 %	18,910	
The Company	Lianda Wushih Marina Resort Co., Ltd.	-	Financial assets at fair value through other comprehensive income－non-current	10,400,000	99,840	7.82 %	99,840	
Lea Ho Investment Co., Ltd.	Rich Development Co., Ltd.	Parent company of the Company	Financial assets at fair value through profit or loss- current	6,304,815	54,284	0.85 %	54,284	
Lea Ho Investment Co., Ltd.	Li Peng Enterprise Co., Ltd.	The chairman is the Company's chairman's second degree of kingship	Financial assets at fair value through profit or loss- current	3,720,820	28,539	0.41 %	28,539	註1
Lea Ho Investment Co., Ltd.	Lealea Enterprise Co., Ltd.	The chairman is the Company's chairman's second degree of kingship	Financial assets at fair value through profit or loss- current	3,560,142	36,312	0.37 %	36,312	註2
Lea Ho Investment Co., Ltd.	Lealea Technology Co., Ltd.	The chairman is the Company's chairman's second degree of kingship	Financial assets at fair value through other comprehensive income－non-current	3,467,084	80,228	7.22 %	80,228	
Lea Ho Investment Co., Ltd.	Hua Zi Venture Capital Co., Ltd.	-	Financial assets at fair value through other comprehensive income－non-current	5,435	268	1.09 %	268	
Lea Ho Investment Co., Ltd.	Shin Kong Mitsukoshi Department Store	-	Financial assets at fair value through other comprehensive income－non-current	274,079	11,807	0.02 %	11,807	
Lea Ho Investment Co., Ltd.	Information Technology Total Services Co., Ltd	-	Financial assets at fair value through other comprehensive income－non-current	33,750	1,264	0.12 %	1,264	
Lea Ho Investment Co., Ltd.	Book4u Co., Ltd.	-	Financial assets at fair value through other comprehensive income－non-current	6,250	-	0.12 %	-	
Lea Ho Investment Co., Ltd.	Rich Development Co., Ltd.	The chairman is the Company's chairman's first degree of kingship	Financial assets at fair value through other comprehensive income－non-current	200,000	754	7.69 %	754	
Lea Ho Investment Co., Ltd.	Asia Renewable Energy (Cayman) Ltd.	-	Financial assets at fair value through other comprehensive income－non-current	1,257,500	19,604	1.24 %	19,604	
Ho Ching Enterprise Co., Ltd.	Leader Construction Co., Ltd. Preferred shares	The director is the Company's director	Financial assets at amortized cost－non-current	10,000,000	100,000	- %	100,000	
Ho Ching Enterprise Co., Ltd.	Lealea Enterprise Co., Ltd.	The chairman is the Company's chairman's second degree of kingship	Financial assets at fair value through profit or loss- current	160,000	1,632	0.02 %	1,632	
Ho Ching Enterprise Co., Ltd.	Sea Mild Biotechnology Co., Ltd.	-	Financial assets at fair value through profit or loss- current	107,699	396	0.56 %	396	
Ho Ching Enterprise Co., Ltd.	Teamphon Energy Co., Ltd.	-	Financial assets at fair value through profit or loss- current	37,317	1,077	0.12 %	1,077	
Blossom Increase Limited	Asia Renewable Energy (Cayman) Ltd.	-	Financial assets at fair value through other comprehensive income－non-current	2,710,398	42,255	2.66 %	42,255	
Blossom Increase Limited	Tien Li Offshore Wind Technology Co., Ltd. offshore	-	Financial assets at fair value through other comprehensive income－non-current	1,232,500	41,400	1.76 %	41,400	
Forest Water Environmental Engineering Co., Ltd.	Millenmin Ventures Inc. equity	-	Financial assets at fair value through other comprehensive income－non-current	1,648,000	-	3.91 %	-	
Re-Use Environmental Co., Ltd.	Mega Diamond Money Market Fund	-	Financial assets at fair value through profit or loss- current	7,903,765	100,740	- %	100,740	

