Stock Code: 5512

Rich Development Construction Co., Ltd.

2023 Annual Report

Printed on April 20, 2024

Annual Report is available at: https:/mops.twse.com.tw

Company website: https://www.rhd.com.tw

1. Company Spokesperson and Acting Spokesperson:

Spokesperson	Deputy Spokesperson
Name: Ko, Sien-Jen	Name: Chung, Li-Yan
Title: Assistant Vice President	Title: Manager
Tel: (02) 2100-2288 (representative number)	Tel: (02) 2100-2288 (representative number)
Email: k7008750 @ rhd.com.tw	Email: chung @ rhd.com.tw

2. Addresses and Telephone Numbers of Headquarters, Branches and Plants:

Headquarters Address: 8F., No. ninety-nine Jilin Road, Taipei City
Tel: (02) 2100-2288

3. Stock transfer agency:

Name: total Securities Co., Ltd. Shareholder Services Department
Address: B1, No. ninety-six, Section 1, Jianguo North Road, Taipei City
Tel: (02) 2504-8125
Website: www.tssco.com.tw

4. Certified Public Accountant for the Most Recent Year:

Name of accounting firm: KPMG
Name of CPAs: Chang, Shu-Ying,, Pan, Chun-Ming
Address: sixty-eight F., No. 7, Sec. 5, Xinyi Rd., Taipei City
Tel: (02) 8101-6666
Website: home.kpmg/tw

5. Overseas Securities Exchange Where Securities are Listed and Method of Inquiry: None.

6. Company Website: www.rhd.com.tw

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1. Letter to Shareholders

Ladies and gentlemen:

Looking back on 2023, in terms of the transaction volume in the housing market, the amendment to the Equal Land Rights Act was promulgated in early January, and the transaction volume has slowed down significantly since the beginning of spring. However, as the Ministry of the Interior has adjusted the restrictions on the replacement of pre-sale homes, the impact of the previous housing market policy has gradually diminished, and the housing market has returned to normal supply and demand since the second quarter. Although the general election in the second half of the year has interfered with consumer' s purchase confidence, the government launched a new youth home loan in August, so that many people who originally had a home purchase plan can accelerate their entry and increase the transaction volume. In terms of housing prices, the war between Russia and Ukraine has not stopped. At present, there are still Pakistan conflicts that cannot be resolved, and global geopolitical risks are rising, the phenomenon of long-term inflation may continue, and Cost of construction sales s will also increase significantly, making housing prices difficult to have a room for price decline. Overall, the housing market is showing a trend of price increase and decrease throughout the year.

The consolidated net revenue for 2023 was NT $7,705,541 thousand, an increase of NT $1,400,355 thousand from NT $6,305,186 thousand in 2022. The net profit attributable to the parent company was NT $240,599 thousand, an increase of NT $197,514 thousand from NT $43,085 thousand in 2022. EPS was NT $0.33, and the net value per share was NT $18.49.

Looking forward to 2024, under the continuous promotion of the "Healthy Real Estate Market Plan" measures, the regulations on average land rights will continue to ferment, and the housing accumulation tax 2.0 will be launched in July 2024, and the central bank has not loosen the control policy. Although the presidential election has ended at the beginning of the year, the impact of the policy on the housing market still needs to be observed. The demand for self-occupation is still the main force of the housing market, and it is expected to move towards the trend of price and volume consolidation. The Company evaluates the relevant market trends. The main construction projects in 2024 include "Rich Tien Mu", "Rich Family Wealth", the "Songjiang Corporate Headquarters Project", "Huanshan Road Project A", and the pre-sale "Zhongshan North Road Urban Renewal Project". The annual sales volume of the project is about NT $26 billion, plus other completed housing and commercial office projects. In addition, the Company actively completes the preparation for all the land in stock, and will determine the timing of project promotion depending on the market atmosphere, and evaluates the sales model of new projects based on the impact of government policies and global economic environment on the entire housing market, and

adopts the methods of “sale of completed houses”, “sale of side construction ” or “pre-sale”.

In terms of production and sales policies, the Company will continue to strengthen the promotion of urban renewal projects, give full play to the design material selection and construction management functions, product design planning is oriented to refinement and humanization, and it is expected to produce products with excellent value-for-money, create good living quality, and pay attention to follow-up sales and customer service management to improve customer satisfaction and recognition, establish brand marketing, develop network and direct-effect group marketing, participate in cultural and creative activities, develop high-quality customer sources, and master the customer base of property purchase and self-residence to ensure the stability of the Company's revenue and profit.

The Company's future business direction adheres to the three major concepts of "good land resources", "creating building tastes", and "improving quality of life", and is committed to the two goals of "promoting urban renewal and building top-class buildings", and continues to promote exquisite and good houses, focusing on humanized design, harmonious space planning, excellent quality and safety products. The diversified investment layout related to Other includes: in the division of environmental engineering, continue to develop domestic and foreign environmental protection business markets and expand water treatment business in line with the needs of national forward-looking plans, and continue to strengthen soil water sewage treatment technology, implement sewage treatment engineering technology, establish sewage system design capabilities and develop a new direction of biomass energy, and enter the incinerator bottom ash treatment business to establish a better foundation for the Company's sustainable development. In the tourism business, our hotels continue to transform and develop diversified hospitality brands, and establish a membership system to consolidate customer loyalty, which will provide considerable benefits to revenue.

We would like to express our most sincere gratitude and appreciation to all shareholders for their long-term support and encouragement. All employees of Rich will do their best to create maximum profits for shareholders. We will strive for the stable growth of the Company and continue to innovate and improve, hoping to give back to shareholders with better results. Thank you for your continued support and care for the Company.

Chairman: managerial officers: Accounting Supervisor:

2. Company Profile

1. Date of establishment

July 30, 1992

Headquarters Address: 8F., No. ninety-nine Jilin Road, Taipei City

Tel: (202) 21OO - 2288

2. Company History

In 1992, Lealea Grou (1444), a listed textile manufacturer in Taiwan, stepped into the field of construction and established Rich Development Construction, laying a solid foundation for creating meticulous quality. With the precise land cultivation philosophy, Guo, Musheng, the founder, has been deeply cultivating in the prime areas of Taipei City such as Jinhua and Lishui, and has constructed many main buildings in Daan District. Rich Development Construction always implements the three major concepts of "good faith in land resources", "building taste", and "improving quality of life". With the heart of good faith in land, it stimulates new life for old land. As always, it acts as drilling, fills responsibilities and perseverance, creates the most qualitative architecture, improves the taste of accommodation, and makes every construction project a classic task. In the planning of the operation, we used international architecture as our professional to activate the high-end luxury residential market and were selected as one of the top ten construction brands in Taiwan.

Since 1994, the Company has continued to cultivate the advantages of land lots. It has been developing commercial buildings and has traceable to Rich landmark buildings on major important shopping roads. Adhering to the spirit of founding, the second-generation successor has transformed the philosophy of rearing into esthetics and integrated it into refinement and concentration.

In 1998, the Company was officially listed on the Taipei Exchange (5512), and the active and eye-catching layout of quality housing and commercial real estate was deeply recognized and grew steadily.

Construction projects in 2022 include “Rich Family Wealth” for sale of

finished houses and “Rich Tien Mu” for sale while construction is in progress, plus other completed houses and commercial office projects. In the current year, the shareholders' meeting approved the distribution of cash dividends of NT $0.3 per share.

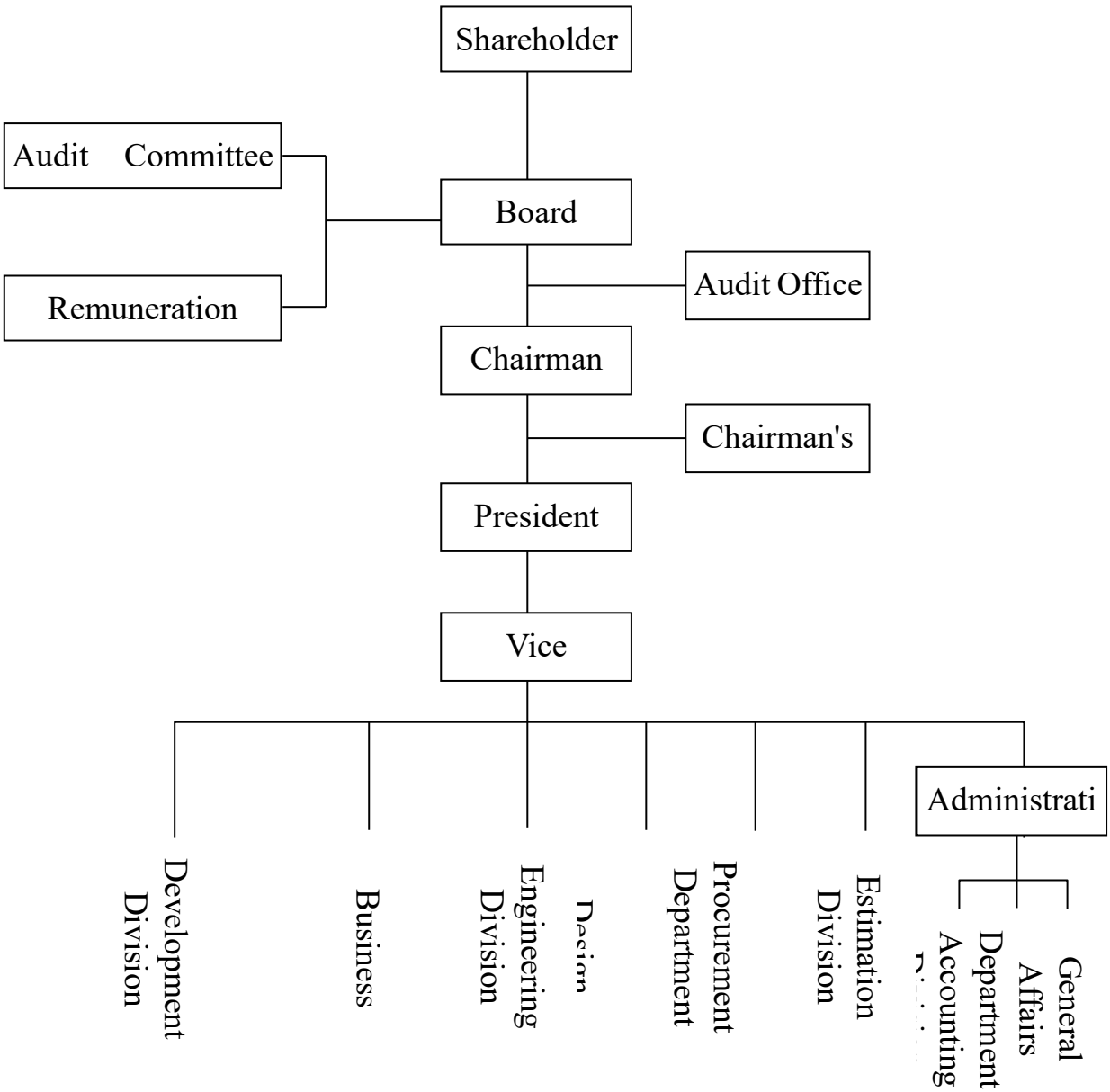
The 2023 construction projects include “Rich Family Wealth” and “Rich Tien Mu” which continue to promote the sale of completed houses, together with other completed houses and commercial office projects. Considering the future market conditions and the capital needs of Construction in progress , the shareholders' meeting approved that no dividends will be distributed to shareholders in the current year.

The 2024 construction projects include “Rich Family Wealth” and “Rich Tien Mu” which continue to promote the sale of completed houses, together with other completed houses and commercial office projects. It is expected to distribute a cash dividend of NT $0.24 per share and a stock dividend of NT $0.3 per share.

Corporate Governance Report

1. ORGANIZATION

(1) Organizational structure



(2) Business of each major department

Department	Business Operations
Chairman's Office	(1) Administrative public relations, legal contract development and project research. (2) System planning, business analysis and budget review.
Audit Office	(1) Implementation, review and amendment of the audit system. (2) Audit, review and recommendation of the internal control system. (3) Tracking the evaluation of business performance and making recommendations for improvement.
Development Division	(1) Land development, evaluation and trading management. (2) Transfer of property rights and base consolidation.
Design Planning Division	(1) Product planning, design and professional evaluation. (2) R & D and new product planning. (3) Building planning and material selection.
Business Division	(1) Be responsible for advice on architectural design and space planning for individual projects. (2) Market research, marketing planning, customer contracted collection and handover transfer. (3) Residual house management and customer post-delivery consultation and services. (4) Book affairs and management of the quality and progress of property rights.
Engineering Division	(1) Construction monitoring, material acceptance, vendor coordination and customer change handling. (2) Engineering valuation (inspection) calculation and pricing, payment request, cost control and various implementation operations. (3) Discussion on construction methods, quality assessment and detailed planning of construction. (4) Coordinate customer after-sales services.
Administration Department	(1) Financial planning, fund management and ownership management. (2) Accounting, taxation, cost operations and preparation of financial statements. (3) personnel, general affairs, financial management and stock affairs.
Procurement	Various outsourcing procurement operations, manufacturer information collection and connection.

Department	
Estimation Division	Engineering budget compilation.

2. INFORMATION ON DIRECTORS, SUPERVISORS, GENERAL MANAGER, VICE PRESIDENTS, Assistant Vice President AND SUPERVISORS OF EACH DEPARTMENT AND BRANCH OFFICES

(1) Information on Directors and Supervisors

April 21, 2024

Job Title	Nationality Or note Place of book	Name Gender	Gender Age (Note1)	Election (appointment) Date	Appointed Term	First Elected Date of appointment	Shares Held When Elected		Shares Currently Held		Spouse & Minor Shares Currently Held		Use the name of others Shares held		Main economic Experience (Education)	The current Positions held in Other	Executives, Directors or Supervisors of Other who are spouses or within two degrees of kinship			Remark
							Shares	Shareholding Ratio	Shares	Shareholding Ratio	Shares	Shareholding Ratio	Shares	Shareholding Ratio			Job Title	Name Gender	Relationship	
Chairman	ROC ROC	Guo, Shuzhen	Female	2021.07.14	Table 3 Year	2001.06.01	1,306,243	0.18%	1,306,243	0.18%	0	0.00%	0	0.00%	Yale University, USA Master of Business Administration Master of Public Health	Forest Water Environmental Engineering Co., Ltd. Chairman Chairman, Hejing Enterprise Co., Ltd. Chairman of Li He Investment Co., Ltd. Director of Lealea Enterprise Co., Ltd. Director of Li Peng Enterprise Co., Ltd.	Director	Yang, Qiong-Ru	Relatives	Nil.

Job Title	Nationality Or note Place of book	Name Gender	Gender Age (Note1)	Election (appointment) Date	Appointed Term	First Elected Date of appointment	Shares Held When Elected		Shares Currently Held		Spouse & Minor Shares Currently Held		Use the name of others Shares held		Main economic Experience (Education)	The current Positions held in Other	Executives, Directors or Supervisors of Other who are spouses or within two degrees of kinship			Remark
							Shares	Shareholding Ratio	Shares	Shareholding Ratio	Shares	Shareholding Ratio	Shares	Shareholding Ratio			Job Title	Name Gender	Relationship	
Director	ROC ROC	Guo, Ji-Gang	Male	2021.07.14	Table 3 Year	2009.06.19	459,257	0.06%	459,257	0.06%	1,737,000	0.23%	0	0.00%	University of Pomona, California, USA Department of Hotel Management	General Manager, Rich Development Construction Co., Ltd. Yilan Lili Development Co., Ltd. Chairman Director of Hejing Enterprise Co., Ltd. Forest Water Environmental Engineering Co., Ltd. Director Director of Li Peng Enterprise Co., Ltd.	Director Director	Yang, Qiong-Ru Guo, Ji-An	Mother-son Brother	Nil.
Director	ROC ROC	Guo, Ji-An	Male	2021.07.14	Table 3 Year	2012.06.18	4,198	0.00%	4,198	0.00%	0	0.00%	0	0.00%	Department of Business Administration, Fort Hays State University	Forest Water Environmental Engineering Co., Ltd. Vice Chairman Director of Hejing Enterprise Co., Ltd. Director of Lealea Enterprise Co., Ltd. Director of Li He Investment Co., Ltd.	Director Director	Yang, Qiong-Ru Guo, Ji-Gang	Mother-son Brother	Nil.
Director	ROC ROC	Kuan Hsiang Investment (Shares)	Male	2021.07.14	Table 3 Year	2015.06.15	6,930,975	0.93%	6,930,975	0.93%	0	0.00%	0	0.00%	Nil.	Nil.	Nil.	Nil.	Nil.	Nil.
		representative: Hong, Quan-Fu					-	0.00%	1,472,720	0.20%	217,703	0.03%	0	0.00%	Master of Business Administration, Johns Hopkins University	Chairman, Hong Yu International Co., Ltd.				
Director	ROC ROC	Shun Yu Investment (Shares)	Male	2021.07.14	Table 3 Year	2015.06.15	13,015,859	1.75%	13,015,859	1.75%	0	0.00%	0	0.00%	Nil.	Director of Li Peng Enterprise Co., Ltd. Director of Lealea	Nil.	Nil.	Nil.	Nil.

Job Title	Nationality Or note Place of book	Name Gender	Gender Age (Note1)	Election (appointment) Date	Appointed Term	First Elected Date of appointment	Shares Held When Elected		Shares Currently Held		Spouse & Minor Shares Currently Held		Use the name of others Shares held		Main economic Experience (Education)	The current Positions held in Other	Executives, Directors or Supervisors of Other who are spouses or within two degrees of kinship			Remark
							Shares	Shareholding Ratio	Shares	Shareholding Ratio	Shares	Shareholding Ratio	Shares	Shareholding Ratio			Job Title	Name Gender	Relationship	
		representative: Guo, Ke-Zhong					-	0.00%	323,080	0.04%	0	0.00%	0	0.00%	United States Syracuse University	Enterprise Co., Ltd.				
Director	ROC ROC	Yang, Qiong-Ru	Female	2021.07.14	Table 3 Year	2009.06.19	3,027,388	0.41%	3,027,388	0.41%	0	0.00%	0	0.00%	Overseas Chinese University	Lealea Hotel Co., Ltd. Chairman Yilan Lili Development Co., Ltd. Director	Chairman Director Director	Guo, Shuzhen Guo, Ji-Gang Guo, Ji-An	Relatives Mother-son Mother-son	Nil.
Independent Director Director	ROC ROC	Lin, Chun-Liang	Male	2021.07.14	Table 3 Year	2021.07.14	0	0.00%	0	0.00%	8,810	0.00%	0	0.00%	Department of Banking and Insurance, Tamkang University	Member of the Company's Audit Committee and Remuneration Committee Chairman of the Board of Directors of the Social Welfare Association of Taiwan	Nil.	Nil.	Nil.	Nil.
Independent Director Director	ROC ROC	Ge, Shu-Ren	Male	2021.07.14	Table 3 Year	2021.07.14	0	0.00%	0	0.00%	0	0.00%	0	0.00%	PhD in Management, Swiss Business School Master of Communication, Ming Chuan University	Member of the Company's Audit Committee and Remuneration Committee Independent Director, BES Engineering Corporation Adjunct Professor, Shih Hsin University China Satellite TV Executive Director	Nil.	Nil.	Nil.	Nil.
Independent Director Director	ROC ROC	Kang, Shie-Yi	Male	2021.07.14	Table 3 Year	2021.07.14	0	0.00%	0	0.00%	0	0.00%	0	0.00%	Department of Business Administration, Soochow University	Member of the Company's Audit Committee and Remuneration Committee	Nil.	Nil.	Nil.	Nil.