Held Company Name	Marketable Securities Type and Name	Relationship with the Company	Financial Statement Account	December 31, 2022				Note
				Shares/Units	Carrying Value	Percentage of Ownership	Fair Value	
Re-Use Environmental Co., Ltd.	Teamphon Energy Co., Ltd.	-	Financial assets at fair value through profit or loss- current	380,000	10,963	1.18 %	10,963	
Orient Forest Development Enterprise Co., Ltd.	Jih Sun Money Market Fund	-	Financial assets at fair value through profit or loss- current	3,334,156	50,248	- %	50,248	
Orient Forest Development Enterprise Co., Ltd.	Capital Money Market Fund	-	Financial assets at fair value through profit or loss- current	4,292,113	70,326	- %	70,326	
Perfection Forest Development Enterprise Co., Ltd.	Mega Diamond Money Market Fund	-	Financial assets at fair value through profit or loss- current	6,311,727	80,448	- %	80,448	
Re-Use Environmental Co., Ltd.	Yung Fu Co., Ltd.	-	Financial assets at fair value through other comprehensive income－non-current	535,415	12,502	0.76 %	12,502	
Modern Rich Investment Limited	Tien Li Offshore Wind Technology Co., Ltd.	-	Financial assets at fair value through other comprehensive income－non-current	1,280,000	42,995	1.83 %	42,995	
Modern Rich Investment Limited	Asia Renewable Energy (Cayman) Ltd.	-	Financial assets at fair value through other comprehensive income－non-current	2,820,278	43,968	2.77 %	43,968	
Lealea Hotels and Resorts Co., Ltd.	Shares- Tengsen Energy Co., Ltd.	-	Financial assets at fair value through other comprehensive income－non-current	551,740	21,000	5.00 %	21,000	

Note 1: 1,400,000 shares are pledged as collateral.
Note 2: 2,800,000 shares are pledged as collateral.

4. The cumulative transaction amount of acquisitions and disposals of the same type of securities reaches at least NT$300 million or 20% or more of the paid-in capital: None.
5. Acquisition of real estate reaching NT$300 million or 20 percent of paid-in capital or more: None.
6. Disposal of real estate reaching NT$300 million or 20 percent of paid-in capital or more: None.
7. Purchases or sales of goods from or to related parties reaching NT$100 million or 20 percent of paid-in capital or more:

Unit: NT$ thousand

Company Name	Related Party	Nature of Relationships	Transaction Details				Abnormal Transaction		Notes/Accounts Payable or Receivable		Note
			Purchases/ Sales	Amount	% to Total	Payment Terms	Unit Price	Payment Terms	Ending Balance	% to Total	
The Company	Leader Construction Co., Ltd.	Other related parties	purchases	163,40	79.73 %	Same as general transactions	-		(20,716)	33.73%	
Forest Water Environmental Engineering Co., Ltd.	Green Forest Development Enterprise Co., Ltd.	Parent and subsidiary	Sales	166,28	6.37 %	Monthly bases	-		65,880	7.07%	

8. Receivables from related parties amounting to at least NT$100 million or 20% of the paid- in capital: None.
9. Transactions of derivative financial products: None.

b. Information on invested companies:

The Company invested companies as of December 31, 2022 were as follows:

Unit: NT$ thousand ／Foreign currency dollar

Investor	Invested Company	Location	Main Businesses	Original Investment Amount		Balance as of December 31, 2022			Net Income (Losses) of the Investee	Share of Profits/Losses of Investee	Note
				December 31, 2022	December 31, 2021	Shares	Percentage of Ownership	Carrying Amount			
The Company	Lea Ho Investment Co., Ltd.	Taiwan	Investing various manufacturing or financial business operations	454,536	454,536	45,447,854	100.00%	333,515	(14,230)	(7,774)	
The Company	Green Forest Development Enterprise Co., Ltd.	Taiwan	Water treatment engineering, piping engineering, waste (sewage) water treatment and other businesses	672,000	672,000	93,601,551	30.00%	1,228,134	316,360	94,908	
The Company	Rich Forest Leisure Development Co., Ltd.	Taiwan	Construction and operation of aerial tramway	426,911	426,911	42,691,114	52.38%	150,118	(7,856)	(4,115)	
The Company	Lealea Hotel Co., Ltd.	Taiwan	General Hotel Management, etc.	395,592	395,592	35,053,747	42.23%	259,307	(8,785)	(3,711)	
The Company	Yilan Lealea Hotels & Resorts Co., Ltd.	Taiwan	General Hotel Management, etc.	585,000	585,000	58,500,000	63.59%	244,818	(41,527)	(26,406)	
The Company	Ho Ching Enterprises Co., Ltd.	Taiwan	Waste cleaning, waste treatment, environmental testing services, waste-water treatment	1,657,619	1,657,619	68,511,940	68.44%	2,529,249	(176,915)	(121,087)	
The Company	Lealea Hotels & Resorts Co., Ltd.	Taiwan	General Hotel Management, etc.	264,464	264,464	16,494,041	57.17%	218,488	(33,694)	(32,127)	
The Company	Forest Water Environmental Engineering Ltd.	Taiwan	Environmental Protection engineering and industrial waste-water treatment	76,241	76,241	1,681,043	1.17%	61,776	(273,003)	(3,181)	
The Company	Lea Ching Enterprise Co., Ltd	Taiwan	General Hotel Management, etc.	820,200	620,200	82,020,000	54.67%	798,308	(22,157)	(11,353)	
The Company	Grain Forest Green Energy Co., Ltd.	Taiwan	Waste cleaning and renewable energy for power generation equipment	136,500	121,500	13,650,000	30.00%	71,651	(24,450)	(7,335)	
The Company	Re-Use Environmental Co., Ltd.	Taiwan	Waste cleaning, etc.	274,568	274,568	2,957,240	43.49%	289,356	61,648	15,873	
The Company	Ya Ni Development Enterprise Co., Ltd.	Taiwan	General Hotel Management, etc.	63,240	63,240	6,200,000	32.46%	63,660	4,194	1,361	Associate
The Company	Lea Long Energy Co., Ltd.	Taiwan	Renewable energy for power generation equipment	9,000	9,000	900,000	30.00%	3,543	(6,692)	(2,007)	Associate
Lea Ho Investment Co., Ltd	Blossom Increase Limited	Samoa	Oversea holding company	154,479	154,479	5,445,000	100.00%	83,772	(28)	(28)	
Lea Ho Investment Co., Ltd	Rich Forest Leisure Development Co., Ltd.	Taiwan	Construction and operation of aerial tramway	32,144	32,144	3,240,728	3.98%	11,396	(7,856)	(312)	
Lea Ho Investment Co., Ltd	Lealea Hotels Co., Ltd.	Taiwan	General Hotel Management, etc.	33,000	33,000	3,300,000	3.98%	24,411	(8,785)	(349)	
Lea Ho Investment Co., Ltd	Ho Ching Enterprise Co., Ltd.	Taiwan	Water treatment engineering, piping engineering, waste (sewage) water treatment and other businesses	3,414	3,414	144,695	0.14%	5,342	(176,915)	(256)	
Lea Ho Investment Co., Ltd	Lealea Hotels and Resorts Co., Ltd.	Taiwan	General Hotel Management, etc.	48,547	48,547	1,205,189	4.18%	13,180	(33,694)	(1,408)	
Lea Ho Investment Co., Ltd	Forest Water Environmental Engineering Co., Ltd.	Taiwan	Environmental protection engineering construction	4,371	4,371	93,248	0.06%	3,427	(273,003)	(177)	
Ho Ching Enterprise Co., Ltd.	Forest Water Environmental Engineering Co., Ltd.	Taiwan	Environmental protection engineering construction	2,887,540	2,887,540	94,875,007	65.77%	3,486,500	(273,003)	(179,558)	
Ho Ching Enterprise Co., Ltd.	Richone Holdings Ltd.	Samoa	Investing various financial business operations	17,955	17,955	608,000	30.10%	19,795	1,752	527	Associate
Lealea Hotels Co., Ltd.	Yilan Lealea Hotels & Resorts Co., Ltd.	Taiwan	General Hotel Management, etc.	335,000	335,000	33,500,000	36.41%	140,195	(41,527)	(15,121)	
Lealea Hotels Co., Ltd.	Lea Ching Enterprise Co., Ltd.	Taiwan	General Hotel Management, etc.	580,000	580,000	58,000,000	38.66%	472,521	(22,157)	(9,214)	
Forest Water Environmental Engineering Co., Ltd.	Orient Forest Development Enterprise Co., Ltd.	R.O.C.	Water treatment engineering, piping engineering, waste (sewage) water treatment and other businesses	1,773,984	1,773,984	223,013,980	100.00%	2,914,772	150,088	150,088	