Note 1: For the age information of directors, please refer to the table of "Implementation of Diversity" on page 12 of the annual report.

Table 1: Major Shareholders of Institutional Shareholders

March 31, 2024

Name of corporate shareholder	Major Shareholders of Institutional Shareholders	Shareholding ratio
Shun Yu Investment Co., Ltd.	Guo, Jun-Nan	52.94%
	Xu, Bi-Yuan	32.94%
	Guo, Ke-Rong	3.53%
	Guo, Ke-Zhong	3.53%
	Guo, Ke-Wen	3.53%
	Guo, Ke-Ping	3.53%
Champion Xiang Investment Limited	Hong, Quan-Fu	38.41%
	Guo, Ke-Zhong	38.41%
	Hong, Neng-Zu	11.10%
	Huang, Su-Ying	5.05%
	Huang, Mei-Yao	5.05%
	Hong, Xie-Wu	1.98%

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

Note 2: Fill in the name of the major shareholders of these institutional shareholders (include top 10 major shareholders by shareholding percentage) and their shareholding percentages. If the major shareholder is a juristic person, the following table 2 should be filled in.

Note 3: If a corporate shareholder is not a company organizer, the name of the shareholder and shareholding ratio that should be disclosed before is the name of the investor or donor and the ratio of capital contribution or donation. If the donor has passed away, note "deceased".

Disclosure of professional qualifications of directors and supervisors and independence of independent directors:

Conditions / Name / Gender	Professional Qualifications and Experience	Independence	Number of public companies where the individual concurrently serves as an independent director at Other
Chairman Guo, Shuzhen	Graduated from Yale University with Master of Business Administration and Master of Public Health Also serves as the chairman of the Company and Forest Water Environmental Engineering Co., Ltd., and serves as a director of several listed companies such as LEALEA, Li Peng, LEALEA. With more than five years of work experience required for business, legal affairs, finance, accounting or corporate business, he has been a director of the company since 2001, and has committed to the construction industry for more than 20 years, leading the company to stable growth and sustainable operation.	Not been a person of any conditions defined in Article 30 of Company Act.	0

Conditions / Name / Gender	Professional Qualifications and Experience	Independence	Number of public companies where the individual concurrently serves as an independent director at Other
Director Guo, Ji-Gang	Graduated from the Department of Hotel Management of Pomona University, California, the United States, and served as directors of several listed companies such as Forest Water, Li Peng, and LEALEA. With more than five years of work experience required for business, legal affairs, finance, accounting or corporate business. Since 2018, he has been appointed as the general manager of the Company by the Board of Directors, leading the Company into a pioneer in the industry.		0
Director Guo, Ji-An	Graduated from the Department of Business Administration, Fort Hays State University, U.S.A. Also, he serves as a director of several listed companies such as Forest Water, LEALEA and LEALEA. With more than five years of work experience in business, legal, finance, accounting or corporate business. Since 2019, he has served as the vice chairman of the board of directors of the subsidiary Forest Water, and contributed to the business management.		0

Conditions / Name / Gender	Professional Qualifications and Experience	Independence	Number of public companies where the individual concurrently serves as an independent director at Other
Director Yang, Qiong-Ru	Has more than five years of work experience in business, legal, finance, accounting or corporate business, and has contributed to the company's operation and management.		0
Director: representative: Hong, Quan-Fu	Master of Business Administration, Johns Hopkins University Chairman, Hong Yu International Co., Ltd., with more than five years of work experience in business, legal, finance, accounting or corporate business, with international perspective, global professional market competition judgment and innovation leadership.		0
Director: Shun Yu Investment Co., Ltd. representative: Guo, Ke-Zhong	As directors of listed companies such as LEALEA and Li Peng, attended Syracuse University in the United States. Have more than five years of work experience in business, legal, finance, accounting or corporate business, have an international perspective, and have experience in catering management.		0

Conditions / Name / Gender	Professional Qualifications and Experience	Independence	Number of public companies where the individual concurrently serves as an independent director at Other
Independent Director Lin, Chun-Liang	Graduated from the Department of Banking and Insurance, Tamkang University, and served as a director of Hua Nan Financial Holdings, Hua Nan Commercial Bank, Taiwan Property Insurance, Bank of Taiwan Life Insurance, Taiwan Clearing House, and Assets Service of Taiwan Finance; Vice President and Chief Auditor of Bank of Taiwan; Deputy Secretary General, Bankers Association of the Republic of China, has more than five years of work experience in business, legal, finance, accounting or corporate business. Extensive financial related experience and professional advice to the Company in the financial market.	During the two years before being elected and during the term of office, each of the following independence assessment criteria has been met: (1) Not an employee of the Company or any of its affiliates. (2) Not a director or supervisor of the Company or any of its affiliates. (3) Not a shareholder of natural person who holds shares, together with those held by the person's spouse, minor children, or held by the person under others' names, in an aggregate amount of 1% or more of the total number of issued shares of the Company or ranking in the top 10 in holdings. (4) Not a spouse, relative within the second degree of kinship, or lineal relative within the third degree of	0

Conditions / Name / Gender	Professional Qualifications and Experience	Independence	Number of public companies where the individual concurrently serves as an independent director at Other
Independent Director Ge, Shu-Ren	Ph.D. in Management, Swiss Business School, Master of Communication, Ming Chuan University He once served as a director of Taiwan Land Development Co., Ltd., Kai Chieh International Co., Ltd., Taiwan Innovation Co., Ltd., TV station of TVBS, Deputy General Manager of Era Digital, and an executive director of Universal News Taiwan. He is currently a part-time professor of the school affairs consultant of Shih Hsin University, a municipal consultant of Taipei City Government, a consultant of Taitung County Councilor, an independent director of BES Engineering, and Taiwan Cogeneration. He has more than five years of work experience in business, legal, finance, accounting or corporate business. Extensive industry-academia related experience to provide professional advice on the Company's business strategies.	kinship, of any of the persons in the preceding (1) managerial officers or (2) (3). (5) Not a director, supervisor, or employee of a corporate shareholder that directly holds 5% or more of the total number of issued shares of the Company, or that ranks among the top five in shareholdings, or that designates Company Act to serve as a director or supervisor of the Company under Article 27, paragraph 1 or 2 of Company Act. (6) Not a director, supervisor, or employee of a company of which the majority of board seats or voting shares is controlled by a company that also controls the same of the company; (7) Not a director, supervisor, or employee of a company of which the chairman or CEO (or equivalent) themselves or their spouse also serve as the company' s chairman or CEO (or equivalent); (8) Not a director, supervisor, or shareholder holding 5% or more of	1

Conditions / Name / Gender	Professional Qualifications and Experience	Independence	Number of public companies where the individual concurrently serves as an independent director at Other
Independent Director Kang, Shie-Yi	Graduated from the Department of Business Administration of Soochow University, and served as the supervisor of First Financial Holdings and the manager of the Business Department of Bank of Taiwan. He has more than five years of work experience in business, legal affairs, finance, accounting or corporate business. Extensive financial related experience and professional advice to the Company in the financial market.	the shares of a specified company or institution that has a financial or business relationship with the Company. (9) Not a professional individual who, or an owner, partner, director, supervisor, or officer of a sole proprietorship, partnership, company, or institution that, provides auditing services to the company or any affiliate of the company, or that provides commercial, legal, financial, accounting or related services to the company or any affiliate of the company for which the provider in the past 2 years has received cumulative compensation exceeding NT $500,000, or a spouse thereof. This restriction does not apply to a member of the remuneration committee, public tender offer review committee, or special committee for merger/consolidation and acquisition, who exercises powers pursuant to the Act or to the Business Mergers and Acquisitions Act or related laws or regulations. (10) Not been a person of any conditions defined in Article 30 of Company Act.	0

2. Diversity and independence of the Board of Directors:

(1) Board diversity:

1. Diversity Policy

In accordance with the Company's "Corporate Governance Best Practice Principles", the Company's Board of Directors shall direct company strategies, supervise the management, and be responsible to the Company and shareholders. The various procedures and arrangements of the corporate governance system shall ensure that, in exercising its authority, the Board of Directors complies with laws, regulations, Articles of Incorporation, and Resolution.

The structure of the Company's Board of Directors shall be determined by choosing an appropriate number of Board members, not less than five, in consideration of its business scale, the shareholdings of its major shareholders, and practical operational needs.

The composition of the Board of Directors shall be determined by taking diversity into consideration. It is advisable that directors concurrently serving as the Company's managerial officers not exceed one-third of the total number of the Board members, and that an appropriate policy on diversity based on the Company's business operations, operating dynamics, and development needs be formulated and include, without being limited to, the following two general standards:

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

(2) Professional knowledge and skills: professional background (such as law, accounting, industry, finance, marketing or technology), professional skills and industry experience, etc.

All members of the Board shall have the knowledge, skills, and experience necessary to perform their duties. To achieve the ideal goal of corporate governance, the Board of Directors shall possess the following abilities:

A.Ability to make operational judgments.
B.Ability to perform accounting and financial analysis.
C.Business management ability.
D.Ability to conduct crisis management.
F.Knowledge of the industry.
G.An international market perspective.
H.Ability to lead.
I. Ability to make policy decisions.

(3) Implementation of diversification

The 13th Board of Directors of the Company has rich experience and expertise in financial affairs, tourism and catering, mass media, construction and environmental protection. As for the list of current directors of the Company, the ratio of independent directors is 33%, and the ratio of female directors is 22%. For the

professional qualifications and experience of directors, please refer to this annual report (page 9). The implementation of diversity is as follows:

Diversified Item / Name / Gender	Gender Type	Age			Industry experience				Professional ability			
		40 In Below	41 to 60	61 to 70	Finance Affairs	Tourism Dining	Public Media	Construction Environmental Engineering	Leadership Decision Making	Operation Management	Market Marketing	Finance Accounting
Guo, Shuzhen	Female			✓	✓	✓		✓	✓	✓		✓
Guo, Ji-Gang	Male		✓			✓		✓	✓	✓	✓	
Guo, Ji-An	Male	✓						✓	✓	✓	✓	
Yang, Qiong-Ru	Female			✓		✓			✓	✓		
Hong, Quan-Fu	Male		✓					✓	✓	✓	✓	
Guo, Ke-Zhong	Male	✓				✓		✓			✓	
Lin, Chun-Liang	Male			✓	✓				✓	✓		✓
Ge, Shu-Ren	Male			✓			✓	✓	✓	✓	✓	
Kang, Shie-Yi	Male			✓	✓				✓	✓		

2. Specific management objectives and achievement of the board diversity policy

The 13th Board of Directors has added two financial professionals and the independent directors have served for no more than three consecutive terms. It is

expected that the proportion of female directors will increase to 1/3 in the next five years.

(2) Independence of the Board of Directors

The 13th Board of Directors of the Company consists of 9 directors, including 3 independent directors. The ratio of independent directors accounts for 1/3 of the Board of Directors, and 3 directors have relatives within the second degree of kinship. The independence of the Company's Board of Directors is in compliance with the provisions of Paragraphs 3 and 4 of Article 26-3 of Securities and Exchange Act. The number of directors shall be more than half of the number of directors, and they shall not be spouses or relatives within the second degree of kinship, and the supervisors or supervisors and directors shall be at least one seat or more, and they shall not be spouses or relatives within the second degree of kinship. Please refer to the annual report for the spouse and relative within the second degree of kinship of the directors. Please refer to page 9 of this annual report for the independence of directors.

(2) Background information of the President, Vice Presidents, Assistant Vice President and heads of various departments and branches

April 18, 2023; Unit: Shares

Job Title	Nationality	Name	Gender Type	Elected (Inaugurated) Date of appointment	Shares Held		Spouse & Minor Shares held by children		Use the name of others Shares held		Main economic Experience (Education)	Current concurrent position Other position held	managerial officers is a spouse or relative within the second degree of kinship			Remark
					Shares	Shareholding Ratio	Shares	Shareholding Ratio	Shares	Shareholding Ratio			Job Title	Name Gender	Relationship	
President	ROC ROC	Guo, Ji-Gang	Male	2018.01.01	459,257	0.06%	1,348,000	0.18%	0	0.00%	Department of Hotel Management, Pomona University, California, USA	Director of the Company; Chairman of Yilan Lili Development Co., Ltd.; Director of Hejing Enterprise Co., Ltd.; Director of Shanlin Water Environmental Engineering Co., Ltd.; Director of Li Peng Enterprise Co., Ltd.	Nil.	Nil.	Nil.	Nil.
Assistant Vice President	ROC ROC	Wu, Zheng-Hui	Male	2015.08.10	0	0.00%	0	0.00%	0	0.00%	Feng Chia University Accounting	Nil.	Nil.	Nil.	Nil.	Nil.
Assistant Vice President	ROC ROC	Wang,Yan-Wen	Male	2015.08.10	0	0.00%	0	0.00%	0	0.00%	Master of Architecture, University of Oregon	Nil.	Nil.	Nil.	Nil.	Nil.
Assistant Vice President	ROC ROC	Lin, Jian-Cheng	Male	2018.10.01	0	0.00%	0	0.00%	0	0.00%	Taipei Institute of Technology Civil Engineering Division	Nil.	Nil.	Nil.	Nil.	Nil.
Assistant Vice President	ROC ROC	Wang, Yu-Yun	Male	2019.08.01	0	0.00%	0	0.00%	0	0.00%	Kuang-Wu Junior College Mechanical	Nil.	Nil.	Nil.	Nil.	Nil.

Job Title	Nationality	Name Gender	Gender Type	Elected (Inaugurated) Date of appointment	Shares Held		Spouse & Minor Shares held by children		Use the name of others Shares held		Main economic Experience (Education)	Current concurrent position Other position held	managerial officers is a spouse or relative within the second degree of kinship			Remark
					Shares	Shareholding Ratio	Shares	Shareholding Ratio	Shares	Shareholding Ratio			Job Title	Name Gender	Relationship	
											Engineering					
Accounting Supervisors	ROC ROC	Ko, Sien-Jen	Male	2002.08.01	99,617	0.01%	1,038	0.00%	0	0.00%	Soochow University Accounting	Director of Yilan Lili Development Co., Ltd. Director of Li Shan Lin Leisure Development Co., Ltd. Director of Li-Jing Enterprise Co., Ltd.	Nil.	Nil.	Nil.	Nil.
Finance Supervisors	ROC ROC	Chung, Li-Yan	Female	2003.04.11	1,736	0.00%	0	0.00%	0	0.00%	Deming College of Commerce International Trade	Nil.	Nil.	Nil.	Nil.	Nil.
Corporate Governance Officer	ROC ROC	Lin, Ming-Chi	Male	2021.05.13	0	0.00%	0	0.00%	0	0.00%	Chinese Culture University Business Management	Corporate Governance Officer, Lealea Tourism Development Co., Ltd.	Nil.	Nil.	Nil.	Nil.

(3) Where the chairperson of the board of directors and the general manager or person of an equivalent post (the highest managerial officers) of a company are the same person, spouses, or relatives within the first degree of kinship, an explanation shall be given of the reason for, reasonableness, necessity thereof, and the measures adopted in response thereto: Not applicable.

3. Remuneration Paid to Directors, Supervisors, General Manager and Deputy General Manager in the Most Recent Year

(1) Remuneration of Directors (including Independent Directors)

Unit: NT $thousands/thousand shares

Job Title	Name	Director Remuneration								A、B、C and D (Note 10)		Remuneration								A、B、C、D、E、F and G (Note 10)		Receive reinvestments other than subsidiaries or from the parent company Remuneration (Note 11)
		Base Compensation (A) (Note 2)		Pension (B)		Remuneration to Directors (C) (Note 3)		Allowances (D) (Note 4)				Salary, Bonuses, and Allowances (E) (Note 5)		Pension (F)		Employee Compensation (G) (Note 6)						
																The Company		Companies in the consolidated financial statements (Note 7)				
		The Company	Companies in the consolidated financial statements (Note 7)	The Company	Companies in the consolidated financial statements (Note 7)	The Company	Companies in the consolidated financial statements (Note 7)	The Company	Companies in the consolidated financial statements (Note 7)	The Company	Companies in the consolidated financial statements	The Company	Companies in the consolidated financial statements (Note 7)	The Company	Companies in the consolidated financial statements (Note 7)	Cash Amount	Stock Amount	Cash Amount	Stocks Amount	The Company	Companies in the consolidated financial statements	
Director	Guo, Shuzhen Guo, Ji-Gang Guo, Ji-An Yang, Qiong-Ru	10585	13976	0	0	7722	7722	0	0	57574.40	102998.60	5584	9229	108	216	0	0	0	0	174766.84	265101 3.39	0

	Champion Xiang Investment Limited representative：Hong, Quan-Fu Shun Yu Investment Co., Ltd. representative：Guo, Ke-Zhong																				
Independent Director	Lin, Chun-Liang, Ge, Shu-Ren, Kang, Shie-Yi	720	720	0	0	360	360	0	0	1080 0.86	1080 0.86	0	0	0	0	0	0	0	0	1080 0.86	1080 0.86	0

1. Please describe the policy, system, standards and structure of independent director Remuneration, and describe the relevance to the amount of Remuneration based on factors such as responsibilities, risks, and time invested: Independent director Remuneration is handled in accordance with Articles of Incorporation, and the Salary and Compensation Committee regularly reviews the Remuneration system based on the contribution of individual directors to the board of directors and the company's operations.

2. Except as disclosed in the above table, Remuneration received by the directors of the Company in the most recent year for providing services (such as serving as consultants to non-employees of the parent compan companies in the financial report/reinvestment business, etc.): None.