Investor	Invested Company	Location	Main Businesses	Original Investment Amount		Balance as of December 31, 2022			Net Income (Losses) of the Investee	Share of Profits/Losses of Investee	Note
				December 31, 2022	December 31, 2021	Shares	Percentage of Ownership	Carrying Amount			
Forest Water Environmental Engineering Co., Ltd.	Green Forest Development Enterprise Co., Ltd.	R.O.C.	Water treatment engineering, piping engineering, waste (sewage) water treatment and other businesses	1,797,842	1,797,842	218,403,619	70.00%	2,865,645	316,360	221,452	
Forest Water Environmental Engineering Co., Ltd.	Perfection Forest Development Enterprise Co., Ltd.	R.O.C.	Water treatment engineering, piping engineering, waste (sewage) water treatment and other businesses	190,000	190,000	19,000,000	100.00%	103,147	(35,837)	(35,837)	
Forest Water Environmental Engineering Co., Ltd.	Yi Cheng Development Co., Ltd.	R.O.C.	Waste Cleaning, etc.	139,990	139,990	11,000,000	100.00%	9,587	(3,171)	(3,171)	
Forest Water Environmental Engineering Co., Ltd.	Grain Forest Green Energy Co., Ltd	R.O.C.	Renewable energy for power generation	318,500	283,500	31,850,000	70.00%	167,185	(24,450)	(17,115)	
Forest Water Environmental Engineering Co., Ltd.	Eastern Forest Environmental Technology Co., Ltd.	R.O.C.	Environmental Hygiene and Pollution Prevention	35,000	35,000	3,500,000	70.00%	17,621	(514)	(359)	
Forest Water Environmental Engineering Co., Ltd.	Re-use Environmental Co., Ltd.	R.O.C.	Waste Cleaning, etc.	318,248	318,248	3,427,710	50.41%	336,224	61,648	18,399	
Forest Water Environmental Engineering Co., Ltd.	LeaLea Hsing Environmental Co., Ltd	R.O.C.	Waste Cleaning, etc.	500	500	50,000	100.00%	455	-	-	
Forest Water Environmental Engineering Co., Ltd.	LeaLea Environmental Enterprise Co., Ltd	R.O.C.	Waste Cleaning, etc.	206,049	206,049	4,142,000	95.00%	133,101	(12,566)	(16,980)	
Forest Water Environmental Engineering Co., Ltd.	Modern Rich Investment Limited	Samoa	Investing various manufacturing or financial business operations	260,443 (Note 1) (USD5,610,000) (RMB20,000,000)	260,443 (Note 1) (USD5,610,000) (RMB20,000,000)	8,568,730	100.00%	204,346	(4,806)	(4,806)	
Eastern Forest Environmental Technology Co., Ltd.	Rising Investment Ltd.	Samoa	Investing various manufacturing or financial business operations	16,276 (Note 1) (USD530,000)	16,276 (Note 1) (USD530,000)	530,000	100.00	4,016	(1,084)	(1,084)	
Rising Investment Ltd.	Forest Water Investment Ltd.	Samoa	Investing various manufacturing or financial business operations	15,662 (Note 1) (USD510,000)	1,566 (Note 1) (USD510,000)	510,000	100.00%	3,542	(1,100)	(1,100)	
Modern Rich Investment Limited	Faith Honest International Investment Limited	Samoa	Investing various manufacturing or financial business operations	88,314 (Note 1) (USD5,000) (RMB20,000,000)	88,314 (Note 1) (USD5,000) (RMB20,000,000)	2,963,730	100.00%	116,794	(4,791)	(4,791)	
Faith Honest International Investment Limited	Loyal Sheen International Limited	British Virgin Islands	Investing various manufacturing or financial business operations	88,160 (Note 1) (RMB20,000,000)	88,160 (Note 1) (RMB20,000,000)	40	40.00	116,775	(8,745)	(4,781)	Associate
Lealea Hotels and Resorts Co., Ltd.	Howsler Food Co., Ltd.	Taiwan	Food retails	16,920	16,920	257,153	36.00%	3,267	(14,492)		Associate
Lealea Hotels and Resorts Co., Ltd.	Lealea Eagle Travel Service Co., Ltd.	Taiwan	Travel agency, etc.			660,000	100.00	2,491	(154)	(154)	
Lealea Hotels and Resorts Co., Ltd.	Lea Chuan Development Co., Ltd.	Taiwan	General Hotel Management, etc.	-	5,000	-	- %	-	(71)		註2
Lealea Hotels and Resorts Co., Ltd.	Lealea Mingchih Resort Co., Ltd.	Taiwan	General Hotel Management, etc.			4,080,000	51.00	26,807	(15,024)	(7,662)	
Lealea Hotels and Resorts Co., Ltd.	Forest Water Environmental Engineering Co., Ltd.	Taiwan	General Hotel Management, etc.	-	-	-	- %	-	(337,584)		

Note 1: The translation of the original investment amount of the investee company multiplied by the exchange rate at the end of the investment period.

Note 2: The subsidiary was approved to be incorporated on March 16, 2021, and was liquidated by the resolution of the board of directors on November 10, 2021, and the related cancellation of registration was completed on September 14, 2022.

c. Information on investments in mainland China:

1. Information on the invested company in Mainland China:

Unit: NT$ thousand / RMB thousand /USD thousand

Investee Company	Main Businesses	Total Amount of Paid-in Capital	Method of Investment	Accumulated Outflow of Investment from Taiwan as of January 1, 2022	Investment Flows		Accumulated Outflow of Investment from Taiwan as of December 31, 2022	Net Income (Losses) of the Investee Company	Percentage of Ownership	Share of Profits/Losses	Carrying Amount as of Balance as of December 31, 2022	Accumulated Inward Remittance of Earnings as of December 31, 2022
					Outflow	Outflow						
Lea Zan Shanghai Business Consultancy Limited.	Investing various financial business operations	61,420 (USD2,000)	(Note 1)	18,426 (USD600)	-	-	18,426 (USD600)	1,785 (RMB 408)	30.10%	537 (RMB 123) (Note 4)	19,673 (RMB 4,464)	-
An Ning Beijing Enterprise Water Resource Limited	Water treatment construction and sewage treatment	103,588 (RMB23,500)	(Note 1)	88,160 (RMB20,000)	-	-	88,160 (RMB20,000)	(8,633) (RMB1,973)	40.00%	(3,454) (RMB (789)) (Note 5)	90,645 (RMB20,564)	-
Beijing Forest Water Environmental Engineering Ltd.	Soil restoration and related business	19,655 (RMB4,459)	(註一)	14,284 (RMB3,240)	-	-	14,284 (RMB3,240)	(1,680) (RMB (384))	49.00%	(823) (RMB (188)) (Note 5)	2,475 (RMB562)	-
Lealea Eagle Travel Xiamen limited	Travel services, etc.	1,323 (CNY300)	(Note 3)	397 (CNY90)	-	-	397 (CNY90)	(181) (CNY (41))	30.00%	(55) (Note 5)	139	-

Note 1: The investment was made through a corporation established in a third area, which, in turn, invested in companies located in mainland China.

Note 2: The above-mentioned thousands of NTD disclosures are converted by multiplying the actual investment amount in original currency by the ending exchange rate.

Note 3: Invest directly to Mainland China for the operation.

Note 4: The recognition of investment gains or losses is based on the indirect shareholding ratio in the investee's self-assessed financial statements.