Remuneration bracket table

Range of Remuneration paid to each director of the Company	Name of director			
	Total of (A + B + C + D) Remuneration		Total of (A + B + C + D + E + F + G)	
	The Company (Note 9)	Companies in the consolidated financial statements (Note 10)	The Company (Note 9)	Companies in the consolidated financial statements (Note 10)
Below NT $1,000,000	Guo, Ji-Gang, Guo, Ji-An, Yang, Qiong-Ru, Shun Yu Investment Co., Ltd. representative: Guo, Ke-Zhong, Champion Xiang	Guo, Ji-Gang, Guo, Ji-An, Yang, Qiong-Ru, Shun Yu Investment Co., Ltd. representative: Guo, Ke-	Guo, Ji-An, Yang, Qiong-Ru, Shun Yu Investment Co., Ltd. representative: Guo, Ke-Zhong, Champion	Shun Yu Investment Co., Ltd. representative: Guo, Ke-Zhong, Champion Xiang Investment Limited

	Investment Limited representative: Hong, Quan-Fu, Lin, Chun-Liang, Ge, Shu-Ren, Kang, Shie-Yi	Zhong, Champion Xiang Investment Limited representative: Hong, Quan-Fu, Lin, Chun-Liang, Ge, Shu-Ren, Kang, Shie-Yi	Xiang Investment Limited representative: Hong, Quan-Fu, Lin, Chun-Liang, Ge, Shu-Ren, Kang, Shie-Yi	representative: Hong, Quan-Fu, Lin, Chun-Liang, Ge, Shu-Ren, Kang, Shie-Yi
NT $1,000,000 (inclusive) ~ NT $2,000,000 (exclusive)	Nil.	Nil.	Nil.	Yang, Qiong-Ru
NT $2,000,000 (inclusive) ~ NT $3,500,000 (exclusive)	Nil.	Nil.	Nil.	Nil.
NT $3,500,000 (inclusive) ~ NT $5,000,000 (exclusive)	Nil.	Nil.	Guo, Ji-Gang	Nil.
NT $5,000,000 (inclusive) ~ NT $10,000,000 (exclusive)	Guo, Shuzhen	Nil.	Nil.	Guo, Ji-Gang, Guo, Ji-An
NT $10,000,000 (inclusive) ~ NT $15,000,000 (exclusive)	Nil.	Guo, Shuzhen	Guo, Shuzhen	Guo, Shuzhen
NT $15,000,000 (inclusive) ~ NT $30,000,000 (exclusive)	Nil.	Nil.	Nil.	Nil.
NT $30,000,000 (inclusive) ~ NT $50,000,000 (exclusive)	Nil.	Nil.	Nil.	Nil.
NT $50,000,000 (inclusive) ~ NT $100,000,000 (exclusive)	Nil.	Nil.	Nil.	Nil.
Over NT $100,000,000	Nil.	Nil.	Nil.	Nil.
Total	9	9	9	9

Note 1: The names of directors shall be listed separately (for corporate shareholders, the names of corporate shareholders and representative shall be listed separately) and the amount of each payment shall be disclosed in a summary manner. If a Director concurrently serves as a General Manager or Deputy General Manager, his/her name and the amount of remuneration paid to him/her shall be listed in Table (3-1) or (3-2) below.

Note 2: Refers to the remuneration of directors in the most recent year (including directors' salary, job bonus, severance payment, various bonuses, incentives, etc.).

Note 3: Fill in the amount of directors' remuneration approved by the board of directors in the most recent year.

Note 4: Business expenses paid out to directors in the most recent year (including transport, special expenses, various allowances, accommodation, vehicles, and provision of physical goods and services). Where housing, cars, vehicles, or personal allowances were granted, the nature and cost of Other, the rental rates (calculated based on actual or fair value), cost of petrol and Other contributions are also disclosed. Where personal drivers were allocated, please make a footnote disclosure explaining the amount of salaries made to drivers, but do not count them as part of the Remuneration.

Note 5: Refers to any salaries, allowances, severance pay, bonuses, incentives, travel allowances, special allowances, subsidies, accommodation, corporate vehicles and other in-kind benefits that the director received in the last year for assuming the role of a company employee (such as President, Vice President, Other managerial officers and employee). Where housing, cars, vehicles, or personal allowances were granted, the nature and cost of Other, the rental rates (calculated based on actual or fair value), cost of petrol and Other contributions are also disclosed. Where personal drivers were allocated, please make a footnote disclosure explaining the amount of salaries made to drivers, but do not count them as part of the Remuneration.

Note 6: Refers to those who have received employee remuneration (including stocks and cash) for directors concurrently serving as employees (including concurrently serving as president, vice president, Other managerial officers and employees) in the most recent year, the amount of employee remuneration approved by the board of directors in the most recent year shall be disclosed. If it is not possible to estimate, the proposed distribution amount for this year shall be calculated in proportion to the actual distribution amount last year, and the attached Table 1-3 shall be filled in.

Note 7: Refers to the number of shares subscribed by directors who also serve as employees (including concurrently serving as President, Vice President, Other managerial officers and employees) up to the date of publication of the annual report (excluding the executed part). In addition to this form, Appendix 15 should be filled in.

Note 8: The total amount of Remuneration paid to the directors of the Company by all companies (including the Company) in the consolidated report shall be disclosed.

Note 9: The Company pays the total amount of each Remuneration to each director, and the name of the director is disclosed in the attribution level.

Note 10: The total amount of Remuneration paid to each director of the Company by all companies (including the Company) in the consolidated report should be disclosed, and the names of the directors should

be disclosed in the attribution level.

Note 11: Net profit after tax refers to the net profit after tax in the most recent year; If International Financial Reporting Standards has been adopted, the after-tax net profit refers to the after-tax net profit of the individual or individual financial report in the most recent year.

Note 12: a.This column should clearly indicate the amount of Remuneration related to the reinvestment business received by the directors of the company from the subsidiary.

b.If the director of the company receives Remuneration from the reinvested business other than the subsidiaries, the Remuneration received by the company's director from the reinvested business other than the subsidiaries shall be included in Column J of the Remuneration level table, and the name of the column shall be changed to "all reinvested business".

c. Remuneration refers to the remuneration, compensation (including compensation of employees, directors and supervisors) and business execution expenses received by the Company's directors for serving as directors or supervisors of investees other than subsidiaries or managerial officers.

Note 13: Note 1: Refers to the number of new shares acquired by directors who are also employees (including general manager, deputy general manager, Other managerial officers and employees) as of the date of publication of the annual report. In addition to filling in this form, it should also be filled in Table 15-1.

(2) Remuneration of Supervisors: Not applicable.

(3) Remuneration of General Manager and Deputy General Manager

Unit: NT $thousands

Job Title	Name	Salary (A) (Note 2)		Retirement pension (B)		Bonuses and Allowances Special expenses (C) (Note 3)		Employee remuneration (D) (Note 4)				A, B, C and D Total of Ratio of net income after tax (%) (Note 8)		Whether or not the person receives any remuneration from other non-subsidiary companies that the Company has invested in. Remuneration (Note 9)
	Gender	The Company Company Company	Companies in the consolidated financial statements (Note 5)	The Company Company Company	Companies in the consolidated financial statements (Note 5)	The Company Company Company	Companies in the consolidated financial statements (Note 5)	The Company		Companies in the consolidated financial statements (Note 5)		The Company Company Company	Companies in the consolidated financial statements (Note 5)	
								Cash Amount	Stocks Amount	Cash Amount	Stocks Amount			
President	Guo, Ji-Gang	3,641	3,641	108	108	1248	1248	0	0	0	0	4780 2.08	4780 2.08	0

Remuneration bracket table

Range of Remuneration paid to each President and Vice President of the Company	Name of President and Vice President	
	The Company (Note 7)	Companies in the consolidated financial statements (Note 8)
Below NT $1,000,000	Nil.	Nil.
NT $1,000,000 (inclusive) ~ NT $2,000,000 (exclusive)	Nil.	Nil.
NT $2,000,000 (inclusive) ~ NT $3,500,000 (exclusive)	Nil.	Nil.
NT $3,500,000 (inclusive) ~ NT $5,000,000 (exclusive)	Guo, Ji-Gang	Guo, Ji-Gang
NT $5,000,000 (inclusive) ~ NT $10,000,000 (exclusive)	Nil.	Nil.
NT $10,000,000 (inclusive) ~ NT $15,000,000 (exclusive)	Nil.	Nil.
NT $15,000,000 (inclusive) ~ NT $30,000,000 (exclusive)	Nil.	Nil.
NT $30,000,000 (inclusive) ~ NT $50,000,000 (exclusive)	Nil.	Nil.
NT $50,000,000 (inclusive) ~ NT $100,000,000 (exclusive)	Nil.	Nil.
Over NT $100,000,000	Nil.	Nil.
Total	1	1

Note 1: The names of the President and Vice Presidents shall be listed separately and the amount of remuneration paid to them shall be disclosed collectively. If a Director concurrently serves as a General Manager or Deputy General Manager, his/her name and the amount of remuneration paid to him/her shall be listed in Table (1-1) or (1-2) above.

Note 2: Refers to salaries, allowances, and severance pay made to general managers and vice general managers in the most recent year.

Note 3: Refers to the most recent year's general manager and deputy general manager various bonuses, incentives, carriage fees, special expenses, various allowances, dormitory, car allocation and other physical provision and Other report Remuneration amount. Where housing, cars, vehicles, or personal allowances were granted, the nature and cost of Other, the rental rates (calculated based on actual

or fair value), cost of petrol and Other contributions are also disclosed. Where personal drivers were allocated, please make a footnote disclosure explaining the amount of salaries made to drivers, but do not count them as part of the Remuneration.

Note 4: Employee remunerations (including stock and cash) distributed to general managers and vice general managers through the Board of Directors in the latest year (including stock and cash). If it is impossible to estimate the value planned to be distributed this year, follow the actual value distributed last year and calculate proportionally. In addition, the attached Table 1-3 shall be completed. Net profit after tax refers to the net profit after tax in the most recent year; If International Financial Reporting Standards has been adopted, the after-tax net profit refers to the after-tax net profit of the individual or individual financial report in the most recent year.

Note 5: Refers to the number of shares subscribed by the general manager and deputy general manager who obtained employee stock option certificates (excluding the executed part) as of the date of publication of the annual report. In addition to filling in this form, Table 15 should also be filled in.

Note 6: The total amount of Remuneration paid to the Company's President and Vice President by all companies (including the Company) included in the consolidated financial statements shall be disclosed.

Note 7: The Company pays the total amount of each Remuneration to each general manager and deputy general manager, and discloses the name of the general manager and deputy general manager in the attribution level.

Note 8: The total amount of Remuneration paid to each general manager and deputy general manager of the Company by all companies (including the Company) in the consolidated report should be disclosed, and the names of the general manager and deputy general managers should be disclosed in the attribution level.

Note 9: Net profit after tax refers to the net profit after tax in the most recent year; If International Financial Reporting Standards has been adopted, the after-tax net profit refers to the after-tax net profit of the individual or individual financial report in the most recent year.

Note 10: a.This column should clearly indicate the amount of Remuneration related to the reinvestment business received by the general manager and deputy general manager of the company from the subsidiary.

b. If the general manager or deputy general manager of the company receives Remuneration from the reinvested business other than the subsidiaries, the company's general manager or deputy general manager should incorporate the Remuneration obtained from the reinvested business other than the subsidiaries into Column E of the Remuneration level, and change the name of the column to "all reinvested business".

c. Remuneration refers to Remuneration, which refers to the remuneration, compensation (including compensation of employees, directors and supervisors) and business execution expenses received by the Company's general manager and deputy general manager for serving as directors or supervisors of reinvested businesses other than subsidiaries or managerial officers.

Note 11: Note 1: Refers to the number of new shares acquired by directors who are also employees (including general manager, deputy general manager, Other managerial officers and employees) as of the date of publication of the annual report. In addition to filling in this form, it should also be filled in Table 15-1.

＊ The content of Remuneration disclosed in this table is derived based on a concept different from the concept of the income tax. Therefore, the purpose of this table is for information disclosure, instead of taxation.

(4) managerial officers names and distribution of employee remuneration

	Job Title	Name Gender	Stock Amount (NT $thousand)	Cash Amount (NT $thousand)	Total (NT $thousand)	Ratio of Total Amount to Net Income (%)
managerial officers	President	Guo, Ji-Gang	Remuneration to employees			
	Assistant Vice President	Wang,Yan-Wen				
	Assistant Vice President	Wu, Zheng-Hui				
	Assistant Vice President	Lin, Jian-Cheng				
	Assistant Vice President	Wang, Yu-Yun				
	Accounting Supervisor	Ko, Sien-Jen				
	Financial Officer	Chung, Li-Yan				
	Corporate Governance Officer	Lin, Ming-Chi				

Note 1: Individual names and titles should be disclosed, but the profit distribution can be disclosed in a summary manner.

Note 2: The amount of employee compensation (including stock and cash) approved by the Board of Directors for the distribution of managerial officers in the most recent year. If it is not possible to estimate, the proposed distribution amount for this year will be calculated in proportion to the actual distribution amount last year. Net profit after tax refers to the net profit after tax in the most recent year; If International Financial Reporting Standards has been adopted, the after-tax net profit refers to the after-tax net profit of the individual or individual financial report in the most recent year.

Note 3: The scope of application of managerial officers is defined in the following manner, as per the Board's decree under No. Taiwan-Finance-Securities-3-0920001301 dated March 27, 2003:

(1) General Manager and equivalents;
(2) Vice president and equivalents;
(3) Assistant Vice President and equivalent
(4) Head of Finance Department
(5) Head of Accounting Department
(6) Other Persons with rights to manage affairs and sign for the Company

Note 4: If the directors, general manager and deputy general manager receive employee remuneration (including stocks and cash), in addition to filling out the attached table 1-2, this form should also be filled out.

(5) Analysis of the proportion of the total amount paid by the Company to the Company's directors, supervisors, general manager and deputy general manager Remuneration to the net profit after tax in the last two years, and explain the policies, standards and combinations of Remuneration, the procedures for determining Remuneration, and the relevance to business performance.

(1) The ratio of the total amount paid to the Company's directors, supervisors, general manager and deputy general manager Remuneration to the net profit after tax in the last two years:

Job Title	2022 Remuneration Ratio of Total Amount to Net Income (%)		2023 Remuneration Ratio of Total Amount to Net Income (%)	
	The Company	Companies in the consolidated financial statements	The Company	Companies in the consolidated financial statements
Director	40.56	61.53	7.70	14.25
Supervisor	Not applicable.	Not applicable.	Not applicable.	Not applicable.
President and Vice President	11.09	11.09	2.08	2.08

(2) The policies, standards, and portfolios for the payment of Remuneration, the procedures for determining Remuneration, and the correlation with business performance and future risks:

A.THE policies, standards, and portfolios for the payment of Remuneration

a. The remuneration of directors of the Company is divided into directors' remuneration, business execution expenses (horse fees and attendance fees) and directors' remuneration, which are determined based on the directors' participation in the operation of the Company and the value of their contribution. In accordance with Articles of Incorporation, the Board of Directors is authorized to make decisions based on the general level of payments in the industry.

b. managerial officers remuneration is divided into salary and bonus. The salary is based on the company's internal salary balance and reference to market conditions, and its academic experience, professional ability and responsibility Item is approved in accordance with the employee salary regulations; The bonus is determined in accordance with the annual bonus payment method, and is reviewed by the Remuneration Committee and sent to the Board of Directors

for Resolution.

B.Procedures for determining Remuneration

The performance evaluation and reasonableness of remuneration for directors and managerial officers are handled in accordance with the provisions of "Articles of Incorporation" and "Employee Salary Measures", "Annual Bonus Payment Measures", and "Employee Evaluation Measures". In addition to considering the usual level of payment in the industry, the Company's operating performance, personal evaluation results, and contribution to the Company are also taken into account to give the remuneration to directors, which is reviewed by the Remuneration Committee and submitted to the Board of Directors for approval.

C.Relationship with business performance and future risks

a.According to Article 27 of the "Articles of Incorporation": If the Company makes a profit during the year, it shall set aside not less than 0.5% as the remuneration for employees and not more than 3% as the remuneration for directors. However, when the Company still has accumulated losses, it shall reserve the amount to make up in advance, and then allocate the remuneration of employees and directors in proportion to the preceding paragraph.

b.The performance goals and important decisions of the Company's management are made after balancing various risk factors; At the same time, the above remuneration is based on the risk and development trend of the industry, and is linked to the remuneration of the management level. 4. Implementation of Corporate Governance

(1) Operation of the Board of Directors

Board of Directors Meeting Status

A total of 11 meetings of the Board of Directors were held in the most recent year. The attendance of directors was as follows:

Job Title	Name Gender	Actual Number of attendance	By Proxy Number of attendance	Actual attendance rate (%)	Remark
Chairman	Guo, Shuzhen	11	0	100.00%	
Director	Guo, Ji-Gang	10	0	90.91%	
Director	Guo, Ji-An	10	0	90.91%	
Director	Yang, Qiong-Ru	10	0	90.91%	
Director	Kwan Hsiang Capital Co., Ltd.	0	0	0.00%	
Director	Shun Yu Investment Co., Ltd. representative：Guo, Ke-Zhong	3	0	27.27%	
Independe	Lin, Chun-Liang	11	0	100.00%	
Independe	Ge, Shu-Ren	11	0	100.00%	
Independe	Kang, Shie-Yi	11	0	100.00%	

Other matters to be recorded:

1. If any of the following circumstances occur, the dates of the meetings, sessions, contents of motion, all independent directors' opinions and the company's response should be specified:
   (I) Matters referred to in Article 14-3 of Securities and Exchange Act

Board of Directors (13th)		Proposal	Independent Director Opinion	To independent directors Action in response to the opinions
14th meeting	2023.01.11	1. 2022 performance bonus of managerial officers. 2. Directors and managerial officers, proposed implementation of various salary and remuneration Item policies.	Approved	Not applicable.
15 th	2023.02.21	1. Joint construction projects for 13 parcels of land, including land lot 322, in the third corner Subsection, Haishangtou Section, Xinzhuang District, New Taipei City, and 3 parcels of land, including land lot 82, Shigui Subsection, Xinzhuang District, New Taipei City.	Approved	Not applicable.

16th meeting	2023.03.15	Proposal for distribution of remuneration to employees and directors in 2022. 4. Donation expense "Elaine Lohas Long-Term Care Center (care type)" project.	Approved	Not applicable.
18th meeting	2023.05.12	1. Joint construction of 15 land lots at No. 470, Sub-section 2, Fuhe Section, Xinyi District, Taipei City.	Approved	Not applicable.
19th meeting	2023.06.16	1. For the new construction of "Rich Songjiang Headquarters Building", it is planned to entrust Leader Construction Co., Ltd., an affiliated company of the company, to undertake "construction, mechanical and electrical engineering". 2. Joint construction projects for 26 lots of land at 193-4, Shanzi Sub-section, Haishangtou Section, Xinzhuang District, New Taipei City.	Approved	Not applicable.
21 st meeting	2023.09.07	1. The proposed purchase of 7 parcels of land and above-ground legal buildings in No. 1066-2, 1067, 1067-1, 1067-4, 1068-6, 1068-8 and 1068-16, the 4th Subsection, Bihu Section, Neihu District, Taipei City. The land area is 611.69 square meters and the building area is 504.95 square meters.	Approved	Not applicable.
22nd meeting	2023.09.07	1. The Company and its subsidiary, Forest Water Environmental Engineering Co., Ltd. (hereinafter referred to as Forest Water) jointly applied for the "Kaohsiung Nanzi Reclaimed Water Plant Construction, Transfer and Operation Project".	Approved	Not applicable.
23rd meeting	2023.11.13	1. The endorsement and guarantee for the syndicated loan of the subsidiary Tung Shan Lin Development Enterprise Co., Ltd., the extension of the term and the change of the guarantee amount.	Approved	Not applicable.
24 th	2023.12.20	1. Amendment to "Internal Control System and Internal Audit Implementation Rules". 2. Joint construction projects for 33 parcels of land and their above-ground buildings, including land lot 137, Chongde Section, Xizhi District, New Taipei City. 3. Renewal of office and warehouse lease contract. 4. Donation expense "Yilan County Private Lealea Social Welfare Charity Funds Committee."	Approved	Not applicable.

(2) Other matters involving objections or expressed reservations by independent directors that were recorded or stated in writing that require a resolution by the board of directors. Other

II. If there are directors' avoidance of motions in conflict of interest, the directors' names, contents of motion, causes for avoidance and voting should be specified:

Date	Directors present	Proposal	Reason for Recusal	Participation in Voting
2023.01.11	Guo, Shuzhen, Guo, Ji-Gang, Guo, Ji-An, Yang, Qiong-Ru, Lin, Chun-Liang, Ge, Shu-Ren, Kang, Shie-Yi	Distribution of 2022 managerial officers performance bonus.	The director of Guo, Ji-Gang is the general manager of the Company and is a party to this proposal; Directors of Guo, Ji-Gang Guo, Ji-An and Yang, Qiong-Ru are within the second degree of kinship.	Except for the directors who recused themselves from voting due to conflict of interest, the case was approved by the chairman upon consultation with the directors present without objection.
		Proposal for implementation of managerial officers	The directors present are the concerned parties.	The case was deliberated by the directors on the salary of Item other than

		and Item.		themselves, and the chairman consulted the directors present and passed the case without objection.
2023.03.15	Guo, Shuzhen, Guo, Ji-Gang, Guo, Ji-An, Yang, Qiong-Ru, Guo, Ke-Zhong, Lin, Chun-Liang, Ge, Shu-Ren, Kang, Shie-Yi	Donation expense "Yilan County Private Lealea Social Welfare Charity Funds Association" (hereinafter referred to as Lealea Funds Association).	The director of Guo, Ji-An is the director of Funds; Chairman of Guo, Shuzhen, Director of Guo, Ji-Gang, Director of Yang, Qiong-Ru are relatives within the second degree of kinship of the Chairman and Director of the Board of Lealea Funds.	Except for the directors who recused themselves from voting due to conflict of interest, the proposal was passed without objection after the acting chairman consulted the directors present.
2023.06.16	Guo, Shuzhen, Guo, Ji-Gang, Guo, Ji-An, Yang, Qiong-Ru, Lin, Chun-Liang, Ge, Shu-Ren, Kang, Shie-Yi	For the new construction of Rich Songjiang Headquarters Building, it is planned to entrust Leader Construction Co., Ltd., an affiliated company of the Company, to undertake the "Building, Electromechanical Engineering".	The director of Guo, Ji-Gang is a director of Leader Construction Co., Ltd., and the director of Guo, Ji-An and Yang, Qiong-Ru are relatives within the second degree of kinship of the director of Guo, Ji-Gang.	Except for the directors who recused themselves from voting due to conflict of interest, the proposal was passed without objection after the acting chairman consulted the directors present.
2023.09.07	Guo, Shuzhen, Guo, Ji-Gang, Guo, Ji-An, Yang, Qiong-Ru, Guo, Ke-Zhong, Lin, Chun-Liang, Ge, Shu-Ren, Kang, Shie-Yi	Purchased 7 lots of land and buildings thereon at No. 1066-2, 1067, 1067-1, 1067-4, 1068-6, 1068-8, and 1068-16, the 4th Subsection, Bihu Section, Neihu District, Taipei City, with a land area of 611.69 square meters and a building area of 504.95 square meters.	The Chairman of the Board Guo, Shuzhen is the counterparty to the transaction, and the Director Yang, Qiong-Ru is the second immediate family of the Chairman Guo, Shuzhen.	Except for the directors who recused themselves from voting due to conflict of interest, the proposal was passed without objection after the acting chairman consulted the directors present.
2023.10.16	Guo, Shuzhen, Guo, Ji-Gang, Guo, Ji-An, Yang, Qiong-Ru, Lin, Chun-Liang, Ge, Shu-Ren, Kang, Shie-Yi	Jointly applied for the "Kaohsiung Nanzi Reclaimed Water Plant Construction, Transfer and Operation Project" with the subsidiary Shanlin Water Environmental	Guo, Shuzhen, Guo, Ji-Gang, Guo, Ji-An are the chairman and director of Forest Water; Yang, Qiong-Ru is a relative within the second degree of kinship of directors including Guo, Ji-Gang.	Except for the directors who recused themselves from voting due to conflict of interest, the proposal was passed without objection after the acting chairman consulted the directors present.

		Engineering Co., Ltd. (hereinafter referred to as "Shanlin Water").		
2023.12.20	Guo, Shuzhen, Guo, Ji-Gang, Guo, Ji-An, Guo, Ke-Zhong, Lin, Chun-Liang, Ge, Shu-Ren, Kang, Shie-Yi	Donation expense " Yilan County Private Lealea Social Welfare Charity Funds Association" (hereinafter referred to as Lealea Funds Association).	The director of Guo, Ji-An is the director of Funds; Chairman of Guo, Shuzhen, Director of Guo, Ji-Gang, Director of Yang, Qiong-Ru are relatives within the second degree of kinship of the Chairman and Director of the Board of Lealea Funds.	Except for the directors who recused themselves from voting due to conflict of interest, the proposal was passed without objection after the acting chairman consulted the directors present.

3. TWSE/TPEx listed companies should disclose information on the evaluation cycle and period, evaluation scope, method and evaluation content of the self (or peer) evaluation of the Board of Directors, and fill in Schedule 2 (2) on the implementation of the evaluation of the Board of Directors: Please refer to page 22.

4. Objectives for strengthening the functions of the Board of Directors in the current year and the most recent year (such as setting up an audit committee, improving information transparency, etc.) and evaluation of implementation: The Company conducts regular internal performance evaluations of the Board of Directors and functional committees (including the audit committee and the remuneration committee) every year, and discloses the implementation status and evaluation results on the Company's website and annual report.

(2) Implementation of the evaluation of the Board of Directors and functional committees

Evaluation cycle	Evaluation period	Scope	Method	Evaluation content
Once a year	January 1, 2023 to December 31, 2023	Evaluation of the performance of the Board of Directors, individual directors, and functional committees (including the Audit Committee and the Remuneration Committee)	Self-evaluation of Board members	The measurement of the performance evaluation of the Company's internal board of directors and functional committees includes five major aspects: (1) participation in the operation of the Company, (2) improvement of the quality of the board of directors' decision-making, (3) composition and structure of the board of directors, (4) selection and continuous training of directors, (5) internal control; The criteria for evaluating the performance of the board members includes six major aspects: (1) alignment of the goals and missions of the Company, (2) awareness of the duties of a director, (3) participation in the operation of the Company, (4) management of internal relationship and communication, (5) the director's professionalism and continuing education, and (6) internal control. In 2023, the self-evaluation results of the internal performance of the Board of Directors, the Audit Committee and the Remuneration Committee of the Company achieved 95.17%, 100.00% and 100% of the Item respectively, and the self-evaluation results of the performance of individual directors achieved 95.65% of the Item. The overall operation of the Board of

				Directors is good, which shows the results of the Company in strengthening the effectiveness of the Board of Directors. The above contents were submitted to the 25th meeting of the 13th Board of Directors on January 29, 2024 for reference. At present, the Company has not appointed an external professional agency for evaluation, and will evaluate it according to actual needs in the future.

(3) Continuing education of directors, supervisors and corporate governance supervisors in 2023:

Job Title	Name Gender	Date		Sponsoring Organization	Course title	Continuing education Hours	Note1
		From	End				
Director	Guo, Shuzhen	2023.11.23	2023.11.23	Taiwan Corporate Governance Association	Artificial intelligence explosion: technological development and application opportunities of CHATGPT	3.0	Yes
		2023.12.27	2023.12.27	Taiwan Corporate Governance Association	How the Board of Directors Formulate ESG Sustainability Governance Strategies	3.0	
Director	Guo, Ji-Gang	2023.11.23	2023.11.23	Taiwan Corporate Governance Association	Artificial intelligence explosion: technological development and application opportunities of CHATGPT	3.0	Yes
		2023.12.27	2023.12.27	Taiwan Corporate Governance	How the Board of Directors Formulate ESG	3.0	

Job Title	Name Gender	Date		Sponsoring Organization	Course title	Continuing education Hours	Note1
		From	End				
				Association	Sustainability Governance Strategies		
Director	Guo, Ji-An	2023.11.23	2023.11.23	Taiwan Corporate Governance Association	Artificial intelligence explosion: technological development and application opportunities of CHATGPT	3.0	Yes
		2023.12.27	2023.12.27	Taiwan Corporate Governance Association	How the Board of Directors Formulate ESG Sustainability Governance Strategies	3.0	
Director	Yang, Qiong-Ru	2023.11.23	2023.11.23	Taiwan Corporate Governance Association	Artificial intelligence explosion: technological development and application opportunities of CHATGPT	3.0	Yes
		2023.12.27	2023.12.27	Taiwan Corporate Governance Association	How the Board of Directors Formulate ESG Sustainability Governance Strategies	3.0	
Director	Hong, Quan-Fu	2023.11.23	2023.11.23	Taiwan Corporate Governance Association	Artificial intelligence explosion: technological development and application opportunities of CHATGPT	3.0	Yes
		2023.12.27	2023.12.27	Taiwan Corporate Governance Association	How the Board of Directors Formulate ESG Sustainability Governance Strategies	3.0	

Job Title	Name Gender	Date		Sponsoring Organization	Course title	Continuing education Hours	Note1
		From	End				
Director	Guo, Ke-Zhong	2023.11.23	2023.11.23	Taiwan Corporate Governance Association	Artificial intelligence explosion: technological development and application opportunities of CHATGPT	3.0	Yes
		2023.12.27	2023.12.27	Taiwan Corporate Governance Association	How the Board of Directors Formulate ESG Sustainability Governance Strategies	3.0	
Independent Director	Lin, Chun-Liang	2023.11.23	2023.11.23	Taiwan Corporate Governance Association	Artificial intelligence explosion: technological development and application opportunities of CHATGPT	3.0	Yes
		2023.12.27	2023.12.27	Taiwan Corporate Governance Association	How the Board of Directors Formulate ESG Sustainability Governance Strategies	3.0	
Independent Director	Ge, Shu-Ren	2023.08.23	2023.08.23	Taiwan Corporate Governance Association	Global Future Risks and Opportunities for Sustainable Transformation	3.0	Yes
		2023.11.17	2023.11.17	Taiwan Corporate Governance Association	Hostile mergers and acquisitions, case analysis of management rights competition, and company countermeasures	3.0	
		2023.11.23	2023.11.23	Taiwan Corporate Governance	Artificial intelligence explosion:	3.0	

Job Title	Name Gender	Date		Sponsoring Organization	Course title	Continuing education Hours	Note1
		From	End				
				Association	technological development and application opportunities of CHATGPT		
Independent Director	Kang, Shie-Yi	2023.11.23	2023.11.23	Taiwan Corporate Governance Association	Artificial intelligence explosion: technological development and application opportunities of CHATGPT	3.0	Yes
		2023.12.27	2023.12.27	Taiwan Corporate Governance Association	How the Board of Directors Formulate ESG Sustainability Governance Strategies	3.0	
Corporate Governance Officer	Lin, Ming-Chi	2023.03.07	2023.03.07	Industry and Commerce Association	Enterprise Resilience, Taiwan Competitiveness	3.0	Yes
		2023.04.27	2023.04.27	Taipei Exchange	Sustainable Development Action Plan Promotion Conference for Listed Companies	3.0	
		2023.07.04	2023.07.04	Taiwan Stock Exchange Corporation	2023 Cathay Sustainable Finance and Climate Change Summit	6.0	
		2023.07.18	2023.07.18	Securities and Futures Market Development Funds	2023 Seminar on Transformation Finance and Sustainability Disclosure	3.0	
		2023.08.07	2023.08.07	Taipei Exchange	Briefing on the Equity of Insiders of OTC Companies	3.0	

Note 1: Refers to compliance with the number of continuing education hours, scope of continuing education, continuing education systems, arrangements for continuing education and information disclosure specified in the "Directions for the Implementation of Continuing Education for Directors and Supervisors of TWSE Listed and TPEx Listed Companies".

(2) Operation of the Audit Committee or Supervisors' Participation in the Operation of the Board of Directors

1. The operation of the Audit Committee is as follows:

A total of 10 (A) meetings of the Audit Committee were held in the most recent year. The attendance of independent directors was as follows:

Job Title	Name Gender	Actual attendance (B)	Number of attendance by proxy	Actual attendance rate (%)	Remark
Independen	Lin,	10	0	100.00%	Nil.
Independen	Ge, Shu-	10	0	100.00%	
Independen	Kang,	10	0	100.00%	

Other matters to be recorded:

1. If any of the following circumstances occur, the dates of meetings, sessions, contents of motion, resolutions of the Audit Committee and the Company’s response to the Audit Committee’s opinion should be specified:

(I) Matters referred to in Article 14-5 of Securities and Exchange Act:

Audit Committee (3rd Term)		Proposal	Audit Committee member Opinion	Actions in Response to Audit Committee Opinions
14th meeting	2023.02.21	Joint construction projects for 13 plots of land including No. 322 in the section of Sanyaozi Subsection, Haishantou Section, Xinzhuang District, New Taipei City, and 3 plots of land including No. 82 in the section of Shigui Subsection, Xinzhuang District.	Approved	Not applicable.
15 th	2023.03.15	1.2022 Business Report and Financial Statements. 2022 Statement of Internal Control System. 3. Donation expense “Yilan County Private Lealea Social Welfare Charity Funds.”	Approved	Not applicable.
17th meeting	2023.05.12	Joint construction of 15 lots of land at No. 470, Sub-section 2, Fuhe Section, Xinyi District, Taipei City	Approved	Not applicable.
18th meeting	2023.06.16	1. For the new construction of the Company's "Rich Songjiang Headquarters Building", it is planned to entrust the affiliated company Leader Construction Co., Ltd. to undertake "construction, mechanical and electrical engineering". 2. Joint construction projects for 26 lots of land at 193-4, Shanzi Sub-section, Haishantou Section, Xinzhuang District, New Taipei City.	Approved	Not applicable.
The 13 th meeting	2022.12.15	1. The proposed purchase of 7 parcels of land and above-ground legal buildings at Lot No. 1066-2, 4th Subsection,	Approved	Not applicable.

		Bihu Section, Neihu District, Taipei City. 2. The Company purchased 7 plots of land and buildings on the ground at No. 1066-2, 4th Subsection, Bihu Section, Neihu District, Taipei City. It is proposed to appoint independent directors to represent the Company in signing contracts.		

(2) Other matters which were not approved by the Audit Committee but were approved by two-thirds or more of all directors: None.

II. If there are independent directors' avoidance of motions in conflict of interest, the directors' names, contents of motion, causes for avoidance and voting should be specified: None.

III. Communication between independent directors and internal audit supervisors and accountants:

(I) After the audit report and follow-up report are approved by the Chairman, the internal audit supervisor sends the email to each independent director for review every month, and communicates and replies to each independent director's inquiries in person at least quarterly. The audit supervisor attends the Audit Committee and the Board of Directors and submits an audit business report, and each independent director keeps abreast of the Company's internal audit status. When material violations or concerns involving material impairment to the Company are discovered, a report shall be immediately prepared and submitted, and independent directors shall be notified.

(2) The head of internal audit attends the audit committee. The accountant reports to the audit committee at least once a year on the company's financial status, the financial and overall operations of domestic and overseas subsidiaries and internal control audits, and fully communicates on major adjustment entries or legal amendments that affect the accounting situation. The CPAs also regularly make communication reports for the corporate governance unit. The Audit Committee and the CPAs can contact in person or by telephone when necessary to achieve the purpose of adequate communication.

(c) KPMG certified public accountant team conducted a communication meeting with the independent directors before the board of directors of the company on Dec. 20, 2023 to explain and discuss changes in regulations, investment in Item status, and Key audit matters.

(4) Chief internal auditor 2023.03.15, 2023.05.12, 2023.08.11, and 2023.11.13 separately report and communicate with independent directors on the implementation of the audit plan and project audit matters.

4. Key tasks and operations of the Audit Committee in 2024:

(I) fair expression of the Company's financial statements.
(2) Evaluation of the independence and performance of CPAs.
(c) Whether the internal control of the Company is effectively implemented.
(IV) Does the Company comply with relevant laws and regulations and establish a good corporate governance system and culture.
(e) Control of the Company's existing or potential risks.