Note 5: The recognition of investment gains or losses is based on the indirect shareholding ratio as reviewed by the parent company's CPAs in Taiwan.

2. Upper Limits on Outward Investment in Mainland China:

Company	Cumulative investment amount remitted from Taiwan - End of the current period	Investment Amounts Authorized by Investment Commission, MOEA	Upper Limit on Investment regulated by Investment Commission, MOEA
Ho Ching Enterprise Co., Ltd.	18,426 (USD600)	18,426 (USD600)	2,217,229 (Note 6)
Forest Water Environmental Engineering Co., Ltd.	102,444 (RMB23,240)	102,444 (RMB23,240)	3,180,551 (Note 7)
Lealea Eagle Travel Service Co., Ltd.	399 (USD13)	399 (USD13)	80,000 (Note 8)

Note 6: Calculation of limit: Subsidiary’s net quity×60%=NTD3,695,382 thouasand×60%=NTD2,217,229 thouasand.

Note 7: Calculation of limit: Subsidiary’s net quity×60%=NTD5,300,919 thouasand×60%=NTD3,180,551 thouasand.

Note 8: Calculation of limit: The cumulative amount of investment by SME investors in the mainland shall not exceed the following investment amounts:
NTD80 million, or 60% of the net worth, whichever is higher.
Net equity of current period×60% =NTD2,491 thouasand×60%=NTD1,495 thouasand.

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

d. Information on major shareholders:

Unit: share

Shares Shareholders	Total Shares Owned	Ownership Percentage
Lealea Enterprise Co., Ltd.	52,958,894	7.11%
Li Peng Enterprise Co., Ltd.	51,117,852	6.87%

XIV. Segment information

Please refer to the 2022 consolidated financial statements.

Rich Development Co., Ltd.
Statement of Inventories
For Year Ended December 31, 2022
(Expressed in Thousands of NTD)

Unit: NT$ thousand

Item	Summary	Amount		collateral	Determined approach for NRV
		Cost	NRV		
Land for construction	Youya Section, Beitou District	$ 345,306	862,398	Collateralized by Shanghai Commercial and Saving Bank	Development analysis approach (Note) and recent transaction price
	Huanshan Section	1,239,777	1,741,600	Collateralized by King's Town Bank	
	Qiongtai Section, Xinzhuang	319,632	358,566	Collateralized by Union Bank of Taiwan	
	Wenzaijun Redistricting Area	232,644	303,321	Collateralized by Union Bank of Taiwan	
	Dihua Street floor area	167,837	217,819		
	Dayeh Road	765,029	855,369	Collateralized by King's Town Bank	
	Others	83,803	83,803		
	Subtotal	3,154,028	4,422,876		
Buildings under construction	A001	3,544,647	5,700,478	Collateralized by Mega International Commercial Bank	Development analysis approach (Note)
	A002	3,289,004	3,434,600	Collateralized by Mega International Commercial Bank	
	A003	3,231,320	5,553,626	Collateralized by Yuanta Commercial Bank	
	A004	78,408	263,252		
	Others	143,320	143,320	Partial collateralized amount of NT$95,951 thousand	
	Subtotal	10,286,699	15,095,276		
Premise for sale (Buildings)	B001	482,092	692,472	Collateralized by China Bills Finance Corporation	Market price acquired
	B002	135,067	546,863	Collateralized by International Bills Finance Corporation	
	B007	763,113	965,397	Collateralized by Hwatai Bank, Grand Bill	
	Others	27,927	27,927		
	Subtotal	1,408,199	2,232,659		
Advance land payment	Others-Floor rate	190,661	190,661		Recent transaction price
Less: Loss allowance for inventory		(83,677)	-		
Total		**$ 14,955,910**	**21,941,472**		

Note: Estimate the total sales amount of the development or construction, after deducting the direct and indirect costs, capital interest and sales expenses that need to be invested during the development period.

Rich Development Co., Ltd
Statement of Changes in Investments Accounted for Equity Method
For Year Ended December 31, 2022

Unit: NT$ thousand

Names of Investee	Beginning balance			Increase		Decrease		Ending balance			Market price or Net equity		Note
	Shares	Amount		Shares	Amount	Shares	Amount	Shares	Percentage of ownership	Amount	Unit price	Total	
Lea Ho Investment Co., Ltd.	45,447,854	$ 375,351		-	949	-	42,785	45,447,854	100.00%	333,515	8.51	386,955	
Green Forest Development Enterprise Co., Ltd.	87,478,083	1,203,208	(註)	6,123,468	94,908	-	69,982	93,601,551	30.00%	1,228,134	14.04	1,228,134	
Rich Forest Leisure Development Co., Ltd.	42,691,114	154,233		-	-	-	4,115	42,691,114	52.38%	150,118	3.52	150,118	
Lealea Hotels Co., Ltd.	35,053,747	262,295		-	723	-	3,711	35,053,747	42.23%	259,307	9.61	337,035	
Yilan Lealea Hotels and Resorts Co., Ltd.	58,500,000	271,224		-	-	-	26,406	58,500,000	63.59%	244,818	4.18	244,818	
Lealea Hotels and Resorts Co., Ltd.	16,494,041	241,736		-	12,025	-	35,273	16,494,041	57.17%	218,488	23.30	384,311	
Forest Water Environmental Engineering Co., Ltd.	1,681,043	66,727		-	17	-	4,968	1,681,043	1.17%	61,776	27.50	46,229	
Ho Ching Enterprise Co., Ltd.	68,511,940	2,663,309		-	871	-	134,931	68,511,940	68.44%	2,529,249	36.92	2,529,249	
Lea Ching Enterprise Co., Ltd.	62,020,000	611,669		20,000,000	200,000	-	13,361	82,020,000	54.67%	798,308	9.73	798,308	
Re-Use Environmental Co., Ltd.	2,957,240	310,249		-	16,073	-	36,966	2,957,240	43.49%	289,356	37.56	111,061	
Grain Forest Green Energy Co., Ltd.	12,150,000	63,986		1,500,000	15,000	-	7,335	13,650,000	30.00%	71,651	5.90	71,651	
Ya Ni Development Enterprise Co., Ltd.	6,200,000	62,299		-	1,361	-	-	6,200,000	32.46%	63,660	10.27	63,660	
Lea Long Energy Co., Ltd.	900,000	5,550		-	-	-	2,007	900,000	30.00%	3,543	3.47	3,123	
		$ 6,291,836			**341,927**		**381,840**			**6,251,923**		**6,354,652**	

Note: Stock dividend distributed.

The movement details of long-term investment accounted for equity method are as follows:

Name of investee	Recognized gains (losses) using equity method	Capital surplus	Acquired through capital increase of current period	Unrealized gains (losses) on financial assets measured at fair value through other comprehensive income	Cash dividend received	Cumulative translation adjustments	Accumulated Profit and Loss	Total
Lea Ho Investment Co., Ltd.	$ (7,774)	68	-	(35,011)	-	5	876	(41,836)
Green Forest Development Enterprise Co., Ltd.	94,908	-	-	-	(69,982)	-	-	24,926
Rich Forest Leisure Development Co., Ltd.	(4,115)	-	-	-	-	-	-	(4,115)
Lealea Hotels Co., Ltd.	(3,711)	723	-	-	-	-	-	(2,988)
Yilan Lealea Hotels and Resorts Co., Ltd.	(26,406)	-	-	-	-	-	-	(26,406)
Lealea Hotels and Resorts Co., Ltd.	(32,127)	-	-	(3,145)	-	33	11,992	(23,247)
Forest Water Environmental Engineering Co., Ltd.	(3,181)	-	-	(358)	(1,429)	17	-	(4,951)
Ho Ching Enterprise Co., Ltd.	(121,087)	-	-	(13,844)	-	870	-	(134,061)
Lea Ching Enterprise Co., ltd.	(11,353)	(2,007)	200,000	-	-	-	-	186,640
Re-Use Environmental Co., Ltd.	15,873	-	-	200	(36,966)	-	-	(20,893)
Grain Forest Green Energy Co., Ltd.	(7,335)	-	15,000	-	-	-	-	7,665
Ya Ni Development Enterprise Co., Ltd.	1,361	-	-	-	-	-	-	1,361
Lea Long Energy Co., Ltd.	(2,007)	-	-	-	-	-	-	(2,007)
	$ (106,954)	**(1,216)**	**215,000**	**(52,158)**	**(108,377)**	**925**	**12,868**	**(39,912)**

Rich Development Co., Ltd.
Statement of Changes in Investment Property
For Year Ended December 31, 2022 **Unit: NT$ thousand**

Please refer to Note 6(7) for details.