(3) Corporate Governance Implementation Status and Deviations from Corporate Governance Best Practice Principles for TSEC/GTSM Listed Companies

Item	Implementation Status			With Corporate Governance Best Practice Principles for
	Yes	No	Abstract Illustration	
1. Has the Company established and disclosed Corporate Governance Best Practice Principles for TSEC/GTSM Listed Companies Corporate Governance Best Practice Principles?	✓		The Company has established the Corporate Governance Best Practice Principles and disclosed them on the Market Observation Post System and the Company's website.	No material discrepancy
2. Shareholding structure and shareholder of the Company Equity (1) Does the company establish an internal operating procedure to deal with shareholders' suggestions, doubts, disputes and litigation matters, and implement based on the procedure?	✓		(1) The Company has a spokesperson and a deputy spokesperson to serve as a channel for the Company to express opinions externally, and instructs the Stock Affairs Department to handle matters such as shareholder suggestions or disputes.	No material discrepancy
(2) Does the company possess the list of its major shareholders as well as the ultimate owners of those shares?	✓		(2) It is handled by the stock affairs department and a professional stock affairs agency, and the list is grasped at any time and declared in accordance with laws and regulations.	No material discrepancy
(3) Does the company establish and execute the risk management and firewall system within its conglomerate structure?	✓		(3) It has been formulated in the Company's internal control system.	No material discrepancy

Item	Implementation Status			With Corporate Governance Best Practice Principles for
	Yes	No	Abstract Illustration	
(4) Does the company establish internal rules against insiders trading with undisclosed information?	✓		(4) The Company has established the regulations governing insider trading and the code of ethical conduct. Please refer to the Company's website for the status of implementation of internal rules in 2023.	No material discrepancy
3. Composition and Responsibilities of the Board of Directors (1) Does the Board develop and implement a diversified policy and specific management objectives?	✓		(I) The Company has established a board diversity policy in the "Corporate Governance Best Practice Principles". For the implementation, please refer to "Board Diversity and Independence" in this annual report.	No material discrepancy
(2) In addition to the Remuneration Committee and the Audit Committee, has the Company voluntarily established any functional committees under Other?		✓	(2) None. Future plans will be set according to actual operational needs.	Non-compliance. In the future, it will be carefully evaluated and developed according to the Company's internal development needs.
(3) Has the Company established methodology for evaluating the performance of its Board of Directors, on an annual basis, reported the results of performance to the Board of Directors, and use the results as reference	✓		(3) The performance evaluation method of the Board of Directors has been established, and the performance evaluation is conducted regularly every year, and the results are reported to the Board of	No material discrepancy

Item	Implementation Status			With Corporate Governance Best Practice Principles for
	Yes	No	Abstract Illustration	
for directors' remuneration and renewal?			Directors and disclosed on the Company's website. Please refer to page 22 of this annual report for the results of the performance evaluation of the Board of Directors in 2023. The above self-evaluation status is referenced when assessing the remuneration of individual directors, and when nominating directors of the Company, it is provided to the Board of Directors for reference.	
(4) Does the company regularly evaluate the independence of CPAs?	✓		(4) The Company has referred to the Bulletin of Norm of Professional Ethics for Certified Public Accountant of the Republic of China No. 10 and the "Audit Quality Indicator AQIs" to confirm that the accountant has no direct or material indirect financial interest relationship with the Company, close business relationship and employment relationship, has no kinship relationship with director managerial officers or person who has a significant impact on the audit work, and has financing or guarantee behavior with the Company or directors. For the content of "Evaluation of	No material deviation.

Item	Implementation Status			With Corporate Governance Best Practice Principles for
	Yes	No	Abstract Illustration	
			the Independence of CPAs", please refer to this annual report (page 47). The aforementioned assessment was approved by the 23rd meeting of the 3rd Audit Committee and the 24th meeting of the 13th Board of Directors.	
4. Does the Company appoint a suitable number of competent personnel and a supervisor responsible for corporate governance matters (including but not limited to providing information for directors and supervisors to perform their functions, assisting directors and supervisors with compliance, handling work related to meetings of the board of directors and the shareholders' meetings, and producing minutes of board meetings and shareholders' meetings)?	✓		The Company has appointed a chief corporate governance officer to be in charge of corporate governance affairs (including but not limited to furnishing information required for business execution by directors and supervisors, assisting directors and supervisors with legal compliance, handling matters relating to board meetings and shareholders meetings according to laws, and producing minutes of board meetings and shareholders meetings).	No material deviation.
5. Has the Company established a means of communicating with its Stakeholders (including but not limited to shareholders, employees, customers, suppliers, etc.) or created a Stakeholders Section on its Company website? Does the Company respond to stakeholders' questions	✓		The Company has set up a stakeholder area on the website, assigned personnel to communicate and respond to the issues of different stakeholders to relevant departments.	No material deviation.

Item	Implementation Status			With Corporate Governance Best Practice Principles for
	Yes	No	Abstract Illustration	
on corporate responsibilities?				
6. Does the Company appoint a professional shareholder service agency to deal with shareholder affairs?	✓		Appointed Shareholder Services Department to handle the affairs of the shareholders' meeting.	No material deviation.
7. Information Disclosure (1) Has the Company established a corporate website to disclose information regarding its financials, business and corporate governance status?	✓		(1) The Company has set up a website to disclose financial business and corporate governance information in a timely manner.	No material deviation.
(2) Does the Company adopt Other information disclosure methods (such as setting up an English website, appointing a dedicated person to be responsible for the collection and disclosure of company information, implementing the spokesperson system, and placing the process of legal person briefings on the company's website, etc.)?	✓		(2) Dedicated personnel are responsible for the collection and disclosure of information and the implementation of the spokesperson system.	No material deviation.
(3) Does the company announce and report the annual financial report within two months after the end of the fiscal year, and announce and report the first, second, and third quarter financial reports and monthly operating conditions before the prescribed time limit?		✓	(3) The Company announces and reports the financial statements of each period and the operating status of each month within the statutory period.	Due to the limited staffing, the annual financial report cannot be announced and declared within two months after the end of the fiscal year.

Item	Implementation Status			With Corporate Governance Best Practice Principles for
	Yes	No	Abstract Illustration	
8. Is there any Other to facilitate a better understanding of the Company's corporate governance practices (e.g., including but not limited to Equity, employee wellness, investor relations, supplier relations, rights of stakeholders, directors' and supervisors' training records, the implementation of risk management policies and risk evaluation measures, the implementation of customer relations policies, and purchasing insurance for directors and supervisors)?	✓		1. In order to enable the Company to operate sustainably and create the common interests of customers, employees and shareholders, the Company focuses on employee welfare and growth, training and cultivation of employees, and safety and health of the working environment, and provides commercial insurance for employees and their dependents to free employees from worries. 2. The attendance of the directors at the board of directors of the company is good and complies with the provisions of the law. If there is a conflict of interest, the director is required to evade. 3. The Company has purchased liability insurance for directors and supervisors. 4. There are legal personnel to assist the business unit in handling customer Equity and complaint handling, and the audit unit checks and discloses them in accordance with the procedures.	No material deviation.
9. Please explain the improvements which have been made in accordance with the results of the Corporate Governance Evaluation System released by the Corporate Governance Center, Taiwan Stock Exchange Corporation, and provide the priority enhancement measures. (Not required if the Company is not one of the evaluated subjects)				

Item	Implementation Status			With Corporate Governance Best Practice Principles for
	Yes	No	Abstract Illustration	
Improvements made: (1) Promote corporate integrity management, implement the formulation and supervision of integrity management policies and prevention plans. Priorities and measures proposed by those who have not improved yet: (I) Whether the actual attendance rate of the board of directors of all directors is more than 85%, and whether at least two independent directors attend in person at each board meeting.				

Note 1: Whether selecting "Yes" or "No" for the operations, a description shall be provided in the Summary Description column.

Note 2: The corporate governance self-assessment report referred to herein refers to the corporate governance self-assessment Item, which is evaluated and described by the Company itself, and is reported on the current Company's operations and implementation in Item.

(4) If the Company has set up a Remuneration Committee, it shall disclose its composition, responsibilities and operation

1. Information on members of the Remuneration Committee

(1) The Company’ s Remuneration Committee consists of 3 members.

The term of office of the current members: August 13, 2021 to July 13, 2024.

Identity	Name Gender	Professional Qualifications and Experience Independence	Number of public companies where the individual concurrently serves as an independent director at Other
Independent Director	Lin, Chun-Liang	Please refer to this Annual Report (page 10)	0
Independent Director	Ge, Shu-Ren		1
Independent Director	Kang, Shie-Yi		0

2. Annual work focus of the Remuneration Committee:

(1) Establishing and periodically reviewing the annual and long-term performance goals for the directors of the Company and managerial officers and the policies, systems, standards, and structure for their compensation.

(2) Periodically assessing the degree to which performance goals for the directors of the Company and managerial officers have been achieved, setting the types and amounts of their individual compensation.

3. Operation of the Remuneration Committee

A total of 2 meetings of the Remuneration Committee were held in the most recent year. The qualifications and attendance of the members are as follows:

Job Title	Name Gender	Actual attendance	Number of attendances by proxy	Actual attendance rate	Remark
Convener	Lin, Chun	2	0	100.00%	Nil.
Member	Ge, Shu-Ren	2	0	100.00%	
Member	Kang, Shie-Yi	2	0	100.00%	

Other matters to be recorded:

一、If the board of directors declines to adopt or modifies a recommendation of the remuneration committee, it should specify the date of the meeting, session, content of the motion, resolution by the board of directors, and the Company’s response to the remuneration committee’s opinion (eg., the remuneration passed by the Board of Directors exceeds the recommendation of the remuneration committee, the circumstances and cause for the difference shall be specified): None.

二、Resolutions of the remuneration committee objected to by members or expressed

reservations and recorded or declared in writing, the date of the meeting, session, content of the motion, all members' opinions and the response to members' opinion should be specified: None.

三、Discussions of the Remuneration Committee and the results of Resolution, and the Company's handling of members' opinions:

Remuneration Committee			Proposal	Remuneration Committee Member Opinion	Actions in Response to Remuneration Committee Opinions
Article 6 Term	3rd meeting	2023.01.11	1. The Company's 2022 annual performance bonus for managerial officers. 2. Proposal for the Company's directors and managerial officers to implement various salary and remuneration policies Item.	Approved	Not applicable.
	4th meeting	2023.03.15	1. 2022 remuneration distribution for employees and directors.	Approved	Not applicable.

4. Implementation of the Remuneration Committee's evaluation:

The Company's Board of Directors has approved the "Board of Directors Performance Evaluation Measures" on August 13, 2019, and conducts internal board performance evaluations at least once a year. The scope of the board evaluation includes the performance evaluation of the overall board of directors, individual directors and functional committees. After the end of 2023, the overall internal performance of the Board of Directors, individual directors and functional committees will be evaluated, and the results will be reported to the Board of Directors on January 29, 2024.

Please refer to page 22 for the implementation of the Company's 2023 Remuneration Committee evaluation.

(5) Implementation of sustainable development and differences from Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and reasons

Promote Item	Implementation			Differences from Sustainable Development Best Practice Principles
	Yes	No	Abstract Illustration	
1. Has the Company established a governance structure to promote sustainable development and set up a dedicated (part-time) unit to promote sustainable development, which is authorized by the board of directors to be handled by senior management, and is supervised by the board of directors?	✓		1. The Company has established a Sustainable Development Committee, chaired by the President, consisting of three groups, namely the Corporate Governance Group, the Social Responsibility Group, and the Sustainable Environment and Product Service Group, to promote sustainability-related issues. 2. The implementation results in 2023 are as follows: (1) In 2023, a total of NT $5.15 million and NT $1 thousand was invested in charitable donations. (2) In October 2023, the Company cooperated with the Taipei Blood Donation Center to organize the "Blood Drive with Blood Donation." 3. The Sustainable Development Committee shall report its implementation results to the Board of Directors at least once a year. Regarding the formulation and review measures of sustainable development management policies, strategies and goals, due to the consideration of the company's scale and personnel allocation planning, it has not been formulated by the company internally, and in the future, it will continue to evaluate feasible operations in accordance with the law.	No material discrepancy

<table>
<tr><th rowspan="2">Promote Item</th><th colspan="3">Implementation</th><th rowspan="2">Differences from Sustainable Development Best Practice Principles</th></tr>
<tr><th>Yes</th><th>No</th><th>Abstract Illustration</th></tr>
<tr><td>2. Does the Company conduct risk assessments on environmental, social and corporate governance issues related to the Company's operations in accordance with the materiality principle, and formulate relevant risk management policies or strategies?</td><td>✓</td><td></td><td>1. The Board of Directors approved the "Risk Management Policy", and the risk assessment boundary is mainly based on the Company.
2. The implementation results of the management unit have been reported to the Board of Directors on December 20, 2023.
3. The Company conducts risk assessments on environmental, social and corporate governance issues related to the Company's operations in accordance with the materiality principle, and formulates relevant risk management strategies as follows according to the assessed risks:
<table>
<tr><th>Material Issues</th><th>Risk assessment Item</th><th>Risk management strategy</th></tr>
<tr><td>Environmental Sustainability</td><td>Extreme weather triggered by greenhouse effect</td><td>• Give priority to green buildings in new buildings.
• Use energy-saving appliances in offices.</td></tr>
<tr><td>Social welfare</td><td>Products and services</td><td>• Provide safe and comfortable housing.
• Provide a transparent and smooth communication channel for each customer.</td></tr>
</table></td><td>No material discrepancy</td></tr>
</table>

Promote Item	Implementation					Differences from Sustainable Development Best Practice Principles
	Yes	No	Abstract Illustration			
				Employee safety	• Regularly review office firefighting equipment. • Regular employee health checkups and regular environmental disinfection.	
			Economic Issues	Customer privacy and company information security	• In order to prevent various external information security threats, the necessary information security protection system is built to enhance the security of the overall information environment.	
				Corporate image management	• Provide positive image publicity and exposure of the company. • Track customer feedback regularly.	
3. ENVIRONMENTAL ISSUES (1) Does the company establish proper environmental management systems based on the characteristics of their industries?	✓		(1) The Company has established the Engineering Department, which is responsible for the supervision, coordination and management of construction and construction of construction contractors, and the promotion of energy conservation and carbon reduction and other actual environmental protection activities.			No material discrepancy
(2) Does the Company endeavor to utilize all resources more efficiently and use Supplies	✓		(2) 1. Give priority to the introduction of buildings in			No material discrepancy

Promote Item	Implementation			Differences from Sustainable Development Best Practice Principles
	Yes	No	Abstract Illustration	
s which have low impact on the environment?			product planning. 2. Prioritize the purchase of products with environmental protection labels that are "low pollution, recyclable, recycled materials, and resource efficient".	
(3) Does the company assess the potential risks and opportunities of climate change for the company now and in the future, and take relevant countermeasures?	✓		The Company's risk management has included climate change factors to assess the opportunities and risks that climate change may have on the Company. In 2023, the Company has reviewed the financial impact of climate change on the Company according to the TCDF mechanism, and will determine countermeasures based on the evaluation results.	No material discrepancy
(4) Does the company count the greenhouse gas emissions, water consumption and total weight of waste in the past two years, and formulate policies for greenhouse gas reduction, water reduction or Other waste management?	✓		(4) The Company has no direct greenhouse gas emissions, mainly indirect emissions, and Other emissions include water in inventory statistics, while employee commuting and travel are not included in statistics. 1. Energy management: The Company's main energy-consuming equipment includes air conditioners, lighting, elevators and office equipment, etc., and externally purchased electricity is the main form of energy. As for the hardware equipment of the air-conditioning, the building's air-conditioning equipment uses VRV inverter air-conditioning system, which is regularly cleaned and maintained	No material discrepancy

Promote Item	Implementation			Differences from Sustainable Development Best Practice Principles
	Yes	No	Abstract Illustration	
			to improve energy efficiency. For Scope 1 and Scope 2 emissions in 2023, please refer to page 40 of this annual report. 2. Water resource management: The Company's sanitary facilities are fully equipped with water-saving equipment to save water consumption. In addition, to avoid water leakage caused by obsolete or damaged pipelines, we carry out regular maintenance. There is no significant change in the use of tap water in the past years, and there is no significant impact on water sources due to water withdrawal in Rich Commercial Building. In 2023, the water consumption is 472 tons, and the water intensity is 0.86. The aforementioned data is reported on sustanbility report, but no energy saving and carbon reduction and greenhouse gas reduction policies have been formulated. The intensity of greenhouse gasses and water consumption and waste-related statistics have not been verified by a third party.	
4. SOCIAL ISSUES (1) Does the company formulate appropriate management policies and procedures according to relevant regulations and the International Bill of Human Rights?	✓		(一) 1. The Company clearly discloses the direction of human rights protection in accordance with the contents of various international conventions, including UN Universal Declaration of Human Rights, the United Nations Guiding Principles on Business and Human Rights, the	No material discrepancy

Promote Item	Implementation			Differences from Sustainable Development Best Practice Principles
	Yes	No	Abstract Illustration	
			International Labor Organization Declaration of Covenant, and ten principles of UN Global Compact. In terms of implementation, the main specific measures include: When recruiting talents, eliminating illegal discrimination (race, religion, political party, etc.), implementing gender equality, and ensuring job opportunities. During employment: The Company prohibits forced labor and child labor, provides a safe, friendly and healthy workplace environment, assists in caring for the physical and mental health of employees and work-life balance, and establishes multiple communication channels and grievance mechanisms to prevent any violations of human rights. The Company also holds labor-management meetings in accordance with the law to maintain smooth communication between employers and employees, and promotes employee work rules, integrity awareness and human rights protection policies for new employee education and training. 2. In 2023, all employees of the	

Promote Item	Implementation			Differences from Sustainable Development Best Practice Principles
	Yes	No	Abstract Illustration	
			Company are full-time full-time employees, with a total of 41 employees, including 17 female employees and 24 male employees. We pay special attention to gender equality. In the construction industry, the average number of female employees is less than that of the construction industry. Our female employees account for 4 of the total number of employees, with 14.29% of high-level executives and 45.45% of middle-level executives. Since 2011, Ms. Guo, Shuzhen has taken over the leadership position of Rich Development Construction, and Rich Development Construction, led by the rarely seen female senior executives in the construction industry, is committed to practicing gender equality in the workplace.	
(2) Does the Company formulate and implement reasonable employee welfare measures (including remuneration, vacation and Other benefits, etc.), and appropriately reflect operating performance or results in employee remuneration?	✓		(2) The Company has established relevant regulations such as the "Regulations for Employee Leave," "Regulations for Marriage and Funeral Subsidies," "Regulations for Bonus Payment," and "Articles of Incorporation" remuneration allocation to appropriately reflect	

Promote Item	Implementation			Differences from Sustainable Development Best Practice Principles
	Yes	No	Abstract Illustration	
			operating performance results in employees, and for the implementation of operating performance or results in employee remuneration, please refer to page 18. Please refer to page 79 for employee welfare measures.	
(3) Does the company provide a healthy and safe working environment and organize training on health and safety for its employees on a regular basis?	✓		(3) The headquarters of the Company is a commercial office building, and the public facilities maintenance and safety management of the building are managed and implemented by the General Management Department of the Company to maintain the safety of the working environment of the building and to prevent disasters. The implementation status in 2023 is as follows: 1. Building access control management: 1. There are 24-hour security personnel at the entrance and exit of the building on the first floor to control the entry and exit of the personnel and maintain the safety of the building. Employees need to present the company's identification card when entering the building. Manufacturers and visitors need to notify the surveyed employees when entering the	No material discrepancy

Promote Item	Implementation			Differences from Sustainable Development Best Practice Principles
	Yes	No	Abstract Illustration	
			building. 2. The office on each floor is equipped with a card access control system. 3. A 24-hour surveillance and video system is set up in the public area of each floor, and the security personnel shall pay attention to the security of the building at any time. 4. The building environment is cleaned daily by a professional cleaning company, so that employees have a comfortable and clean working environment. II. Building equipment maintenance and management: 1. The elevators of the building are regularly maintained by professional elevator manufacturers every month, and the safety inspection license is applied every six months. 2. The building's emergency generator is maintained by a professional generator manufacturer on a monthly basis and ATS tests are conducted every six months to ensure normal operations in the event of a power outage. 3. Regular inspection of public machinery and equipment in the building to ensure normal	

Promote Item	Implementation			Differences from Sustainable Development Best Practice Principles
	Yes	No	Abstract Illustration	
			operation 4. The building public passages, stairs, pantries and toilets are regularly inspected and repaired by management personnel to ensure safe use. 5. The building's water tower is regularly cleaned by professional vendors every six months, and the water dispenser is regularly replaced with the filter and cleaned to ensure that the drinking water is clean and hygienic. 6. The building is disinfected every six months. 7. The office air-conditioning system is regularly cleaned and maintained by a professional air-conditioning manufacturer every year. III. Building public safety and fire declaration inspection: 1. In accordance with the Building Safety Inspection and Reporting Regulations, a qualified professional firm is commissioned to conduct building safety inspection and reporting operations every two years. 2. Qualified professional fire protection companies are commissioned to conduct annual building fire safety reporting and inspection in	

Promote Item	Implementation			Differences from Sustainable Development Best Practice Principles
	Yes	No	Abstract Illustration	
			accordance with fire regulations to ensure the normal operation of fire safety equipment in the building when a disaster occurs. IV Physical and mental health of employees: 1. The Company regularly organizes employee health checkups every year, and has completed the health checkup on November 2 in 2023 to implement employee health management. 2. The Company organizes employee travel activities every year, and has completed in two batches on August 19 and November 24 in 2023 to promote legitimate leisure activities for employees.	
(4) Has the Company established an effective career development training program for employees?	✓		(4) The methods of training employees include new employee education and training, pre-employment training, internal training and external training. In addition to the professional lectures given by external experts and scholars, the Company will also select personnel at all levels to receive training outside the Company. The total number of training hours of employees in 2023 is 194.5 hours, and the average	No material discrepancy

Promote Item	Implementation			Differences from Sustainable Development Best Practice Principles
	Yes	No	Abstract Illustration	
			number of training hours per person is about 4.5 hours. The creation of diversified training courses for employees can be divided into four major categories: cultural experience, corporate management, global trends, and physical and mental health.	
(5) Does the company comply with relevant laws and international standards in relation to customer health and safety, customer privacy, marketing and labeling of products and services, and has it established relevant Equity policies and complaint procedures to protect consumers or customers?		✓	(5) Failure to comply with relevant laws and regulations and international standards, and formulate relevant Equity policies and complaint procedures for the protection of consumers or customers, but there are internal regulations for the handling of customer complaint procedures, the company assists the establishment of the customer management committee after the company has delivered the house, and the company has established an after-sales service department. Customers can use telephone or letters to report product maintenance services to the company's after-sales service department, providing a transparent and effective consumer complaint procedure.	Non-compliance. In the future, it will be carefully evaluated according to the Company's internal development needs.

Promote Item	Implementation			Differences from Sustainable Development Best Practice Principles
	Yes	No	Abstract Illustration	
(6) Does the Company formulate supplier management policies that require suppliers to follow relevant regulations on issues such as environmental protection, occupational safety and health, or labor rights, and their implementation?		✓	(6) The Company does not have a supplier management policy, but the main suppliers have issued a "Supplier Corporate Social Responsibility Commitment" to require suppliers to follow environmental protection, occupational safety and health or labor human rights and other related issues, and have included the above commitments in the contracts signed by both parties.	Non-compliance. In the future, it will be carefully evaluated according to the Company's internal development needs.
5. Does the Company refer to internationally accepted reporting standards or guidelines to prepare reports that disclose non-financial information of the Company, such as sustanbility report? Do the reports above obtain assurance from a third party verification unit? Do the reports above obtain assurance from a third party verification unit?		✓	The Company has prepared sustanbility report in accordance with international standards or guidelines. However, the third-party verification unit's confirmation or assurance opinion has not been obtained.	Partial non-compliance. In the future, it will be carefully evaluated according to the Company's internal development needs.
6. If the Company has its own sustainable development code in accordance with the "Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies", please describe the difference between its operation and the established code: The Company has established the "Sustainable Development Best-Practice Principles". We will continue to implement sustainable development in corporate governance, energy conservation and environmental protection, and the rights of stakeholders.				
7. Other is helpful to understand the implementation of sustainable development: None.				

Climate-related information of listed companies

1 Implementation of climate-related information

<table>
<tr><th>Item</th><th colspan="2">Response of the Company</th></tr>
<tr><td>1. Describe the Board of Directors and management's supervision and governance of climate-related risks and opportunities</td><td colspan="2">● Climate risk and opportunity governance and annual sustainable risk management issues are reported to the Board of Directors every year, and the Board of Directors supervises the implementation results. The year 2023 was reported to the Board of Directors in November.
● The general manager serves as the chairman of the committee, and each first-level supervisor implements risk identification, assessment and handling.</td></tr>
<tr><td rowspan="3">2. Describe how the climate risks and opportunities identified affect the business, strategy, and finance (short, medium, and long-term)

3. Describe the impact of extreme climate events and transformation actions on finance</td><td>Risks and Opportunities Item</td><td>Financial Impact and Response Mechanism</td></tr>
<tr><td>Increase in greenhouse gas emissions pricing</td><td>In response to climate change, the government will incorporate net zero emissions by 2050 into the law, and will levy carbon fees on direct emissions or indirect emissions high-emission industries in 2025. The possible impact of this aspect of risks on finance is the increase in operating costs, but at this stage, the Company is not a high-carbon emission industry, so the impact on the overall operation and finance is not significant. Considering that the Company will implement a comprehensive greenhouse gas inventory in 2025, the Company will also evaluate the purchase of green energy, biomass energy and carbon rights, and set carbon reduction targets. Based on the 2023 annual emission of 50 metric tons of CO2e at NT $500 per metric ton, it is estimated to increase the cost by NT $25 thousand per year, with a short-term increase of NT $125 thousand, which is a low impact.</td></tr>
<tr><td>Changes in rainfall (water) patterns</td><td>The increased frequency of typhoons and rainstorms due to increased extreme weather events may cause flooding in the office building and affect the Company's operations, which may cause low financial losses after evaluation. The Company's countermeasures are to implement the</td></tr>
</table>

	and extreme changes in climate patterns	maintenance of the drainage system and establish typhoon and rainstorm emergency response plans to reduce immediate risks. The waterproofing works have been completed at each construction site, and natural disaster insurance and additional purchase of waterwall are purchased. The maintenance of the pumping motor drainage facilities is carried out monthly, so the impact of the risk on the overall operation is not significant.
	The cost of the original Supplies increased	As climate change includes the EU's trial carbon tariffs starting in 2023 and the imposition of tariffs starting in 2026, the production costs of Supplies and Cost of transportation sales for bulk commodities have increased, which in turn have an impact on operations. Design the solution to minimize the use of the original Supplies and strengthen the proportion of localized procurement in the supply chain to reduce the increase in the cost of the original Supplies and transportation. Since 2026, we have implemented product carbon footprint and reduced carbon costs through green design and environmental protection design. It is estimated that the short-term purchase cost will increase by about 15%, which is a moderate impact.
	Rising average temperatures	The average temperature continues to rise, resulting in an increase in energy consumption and an increase in operating costs. In response to the increase in the average temperature of the whole Taiwan by 1 degrees, the electricity consumption has increased by 6%. If the unit price of electricity price remains stable, it is estimated to rise by 1.5 degrees, and the electricity consumption and derivative electricity expenses will increase by approximately 45% in the short term, which is a moderate impact. The response plan includes the renewal of refrigeration and air-conditioning equipment, and the increase in the use rate of renewable energy.
4. Describe how the identification, evaluation, and management processes of climate risks are	Implement the following in accordance with the risk management policy ● When members of the Sustainable Development Committee assess ESG risks, they simultaneously conduct assessment on climate risks. ● The Sustainable Development Committee meeting discussed the material ESG risks and climate risks of Resolution, which was approved by the Chairman.	

integrated into the overall risk management system	● Set executive strategic goals based on approved ESG risks and climate risks. ● The implementation of ESG risks and climate risks is reported to the Board of Directors every year, and the previous report is November 2023.
5. If the resilience in the face of climate change risks is evaluated using scenario analysis, the use of scenarios, parameters, assumptions, analysis factors and major financial impacts should be explained.	The Company referred to 1.5 ℃ as a transformation risk scenario and discussed it in the Risk Committee meeting. The carbon cost impact is high, and the estimated carbon per ton is NT $500. If calculated with reference to the estimated 50 metric tons of emissions in 2023, it will increase by about NT $25 thousand per year. Using the tools provided by TCCIP (integrated climate change service platform) as a reference for assessment of physical climate change risk scenarios, and finally adopting the RCP8. 5 scenario as the Company's physical climate change risk scenario. With the heating up of 1.9 ℃ in 2050, the electricity consumption increased by 5%, and with the electricity price benchmark unchanged, the derived electricity price increased by 5%.
6. If there is a transformation plan to manage climate-related risks, the content of the plan, and the indicators and goals used to identify and manage physical risks and transformation risks.	Rising average temperatures: 1. Replacement of air conditioning systems with energy-efficient grade 1 products 2. Construction of energy storage systems to improve energy efficiency 3. Renewable energy acquisition or purchase of renewable energy certificates Resource efficiency improvement and low-carbon services: 1. Strengthen supply chain management and improve the energy saving and carbon reduction benefits of the industry. 2. Implement green building materials procurement and increase the proportion of green buildings. Relevant indicators and targets: ISO 14064 was introduced in 2025 and passed third-party verification. 2. Continuously increase the proportion of green buildings, reduce energy consumption during the construction process and consumer energy consumption during the use stage.
7.If internal carbon pricing is used as a planning tool, the basis for	Internal carbon pricing has not been implemented

<table>
<tr><td>price setting should be stated.</td><td></td></tr>
<tr><td>8. If there is a climate-related target, it should explain the activities covered, the scope of greenhouse gas emissions, the planning period, and the annual progress of the progress; If the Carbon Offset or Renewable Energy Certificate (RECs) are used to achieve the relevant goals, the source and quantity of the carbon reduction quota offset or the quantity of the Renewable Energy Certificate (RECs) should be stated.</td><td><table><tr><th>Emission reduction targets</th><th>Strategic actions</th></tr><tr><td>Compared to the base year of 2024
2030 GHG Emissions Scope 1 + Scope 2 Emission Reduction by 20%
Scope 1 + Scope 2 emission reduction by 30% in 2040
2050 Net Zero Emission</td><td>1. Purchase infrastructure equipment with eco-label through green procurement (2024 ~ 2030)
2. Chilled air conditioning system is fully replaced with energy efficiency level 1 (2024 ~ 2030)
3. Purchase renewable energy certificates (2030 ~ 2040)
4. Proportion of green buildings: 100% (2030 ~ 2050)</td></tr></table></td></tr>
<tr><td>9. Greenhouse gas inventory and assurance situation, reduction targets, strategies and specific action plans (please also</td><td>See the table below</td></tr>
</table>

fill in 1-1) and (1-2).	

1-1 The Company's greenhouse gas inventory and assurance situation in the last two years

The current status of the Company's greenhouse gas emissions inventory is self-management and voluntary disclosure to facilitate understanding of the current situation and trend and to respond in advance, which has not yet been confirmed by an external third-party verification agency.

Type	Year 2023		Year 2022		Assurance agency and assurance (verification certificate)
Scope 1	Total emissions (Tons CO2e)	Intensity (Tons CO2e/Million)	Total emissions (Tons CO2e)	Intensity (Tons CO2e/Million)	
Parent company	23.24	0.0030	25.18	0.0040	
Scope 2	Total emissions (Tons CO2e)	Intensity (Tons CO2e/Million)	Total emissions (Tons CO2e)	Intensity (Tons CO2e/Million)	
Parent company	25.50	0.0033	24.18	0.0038	Failed to implement assurance
Scope 3	Total emissions (Tons CO2e)	Intensity (Tons CO2e/Million)	Total emissions (Tons CO2e)	Intensity (Tons CO2e/Million)	
Parent company	-	-	-		

Note: The consolidated revenue in 2022 was NT $6,305 million, and the consolidated revenue in 2023 was NT $7,706 million. The subsidiary will complete the inventory according to the schedule required by the competent authority in the future.

1-2 Greenhouse gas reduction targets, strategies and concrete action plans

Emission reduction targets	Strategic actions	Project schedule

Compared to the base year of 2024 2030 GHG Emissions Scope 1 + Scope 2 Emission Reduction by 20% Scope 1 + Scope 2 emission reduction by 30% in 2040 2050 Net Zero Emission	1. Purchase infrastructure equipment with eco-label through green procurement 2. Full replacement of chilled air conditioning system with energy efficiency level 1 3. Purchase renewable energy certificates (2030 ~ 2040) 4. Proportion of green buildings: 100% (2030 ~ 2050)	1. 2024 ~ 2030 2. 2024 ~ 2030 3. 2030 ~ 2040 4. 2024 ~ 2050
The Company takes 2024 as the base year, and expects to disclose the achievement from 2024.		

(6) Fulfillment of Ethical Corporate Management and Deviations from the Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies and Reasons Thereof

Item	Implementation Status			Relationship with listed companies Ethical Corporate Management Best
	Yes	No	Abstract Illustration	
1. Establishment of ethical corporate management policies and programs (1) Does the company have an ethical corporate management policy approved by the Board of Directors, and clearly state the policy and practice of ethical corporate management in its regulations and external documents, as well as the commitment of the Board of Directors and senior management to actively implement the corporate management policy?	✓		(1) The Ethical Corporate Management Best Practice Principles approved by the Board of Directors require major suppliers to issue the "Supplier Corporate Social Responsibility Commitment" and include the integrity clauses in external contracts.	No material discrepancy
(2) Has the Company established a risk assessment mechanism against unethical conduct, analyze and assess on a regular basis business activities within its business scope which are at a higher risk of being involved in unethical conduct, and establish prevention programs accordingly, which shall at least include the preventive measures specified in Paragraph 2, Article 7 of	✓		(2) The Company has added integrity clauses to external contracts to regulate the prohibition from engaging in conduct specified in Paragraph 2, Article 7 of the Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies.	No material discrepancy

Item	Implementation Status			Relationship with listed companies Ethical Corporate Management Best
	Yes	No	Abstract Illustration	
the "Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies"?				
(3) Has the Company specified in its prevention programs the operating procedures, guidelines, punishments for violations, and a grievance system and implemented them and review the prevention programs on a regular basis?	✓		(3) According to the "Ethical Corporate Management Best Practice Principles" and "Corporate Governance Best Practice Principles" of the TWSE/GTSM Listed Companies, establish the "whistleblowing system" to implement the prevention of unethical conduct.	No material discrepancy
2. Implementation of Ethical Corporate Management (1) Does the Company evaluate business partners' ethical records and include ethics-related clauses in business contracts?	✓		(1) Review the transaction status of customers and third parties from time to time, and if abnormal transaction behavior is found, the transaction content will be suspended.	No material discrepancy
(2) Does the company establish an exclusively (or concurrently) dedicated unit supervised by the Board to be in charge of corporate integrity?		✓	(2) The Company has set up a dedicated unit under the Board of Directors to promote ethical corporate management and report to the Board of Directors on the formulation and supervision of the implementation of the ethical corporate management policy and prevention plan on	No material discrepancy

Item	Implementation Status			Relationship with listed companies Ethical Corporate Management Best
	Yes	No	Abstract Illustration	
			December 20, 2023.	
(3) Does the company establish policies to prevent conflicts of interest and provide appropriate communication channels, and implement it?	✓		(3) When there is a conflict of interest in any proposal of the Board of Directors, the principle of recusal shall be followed. Employees can directly report violations and complaints to the relevant supervisor or the audit unit of the board of directors.	No material discrepancy
(4) Has the company established an effective accounting system and internal control system for the implementation of integrity management, and has the internal audit unit formulated relevant audit plans based on the assessment results of the risk of dishonesty, and checked the compliance of the plan to prevent dishonesty, or entrusted an accountant to perform the audit?	✓		(4) The Company has established an accounting system and a dedicated accounting unit. Financial reports are audited or reviewed by certified public accountants to ensure the fairness of financial statements. 2. Establish an effective internal audit system, a self-audit system, a legal compliance system and a risk management mechanism to maintain an effective and appropriate internal control system operation, and entrust an accountant to conduct an audit of the internal control system every year.	No material discrepancy
(5) Does the company regularly	✓		(5) Education and training on	No material

Item	Implementation Status			Relationship with listed companies Ethical Corporate Management Best
	Yes	No	Abstract Illustration	
hold internal and external educational trainings on operational integrity?			ethical corporate management held by the Company: In 2023, the Company held an online internal education and training related to ethical corporate management, with 22 participants and 0.5 class hours.	discrepancy
3. Operation of the Company's whistleblowing system (1) Does the company establish specific complaint and reward procedures, set up conveniently accessible complaint channels, and designate responsible individuals to handle the complaint received?	✓		(1) The Company has established a whistle-blowing system for employees and external parties to report any financial, legal, and integrity-related misconduct to the supervisor of the receiving unit through an independent whistle-blowing mailbox. Complaint mailbox: audit @ rhd.com.tw	No material discrepancy
(2) Has the Company established standard operating procedures for investigating reported misconduct, follow-up measures to be adopted after the investigation, and related confidentiality mechanisms?	✓		(2) After the supervisor receives the employee's suggestions or complaints, it will be immediately reported to the general manager, and the general manager will designate a person to handle it. Any complaint case will be handled as soon as possible by the handling personnel or designated handling personnel based on the	No material discrepancy

Item	Implementation Status			Relationship with listed companies Ethical Corporate Management Best
	Yes	No	Abstract Illustration	
			principle of confidentiality.	
(3) Does the company provide proper whistleblower protection?	✓		(3) After investigation, the complaint case is found to be improper or suspected of illegal, and the violator will be punished in accordance with the relevant company regulations, or the legal responsibility will be investigated in accordance with relevant laws and regulations, and the privacy of the proponent or the complainant will be protected Equity.	No material discrepancy
4. Strengthening information disclosure (1) Does the company disclose its ethical corporate management policies and the results of its implementation on the company's website and Market Observation Post System?	✓		(1) The Company has disclosed relevant corporate culture, business policy and other information on the website, and has a dedicated department to collect and disclose various information and implement the spokesperson system.	No material discrepancy
5. If the Company has established the ethical corporate management policies based on the Ethical Corporate Management Best-Practice Principles for TWSE/TPEx Listed Companies, please describe any discrepancy between the policies and their implementation: No major difference.				
6. Other is helpful to understand the Company's ethical management operation: None.				