Statement of Short-Term Bank Loans
For Year Ended December 31, 2022

Creditor	Description	Ending balance	Contract period	Interest rate	Credit Line	Collateral	Note
Financial Institution A	Collateral loan	Financial Institution A	2020.05.22~2023.05.26	2.63%~3.03%	1,454,550	Land for construction /Buildings under construction	
Financial Institution A	Credit Loan	102,500	2020.05.22~2023.05.22	3.03%	102,500		
Financial Institution B	Collateral loan	188,000	2021.11.30~2023.11.30	2.83%	188,000	Land for construction /Buildings under construction	
Financial Institution C	〃	3,688,452	2013.09.12~2026.04.03	2.70%~2.73%	4,493,452	Buildings under construction	
Financial Institution C	Credit Loan	653,000	2021.12.29~2024.12.19	2.38%~2.61%	653,000		
Financial Institution D	Collateral loan	70,000	2022.09.30~2023.09.30	2.5%	70,000	Investment property	
Financial Institution E	〃	1,272,400	2018.06.22~2023.05.31	2.68%~2.78%	1,544,400	Buildings under construction	
Financial Institution F	〃	281,500	2021.11.19~2025.11.19	2.89%	281,500	Land for construction /Buildings under construction	
Financial Institution F	Credit loan	6,000	2021.11.19~2025.11.19	2.89%	6,000		
Total		**$ 7,165,011**					

Statement of Short-Term Bills Payable

Please refer to Note 6(9) for details

Rich Development Co., Ltd.

Statement of Long-Term Bank Loans
For Year Ended December 31, 2022

Creditor	Summary	Loan Amount	Contract period	Interest rate	Collateral	Note
Financial Institution A	Collateral loan	$ 300,000	2022.09.30~2024.09.30	2.55%~2.63%	Investment property	
Financial Institution B	Collateral loan	10,627	2015.11.13~2035.11.13	2.09%	Investment property	
Financial Institution C	Collateral loan	58,000	2020.06.19~2023.06.19	2.78%	Investment property	
		368,627				
Less: Long-term borrowings, current portion		(58,818)				
Total		**$ 309,809**				

Statement of Bond Payable

Please refer to Note 6(11) for details.

Statement of Business Revenue
For Year Ended December 31, 2022

Item	Summary	Amount
Revenue from land sales		$ 905,520
Revenue from building sales		584,083
Revenue from floor area sales		149,160
Lease revenue		59,537
Other Business revenue	Service Revenue	664
Sales discounts		(31,274)
Sales returns – lease		(15)
Total		**$ 1,667,675**

Statement of Cost Goods Sold
For Year Ended December 31, 2022

Item	Summary	Amount
Cost of lands sold		$ 484,516
Cost of buildings sold		661,806
Cost of floor areas sold		90,667
Cost of lease		36,411
Write down inventories to net realizable value		(5,842)
Total		**$ 1,267,558**

Statement of Operating Expenses
For Year Ended December 31, 2022

Item	Sales expenses	General Management and Administration Expenses	Total
Salary expenses (including pension and labor and health insurance)	$ 4,975	51,666	56,641
Entertainment expenses	25	11,661	11,686
Depreciation	-	5,952	5,952
Advertisement expenses	4,813	317	5,130
Tax expenses	4,089	19,120	23,209
Commission Expenses	40,517	-	40,517
Labor service expenses	-	6,765	6,765
Miscellaneous Expenses	6,378	5,966	12,344
Others	1,794	14,126	15,920
Total	**$ 62,591**	**115,573**	**178,164**