(7) If the Company has established a corporate governance code and related regulations, it should disclose its inquiry method: Please refer to the "Company's website" and the "Corporate Governance Market Observation Post System" section.

(8) Important information of Other that is sufficient to enhance the understanding of the operation of corporate governance must be disclosed together:

(1) Evaluation of the independence of CPAs:

A. Review of independence requirements

Items	Evaluation content
1	The CPA or his/her spouse or minor children do not have an investment or financial benefit-sharing relationship with the Company.
2	The CPA or his/her spouse or minor children do not have any capital loan with the Company. However, if the client is a financial institution and the transaction is normal, this shall not apply.
3	The accounting firm does not issue a confirmation service report on the effective operation of the financial information system designed or assisted by the accounting firm.
4	The CPA or members of the audit service team have not served as the Company's director, managerial officers, or positions that have a significant impact on the audit case now or in the last two years.
5	The non-audit services provided to the Company do not directly affect the important Item of the audit case.
6	The accountants or members of the audit service team do not promote or broker the stocks or Other securities issued by the Company.
7	The accountants or members of the audit service team do not represent the Company in defending legal cases or Other disputes with third parties, except for those permitted by law.
8	The CPA or audit service team members are not a spouse, lineal relative by blood, lineal relative by marriage, or collateral relative by blood within the second degree of kinship of the Company's directors, managerial officers, or personnel who have a significant influence on the audit case.
9	A former partner within one year of disassociating from the firm does not serve as a director of the Company, managerial officers, or in a key position to exert significant influence over the subject matter of the engagement.
10	The accountants or members of the audit service team have not received gifts or special offers of significant value from the Company or its directors, managerial officers or major shareholders.
11	The CPA is not hired by the client or the audited party for regular work, receives a fixed salary, or serves as a director or supervisor.
12	The CPA has not provided audit services to the Company for seven consecutive years.

B. Review of independence operation

Items	Evaluation content
1	When the CPA has a direct or significant indirect interest in the commissioned matter which affects his/her fairness and independence, he/she has evaded and not undertaken it.
2	When the accountant provides the audit, review, review, or special review of the

	financial statements and makes an opinion, does the accountant maintain independence in substance and form.
3	Do members of the audit service team, Other co-practicing CPAs or shareholders of corporate accounting firms, accounting firms, firm related companies and alliance firms also maintain independence from the Company.
4	Does the CPA maintain a fair and objective position when providing professional services and avoid bias, conflict of interest or stakes that affect his/her professional judgment?
5	The CPA does not lack or lose his/her independence, which affects his/her integrity, impartiality, and objectivity.

C. Appropriateness Review

Items	Evaluation content
1	The CPA has no disciplinary records from the Disciplinary Committee of the CPA in the past two years.
2	Whether the accounting firm has sufficient scale, resources and regional coverage in handling the Company’ s audit services.
3	Does the accounting firm timely inform the Board of Directors (Audit Committee) of any significant issues and developments in risk management, corporate governance, financial accounting and related risk control?

(2) Establishment of Corporate Governance Officer:

The company has set up a corporate governance supervisor to protect the shareholders Equity and strengthen the functions of the board of directors.

A.Scope of joint ownership: The main responsibilities of the corporate governance officer are to handle matters related to the board of directors and shareholders' meeting in accordance with the law, prepare the minutes of the board of directors and shareholders' meeting, assist directors and supervisors in their appointments and continuing education, provide directors and supervisors with the information necessary to perform their business, and assist directors and supervisors in complying with laws and regulations.

B.Continuing education of the current year: Please refer to page 23 of the annual report.

(9) Implementation of internal control system

1. Statement of Internal Control

Rich Development Construction Co., Ltd. Statement of Internal Control System

Date: March 15, 2024

Based on the findings of a self-assessment, the Company states the following with regard to its internal control system during the year 2023:

1. The Company acknowledges and understands that the establishment, implementation and maintenance of the internal control system are the responsibility of the Board of Directors and managerial officers, and that the Company has already established such a system. The Company has established such a system aimed at providing reasonable assurance of the achievement of objectives in the effectiveness and efficiency of operations (including profits, performance, and protection of the safety of Assets), reliability, timeliness, transparency, and regulatory compliance of reporting, and compliance with applicable laws, regulations, and bylaws.
2. The internal control system has its inherent limitations. No matter how perfect the design is, an effective internal control system can only provide reasonable assurance for the achievement of the above three Item standards; In addition, the effectiveness of the internal control system may change due to changes in the environment and circumstances. However, self-supervision measures were implemented within the Company's internal control policies to facilitate immediate rectification once procedural flaws have been identified.
3. The Company evaluates the design and operating effectiveness of its internal control system based on the criteria provided in “Rules for Handling the Establishment of Internal Control Systems by Public Offering Company” (hereinafter referred to as “Rules for Handling”) in Item. The internal control system adopted by "Rules for Handling" judges that Item is based on the process of management control, and the internal control system is divided into five components: 1. Control environment, 2. Risk assessment, 3. Control operations, 4. Information and communication, and 5. Each component further contains several Item s. Please refer to “Item” for details.
4. The Company has adopted the above-mentioned internal control system judgment Item to evaluate the effectiveness of the design and implementation of the internal control system.
5. Based on the findings of such evaluation, the Company believes that, on December 31, 2023, it has maintained, in all material respects, an effective internal control system (that includes the supervision and management of our subsidiaries), to provide reasonable assurance over our operational effectiveness and efficiency, reliability, timeliness, transparency of reporting, and compliance with applicable rulings, laws and regulations.

6. This Statement is an integral part of the Company's annual report and prospectus, and will be made public. Any falsehood, concealment, or other illegality in the content made public will entail legal liability under Articles 20, thirty-two, one hundred and seventy-one, and one hundred and seventy-four of the Securities and Exchange Act.
7. This Statement has been passed by the Board of Directors in their meeting held on March 15, 2024, with none of the eight attending directors expressing dissenting opinions, and the remainder all affirming the content of this Statement.

Rich Development Construction Co., Ltd.

Chairman: Guo, Shuizhen

General Manager: Guo, Ji-Gang

2. If a CPA has been hired to carry out a special audit of the internal control system, the CPA audit report shall be disclosed: Not applicable.

(10) For the most recent fiscal year or during the current fiscal year up to the date of publication of the annual report, disclose any sanctions imposed in accordance with the law upon the company or its internal personnel, any sanctions imposed by the company upon its internal personnel for violations of internal control system provisions, principal deficiencies, and the state of any efforts to make improvements: None.

(11) Resolution Important to Shareholders' Meeting and Board Meetings in the Most Recent Year

(1) Shareholders' Meeting

Date	Session	Summary of the motion	Implementation
2023.06.16	Annual General Meeting	2022 Business Report and Financial Statements	Approved by the shareholders' meeting.
		2022 Earnings Distribution	It has been approved by the shareholders' meeting not to distribute dividends.

(2) Board of Directors

Date	Session	Summary of the motion
2023.01.11	Board meeting	1. Establishment of the 2023 Business Plan. 2. 2022 performance bonus of managerial officers. 3. Directors and managerial officers, proposed to implement various salary and remuneration Item policies.
2023.03.15	Board meeting	Joint construction projects for 13 plots of land including No. 322 in the section of Sanyaozi Subsection, Haishantou Section, Xinzhuang District, New Taipei City, and 3 plots of land including No. 82 in the section of Shigui Subsection, Xinzhuang District.
2023.03.15	Board meeting	Proposal for distribution of remuneration to employees and directors in 2022. 2022 Business Report and Financial Statements. 3. Issuance of the Company’s 2022 internal control system statement. 4. Donation expense “Yilan County Private Lealea Social Welfare Charity Funds.” 5. Set up the relevant matters of convening the 2023 general shareholders’ meeting.
2023.04.11	Board meeting	2022 earnings distribution.
2023.05.12	Board meeting	2023 Q1 Consolidated Financial Statements 2. Joint construction of 15 land lots at No. 470, Sub-section 2, Fuhe Section, Xinyi District, Taipei City.
2023.06.16	Board meeting	1. For the new construction of the Company's "Rich Songjiang Headquarters Building", it is planned to entrust the affiliated company, Lituo Construction Co., Ltd., to undertake "construction, mechanical and electrical engineering". 2. Joint construction projects for 26 lots of land at 193-4, Shanzi Sub-section, Haishantou Section, Xinzhuang District, New Taipei City.
2023.08.11	Board meeting	2023 Q2 Consolidated Financial Statements
2023.09.07	Board meeting	Purchased 7 lots of land and buildings on the ground at Lot 1066-2, 4th Subsection, Bihu Section, Neihu District, Taipei City.
2023.10.16	Board meeting	Jointly applied for the "Kaohsiung Nanzi Reclaimed Water Plant Construction, Transfer and Operation Project" with the subsidiary Shanlin Water Environmental Engineering Co., Ltd.
2023.11.13	Board meeting	2023 Q3 Consolidated Financial Statements 2. To make endorsements and guarantees for the syndicated loan of the subsidiary Tung Shan Lin Development Co., Ltd. (“Tung Shan Lin”), and to extend the term and change the guarantee amount.

Date	Session	Summary of the motion
2023.12.20	Board meeting	1. Formulate the Company's "2024 Audit Plan". 2. Regularly evaluate the independence of CPAs. 3. Amendment to the “Internal Control System and Internal Audit Implementation Rules”. 4. Handle the joint construction projects on 33 parcels of land and their above-ground buildings, including land lot 137, Chongde Section, Xizhi District, New Taipei City. 5. The renewal of the Company’s office and warehouse lease contract. 6. Donation expense “Yilan County Private Lealea Social Welfare Charity Funds.” 7. The case of re-election of the information security supervisor.

(12) Major issues of record or written statements made by any Director or Supervisor dissenting to Resolution approved by the Board of Directors in the most recent year and up to the date of publication of the Annual Report: None.

(13) Resignation or Dismissal of the Company’s Key Individuals, Including the Chairman, CEO, and Heads of Finance, Accounting Supervisor, Finance, Internal Audit and R & D: None.

5. Information on CPA Professional Fees

(1) Information on CPA Professional Fees

Unit: NT $thousands

Name of Accounting Firm	Name of CPA	CPA Audit Period	Audit Fee Non-audit Fee	Non-audit Fee	total	Remark
KPMG	Shu-Ying Chang	2023.01.01 to 2023.12.31	3,060	820	3,880	Nil.
	Pan, Chun-Ming					

(2) Change of CPA firm and the audit fees for the year of the change less that of the previous year: None.

(c) Audit fees paid for the current fiscal year are lower than those for the previous fiscal year by 10 percent or more: None.

6. Information on replacement of CPA:

(I) Regarding the former CPA: Not applicable.

(2) Successor CPAs: Not applicable.

(c) The reply of former CPAs on Article 10.6.1 and Article 10.6.2.3 of the Standards: Not applicable.

7. The Company’s Chairman, President, or managerial officers in charge of its finance or accounting operations did not hold any position in the Company’s independent auditing firm or its affiliates in the past year: None.

8. Any Transfer of Equity Interests and/or Pledge of or Change in Equity Interests by a Director, Supervisor, managerial officers, or Shareholder with a Stake of More than 10 Percent during the Most Recent Fiscal Year or during the Current Fiscal Year up to the Date of Publication of the Annual Report

(1) Changes in Shareholding and Pledge of Shares by Directors, Supervisors, managerial officers and Major Shareholders

Unit: Shares

Job Title	Name Gender	2023		Current year up to April 21	
		Shares Held Increase (decrease)	Shares Pledged Increase (decrease)	Shares Held Increase (decrease)	Shares Pledged Increase (decrease)
Chairman	Guo, Shuzhen	0	0	0	0
Director	Guo, Ji-Gang	0	0	0	0
Director	Guo, Ji-An	0	0	0	0
Director	Shun Yu Investment Co., Ltd.	0	0	0	0
Director representative	Guo, Ke-Zhong	0	0	0	0
Director	Champion Xiang Investment Limited	0	0	0	0
Director representative	Hong, Quan-Fu	0	0	0	0
Director	Yang, Qiong-Ru	0	0	0	0
Independent Director	Lin, Chun-Liang	0	0	0	0
Independent Director	Ge, Shu-Ren	0	0	0	0
Independent Director	Kang, Shie-Yi	0	0	0	0
President	Guo, Ji-Gang	0	0	0	0
Assistant Vice President	Wang,Yan-Wen	0	0	0	0
Assistant Vice President	Wu, Zheng-Hui	0	0	0	0
Assistant Vice President	Lin, Jian-Cheng	0	0	0	0
Assistant Vice President	Wang, Yu-Yun	0	0	0	0
Assistant Vice President	Ko, Sien-Jen	0	0	0	0
Finance Manager	Chung, Li-Yan	0	0	0	0
Corporate Governance Officer	Lin, Ming-Chi	0	0	0	0

(2) Information on directors, supervisors, managerial officers and shareholders holding more than 10 percent of the shares who have transferred their shares to related parties: None.

(3) Information on the counterparty of any share pledge by a director, supervisor, managerial officers, or shareholder with a stake of more than 10 percent, who is a related party: None.

9. Information on the relationship between any of the top ten shareholders (related party, spouse, or kinship within the second degree)

Relationship among the Top Ten Shareholders

Name Gender	Self Shares Held		Spouse & Minor Shares held by children		In the name of others Shares held by total		Name and Relationship Between the Company's Top Ten Shareholders, or Spouses or Relatives Within Two Degrees		Remark
	Shares	Shareholding Ratio	Shares	Shareholding Ratio	Shares	Shareholding Ratio	Company Name	Relationship	
Lealea Enterprise Corporation	51,839,894	6.97%	Not applicable.	Not applicable.	Not applicable.	Not applicable.	Nil.	Nil.	Nil.
representative：Guo, Shao-Yi	0	0	-	-	-	-	Guo, Shuzhen	Sister	Nil.
Li Peng Enterprise Corporation	51,117,852	6.87%	Not applicable.	Not applicable.	Not applicable.	Not applicable.	Nil.	Nil.	Nil.
representative：Guo, Shao-Yi	0	0	-	-	-	-	Guo, Shuzhen	Sister	Nil.
Qingyi Development Corporation	36,469,817	4.90%	Not applicable.	Not applicable.	Not applicable.	Not applicable.	Nil.	Nil.	Nil.
representative：Lin, Qian-Qian	0	0	-	-	-	-	-	-	Nil.
Hongxiang Investment Corporation	31,756,798	4.27%	Not applicable.	Not applicable.	Not applicable.	Not applicable.	Nil.	Nil.	Nil.
representative：Guo, Ji-An	4,198	0.00%	0	0	0	0	Guo, Ji-Gang	Brother	Nil.
Hongyi Investment Corporation	15,892,584	2.14%	Not applicable.	Not applicable.	Not applicable.	Not applicable.	Nil.	Nil.	Nil.
representative：Ke, Pei-Jun	-	-	-	-	-	-	-	-	Nil.
Wood Textile Enterprise Co., Ltd.	14,658,993	1.97%	Not applicable.	Not applicable.	Not applicable.	Not applicable.	Nil.	Nil.	Nil.
representative：Guo, Ji-Gang	459,257	0.06	1,737,000	0.23%	0	0	Guo, Ji-An	Brother	Nil.

Tech Island Investment Limited	14,658,250	1.97%	Not applicable.	Not applicable.	Not applicable.	Not applicable.	Nil.	Nil.	Nil.
representative：Guo, Ji-An	4,198	0.00	0	0	0	0	Guo, Ji-Gang	Brother	Nil.
Shun Yu Investment Corporation	13,015,859	1.75%	Not applicable.	Not applicable.	Not applicable.	Not applicable.	Nil.	Nil.	Nil.
representative：Tsao, Yung-Tien	0	0	-	-	-	-	-	-	Nil.
Zhixiang Investment Corporation	12,331,515	1.66%	Not applicable.	Not applicable.	Not applicable.	Not applicable.	Nil.	Nil.	Nil.
representative：Tsao, Yung-Tien	0	0	-	-	-	-	-	-	Nil.
Liwei International Development Corporation	11,056,482	1.49%	Not applicable.	Not applicable.	Not applicable.	Not applicable.	Nil.	Nil.	Nil.
representative：Guo, Shuzhen	1,306,243	0.18%	-	-	-	-	Guo, Shuzhen	Sister	Nil.

10. The number of shares held by the Company, its directors, supervisors, managerial officers and the business that is directly or indirectly controlled by the Company in the same reinvestment, and the combined calculation of the shareholding ratio of total

total Shareholding ratio

December 31, 2023
Unit: shares; Percentage%

Reinvestment Business	Investment by the Company		Investments by directors, supervisors, managerial officers and directly or indirectly controlled businesses		total Investment	
	Shares	Shareholding ratio	Shares	Shareholding Percentage	Shares	Shareholding ratio
Yilan Lili Development Corporation	58,500,000	63.59%	33,500,000	36.41%	92,000,000	100%
Li He Investment Corporation	45,447,854	100%	0	0%	45,447,854	100%
Green Forest Development Corporation	93,601,551	30.00%	218,403,619	70.00%	312,005,170	100%
Li Shan Lin Leisure Development Corporation	42,691,114	52.38%	3,240,728	3.98%	45,931,842	56.36%
LEALEA HOTEL Corporation	35,053,747	42.23%	3,300,000	3.98%	38,353,747	46.21%
Tung Shan Lin Development Corporation	0	0%	223,013,980	100%	223,013,980	100%
Hejing Enterprise Corporation	68,511,940	68.44%	144,695	0.14%	68,656,635	68.58%
Forest Water Environmental Engineering Corporation	1,774,291	1.13%	105,220,007	66.87%	106,994,298	68%

Reinvestment Business	Investment by the Company		Investments by directors, supervisors, managerial officers and directly or indirectly controlled businesses		total Investment	
	Shares	Shareholding ratio	Shares	Shareholding Percentage	Shares	Shareholding ratio
Lealea Hotels & Resorts Co., Ltd. (Formerly If)	17,699,230	61.35%	0	0%	17,699,230	61.35%
Blossom Increase Ltd	0	0%	5,445,000	100%	5,445,000	100%
Liying Enterprise Corporation	82,020,000	54.67%	58,000,000	38.66%	140,020,000	93.33%
Artini Development Corporation	6,200,000	32.46%	0	0%	6,200,000	32.46%
LIBOLON Energy Corporation	900,000	30.00%	0	0%	900,000	30.00%
Yuanshan Forest Development Corporation	0	0%	20,000,000	100%	20,000,000	100%
forward development Corporation	0	0%	11,000,000	100%	11,000,000	100%
Modern Rich Investment Limited	0	0%	8,568,730	100%	8,568,730	100%
Faith Honest International Investment Limited	0	0%	2,963,730	100%	2,963,730	100%
Competitive advantage Environmental protection Corporation	2,957,240	43.49%	3,427,710	50.41%	6,384,950	93.9%
Oriental Forest Environmental Technology Corporation	0	0%	3,500,000	70%	3,500,000	70%
Heshan Forest Green Energy Corporation	13,650,000	30.00%	31,850,000	70%	45,500,000	100%

Reinvestment Business	Investment by the Company		Investments by directors, supervisors, managerial officers and directly or indirectly controlled businesses		total Investment	
	Shares	Shareholding ratio	Shares	Shareholding Percentage	Shares	Shareholding ratio
Lealea Environmental Corporation	0	0%	5,092,000	95%	5,092,000	95%
Gaoshan Water Corporation	1,000,000	10%	7,000,000	70%	8,000,000	80%
Richone Holdings Limited	0	0%	487,600	30.10%	487,600	30.10%
Liling Environmental Protection Corporation	0	0%	50,000	100%	50,000	100%
Tianying Travel Agency Corporation	0	0%	660,000	100%	660,000	100%
Li-Li-Ming Chi Corporation	0	0%	4,080,000	51%	4,080,000	51%

IV. Fundraising

1. Capital and Shares

(1) Share capital Source

Year/ Month	Issuance Price (in dollars)	Share capital approved		Share capital		Remark		
		Number of Shares (Shares)	Amount (NT $)	Number of Shares (Shares)	Amount (NT $)	Source of Share capital	Capital Increased by Assets Other than Cash	Other
81.07	10	26,000,000	260,000,000	26,000,000	260,000,000	Founding	Nil.	Nil.
86.05	10	150,000,000	1,500,000,000	64,000,000	640,000,000	$130 million capital increase by retained earnings Proceeds from issuing shares $250 million (Note 1)	Nil.	Nil.
86.11	10	150,000,000	1,500,000,000	82,000,000	820,000,000	Proceeds from issuing shares $180 million (Note 2)	Nil.	Nil.
87.03	10	150,000,000	1,500,000,000	123,000,000	1,230,000,000	NT $205 million capital increase by retained earnings and NT $205 million capital increase by Capital surplus (Note 3)	Nil.	Nil.
88.06	10	240,000,000	2,400,000,000	240,000,000	2,400,000,000	Recapitalization of retained earnings: NT $738 million, Proceeds from issuing shares: NT $432 million (Note 4)	Nil.	Nil.
89.07	10	288,000,000	2,880,000,000	288,000,000	2,880,000,000	Capital surplus's capital increase of NT $480 million (Note 5)	Nil.	Nil.
90.02	10	288,000,000	2,880,000,000	272,000,000	2,720,000,000	Treasury stock capital reduction NT $160 million (Note 6)	Nil.	Nil.
95.07	10	288,000,000	2,880,000,000	285,600,000	2,856,000,000	Capital increase of NT $136 million by Capital surplus (Note 7)	Nil.	Nil.
95.11	10	285,600,000	2,856,000,000	285,600,000	2,856,000,000	Amendments to the Articles of Incorporation Share capital (Note 8)	Nil.	Nil.
95.11	10	428,800,000	4,288,000,000	285,600,000	2,856,000,000	Amendments to the Shareholders' Meeting Add Share capital (Note 9)	Nil.	Nil.
96.01	10	428,800,000	4,288,000,000	285,600,000	2,856,000,000	First domestic secured convertible corporate bonds of NT $1,200 million (Note 10)	Nil.	Nil.
96.07	10	428,448,000	4,284,480,000	308,448,000	3,084,480,000	Capital surplus's capital increase of NT $228.48 million (Note 11)	Nil.	Nil.
96.08	10	700,000,000	7,000,000,000	308,448,000	3,084,480,000	Application for increase in total authorized capital (Note 12)	Nil.	Nil.
96.10	10	700,000,000	7,000,000,000	312,979,023	3,129,790,230	Application for conversion of convertible corporate	Nil.	Nil.

Year/ Month	Issuance Price (in dollars)	Share capital approved		Share capital		Remark		
		Number of Shares (Shares)	Amount (NT $)	Number of Shares (Shares)	Amount (NT $)	Source of Share capital	Capital Increased by Assets Other than Cash	Other
						bonds into ordinary shares (Note 13)		
97.04	10	700,000,000	7,000,000,000	370,406,003	3,704,060,030	Application for conversion of convertible corporate bonds into ordinary shares (Note 14)	Nil.	Nil.
97.07	10	700,000,000	7,000,000,000	377,661,623	3,776,616,230	Application for conversion of convertible corporate bonds into ordinary shares (Note 15)	Nil.	Nil.
98.01	10	700,000,000	7,000,000,000	403,867,820	4,038,678,200	Application for conversion of convertible corporate bonds to ordinary shares and conversion of Capital surplus to capital increase (Note 16)	Nil.	Nil.
98.09	10	700,000,000	7,000,000,000	427,867,149	4,278,671,490	Application for conversion of convertible corporate bonds to ordinary shares and conversion of Capital surplus to capital increase (Note 17)	Nil.	Nil.
99.02	10	700,000,000	7,000,000,000	487,825,933	4,878,259,330	Application for conversion of convertible corporate bonds into ordinary shares (Note 18)	Nil.	Nil.
99.06	10	700,000,000	7,000,000,000	492,042,908	4,920,429,080	Application for conversion of convertible corporate bonds into ordinary shares (Note 19)	Nil.	Nil.
99.08	10	700,000,000	7,000,000,000	492,204,879	4,922,048,790	Application for conversion of convertible corporate bonds into ordinary shares (Note 20)	Nil.	Nil.
99.09	10	700,000,000	7,000,000,000	541,409,169	5,414,091,690	Capital surplus Capital increase (Note 21)	Nil.	Nil.
99.10	10	700,000,000	7,000,000,000	546,813,912	5,468,139,120	Application for conversion of convertible corporate bonds into ordinary shares (Note 22)	Nil.	Nil.
100.01	10	700,000,000	7,000,000,000	557,931,666	5,579,316,660	Application for conversion of convertible corporate bonds into ordinary shares (Note 23)	Nil.	Nil.
100.04	10	700,000,000	7,000,000,000	550,174,517	5,501,745,170	Application for conversion of convertible corporate bonds to ordinary shares and cancelation of treasury shares (Note 24)	Nil.	Nil.
100.08	10	700,000,000	7,000,000,000	540,214,198	5,402,141,980	Application for conversion of convertible corporate bonds into ordinary shares	Nil.	Nil.

Fundraising

Year/ Month	Issuance Price (in dollars)	Share capital approved		Share capital		Remark		
		Number of Shares (Shares)	Amount (NT $)	Number of Shares (Shares)	Amount (NT $)	Source of Share capital	Capital Increased by Assets Other than Cash	Other
						and cancelation of treasury shares (Note 25)		
100.09	10	700,000,000	7,000,000,000	589,729,904	5,897,299,040	Capital surplus Capital increase (Note 26)	Nil.	Nil.
100.10	10	700,000,000	7,000,000,000	593,337,170	5,933,371,700	Application for conversion of convertible corporate bonds into ordinary shares (Note 27)	Nil.	Nil.
101.01	10	700,000,000	7,000,000,000	585,510,686	5,855,106,860	Application for conversion of convertible corporate bonds to ordinary shares and cancelation of treasury shares (Note 28)	Nil.	Nil.
101.04	10	700,000,000	7,000,000,000	587,220,119	5,872,201,190	Application for conversion of convertible corporate bonds into ordinary shares (Note 29)	Nil.	Nil.
101.09	10	700,000,000	7,000,000,000	636,233,443	6,362,334,430	Capital increase by retained earnings of NT $352,867,790 Capital increase by Capital surplus of NT $117,622,600 and application for conversion of convertible corporate bonds to ordinary shares (Note 30)	Nil.	Nil.
101.10	10	700,000,000	7,000,000,000	633,080,458	6,330,804,580	Application for conversion of convertible corporate bonds to ordinary shares and cancelation of treasury shares (Note 31)	Nil.	Nil.
102.01	10	700,000,000	7,000,000,000	635,726,434	6,357,264,340	Application for conversion of convertible corporate bonds into ordinary shares (Note 32)	Nil.	Nil.
102.05	10	700,000,000	7,000,000,000	656,238,647	6,562,386,470	Application for conversion of convertible corporate bonds into ordinary shares (Note 33)	Nil.	Nil.
102.07	10	700,000,000	7,000,000,000	658,840,043	6,588,400,430	Application for conversion of convertible corporate bonds into ordinary shares (Note 34)	Nil.	Nil.
102.09	10	900,000,000	9,000,000,000	726,586,283	7,265,862,830	Capitalization of retained earnings of NT $656,238,650 and application for conversion of convertible bonds to common stock (Note 35)	Nil.	Nil.
102.10	10	900,000,000	9,000,000,000	761,970,982	7,619,709,820	Application for conversion of convertible corporate bonds into ordinary shares	Nil.	Nil.

Year/ Month	Issuance Price (in dollars)	Share capital approved		Share capital		Remark		
		Number of Shares (Shares)	Amount (NT $)	Number of Shares (Shares)	Amount (NT $)	Source of Share capital	Capital Increased by Assets Other than Cash	Other
						(Note 36)		
103.02	10	900,000,000	9,000,000,000	763,047,064	7,630,470,640	Application for conversion of convertible corporate bonds into ordinary shares (Note 37)	Nil.	Nil.
103.04	10	900,000,000	9,000,000,000	758,047,064	7,580,470,640	Cancelation of treasury stock (Note 38)	Nil.	Nil.
103.05	10	900,000,000	9,000,000,000	758,992,712	7,589,927,120	Application for conversion of convertible corporate bonds into ordinary shares (Note 39)	Nil.	Nil.
103.09	10	900,000,000	9,000,000,000	753,992,712	7,539,927,120	Cancelation of treasury stock (Note 40)	Nil.	Nil.
105.05	10	900,000,000	9,000,000,000	743,992,712	7,439,927,120	Cancelation of treasury stock (Note 41)	Nil.	Nil.
109.07	10	1,010,000,000	10,010,000,000	743,992,712	7,439,927,120	Total registered capital increase (Note 42)	Nil.	Nil.

Note 1: Approved for capitalization of retained earnings of NT $130 million and Proceeds from issuing shares of NT $250 million by the Securities and Exchange Commission, Ministry of Finance, Rule No. Taiwan-Finance-Securities (1) 27551, dated April 14, 1997.

Note 2: The Ministry of Finance Securities and Futures Commission 1997.10.28 (86) Taiwan-Finance-Securities (1) No. 81188 approved the effective date of Proceeds from issuing shares at NT $180 million.

Note 3: Ministry of Finance Letter No. Securities and Futures Commission 1998.3.2. (87) Taiwan-Finance-Securities (1) 22590, approving the effective capital increase of NT $205 million by earnings and NT $205 million by Capital surplus.

Note 4: Decree No. Securities and Futures Commission 1999.4.1. (88) Taiwan-Finance-Securities (1) 29132 of the Ministry of Finance approved the capitalization of retained earnings of NT $738 million and Proceeds from issuing shares of NT $432 million.

Note 5: Ministry of Finance Securities and Futures Commission 2000.4.24 (89) Taiwan-Finance-Securities (1) No. 33441, approved the capitalization of Capital surplus for NT $480 million.

Note 6: Treasury stock capital reduction of NT $160 million was approved by the Ministry of Finance, Ministry of Finance, under Letter No. Securities and Futures Commission 2000.10.26 (89) Taiwan-Finance-Securities (3) No. 85260, November 24, 2000 (89) Taiwan-Finance-Securities (3) No. 93539, January 20, 2001 (90) Taiwan-Finance-Securities (3) No. 101578, and Letter No. 09001050360 on February 19, 2001.

Note 7: Decree No. the Financial Supervisory Commission issued on July 6, 2006, Jin-Guan-Zheng-Yi-Zi No. 0950128856, the Executive Yuan approved the effective capital increase of NT $136 million by Capital surplus.

Note 8: Ministry of Economic Affairs Letter Jing-Shou-Shang-Zi No. 09501261600 issued on November 22, 2006, approval for registration of amendments to the Articles of Incorporation to reduce the authorized capital amount.

Note 9: Letter Jing-Shou-Shang-Zi No. Ministry of Economic Affairs issued on November 22, 2006, approving registration of amendments to the Articles of Incorporation to increase the total authorized capital and the number of shares converted from the retained corporate bonds.

Note 10: Approved to take effect of the first domestic secured convertible bonds of NT $1,200 million by Letter No. Jin-Guan-Zheng-Yi-Zi-0950160475 issued by the Executive Yuan on February 5, 2007.

Note 11: The capital increase of NT $228.48 million by Capital surplus and the capital increase of NT $228.48 million by Ministry of Economic Affairs on July 18, 2007 was approved by Letter No. Jin-Guan-Zheng-Yi-0960034789 issued by the Executive Yuan.

Note 12: Approved by Ministry of Economic Affairs on August 28, 2007 with Letter Jing-Shou-Shang-Zi No. 09601210280, to register and amend the Articles of Incorporation to increase the total authorized capital.

Note 13: Approved by Ministry of Economic Affairs on October 9, 2007 through Letter Jing-Shou-Shang-Zi No. 09601245180, application for issuance of new shares by Conversion of convertible bonds to increase paid-in capital.

Note 14: Approved by Letter Ministry of Economic Affairs dated April 18, 2008, Gin-Sho-Shan-Zi No. 09701095130, the application for the issuance of new shares by Conversion of convertible bonds to increase the total paid-in capital and the number of shares converted from the retained corporate bonds.

Note 15: Approved by Letter Ministry of Economic Affairs dated July 24, 2008, Ching-Shou-Shang-Zi No. 09701185260, application for issuance of new shares by Conversion of convertible bonds to increase paid-in capital.

Note 16: Approved by the Executive Yuan in the letter No. the Financial Supervisory Commission dated November 7, 2008, the capital increase of NT $259.28 million by Capital surplus and the conversion of corporate bonds to ordinary shares of NT $2.77 million, and the approval of the issuance of new shares to increase the total paid-in capital by Ministry of Economic Affairs dated January 7, 2009, the letter No. 09701329110.

Note 17: Approved to take effect of the Financial Supervisory Commission capital increase by issuance of new shares on July 20, 2009, Jin-Guan-Zheng-Fa-Zi No. 0980036297, and approved to register by Capital surplus capital increase and by Ministry of Economic Affairs capital increase by issuance of new shares on September 24, 2009, Jing-Shou-Shang-Zi No. 09801220900, the Executive Yuan.

Note 18: Approved by Ministry of Economic Affairs on February 3, 2010, Ching-Shou-Shang-Zi No. 09901021040, application for issuance of new

shares to increase the total paid-in capital of Conversion of convertible bonds.
Note 19: Approved by Ministry of Economic Affairs on June 23, 2010, Ching-Shou-Shang-Zi No. 09901131240, the application for issuing new shares to increase the total paid-in capital of Conversion of convertible bonds.
Note 20: Approved by Ministry of Economic Affairs on June 23, 2010, Ching-Shou-Shang-Zi No. 09901183630, application for issuance of new shares to increase the total paid-in capital of Conversion of convertible bonds.
Note 21: Approved by the Executive Yuan in the letter the Financial Supervisory Commission No. 0990036729 dated July 15, 2010, the capital increase issued by Capital surplus and the capital increase issued by Ministry of Economic Affairs No. 09901197340 dated September 2, 2010.
Note 22: Approved by Ministry of Economic Affairs on October 18, 2010, Ching-Shou-Shang-Zi No. 09901234680, the application for issuing new shares to increase the total paid-in capital of Conversion of convertible bonds.
Note 23: Approved by Ministry of Economic Affairs on January 26, 2011, Ching-Shou-Shang-Zi No. 10001018850, application for issuance of new shares to increase the total paid-in capital of Conversion of convertible bonds.
Note 24: Ministry of Economic Affairs Letter Jing-Shou-Shang-Zi No. 10001075640 issued on April 22, 2011 approved the registration of application for issuance of new shares and cancelation of treasury shares by Conversion of convertible bonds to change the total paid-in capital.
Note 25: Approved by Letter Ministry of Economic Affairs dated August 3, 2011, Ching-Shou-Shang-Zi No. 10001175020, application for issuance of new shares and cancelation of treasury shares by Conversion of convertible bonds to change the total paid-in capital.
Note 26: Approved to take effect under the Financial Supervisory Commission. Approved to take effect under Capital surplus. Approved to take effect under Ministry of Economic Affairs. Approved to register under 10001209810. Approved to take effect under Capital surplus.
Note 27: Approved by Ministry of Economic Affairs on October 18, 2011, Ching-Shou-Shang-Zi No. 10001236080, the application for issuing new shares to increase the total paid-in capital of Conversion of convertible bonds.
Note 28: Ministry of Economic Affairs Letter Jing-Shou-Shang-Zi No. 10101010480 issued on January 17, 2012 approved the registration of application for issuance of new shares and cancelation of treasury shares by Conversion of convertible bonds to change the total paid-in capital.
Note 29: Ministry of Economic Affairs 2012.04.20 Jing-Shou-Shang-Zi No. 10101071490 Approved registration of Conversion of convertible bonds's application for the issuance of new shares to increase the total paid-in capital.
Note 30: Approved the issuance of new shares by effective earnings and recapitalization of Capital surplus in Letter No. Jin-Guan-Zheng-Fa-Zi-the Financial Supervisory Commission dated July 3, 2012, and registration of earnings and recapitalization of Capital surplus in Letter No. Jing-Shou-Shang-Zi-10101182750 dated September 7, 2012, and application for issuance of new shares by Conversion of convertible bonds to increase paid-in capital.
Note 31: Approved by Letter Ministry of Economic Affairs on October 16, 2012, Ching-Shou-Shang-Zi No. 10101211700, application for issuance of new shares and cancelation of treasury shares by Conversion of convertible bonds to change the total paid-in capital.
Note 32: Approved by Ministry of Economic Affairs on January 22, 2013, Ching-Shou-Shang-Zi No. 10201016880, the application for issuing new shares to increase the total paid-in capital of Conversion of convertible bonds.
Note 33: Approved by Ministry of Economic Affairs on May 8, 2013, Ching-Shou-Shang-Zi No. 10201084960, application for issuance of new shares to increase the total paid-in capital of Conversion of convertible bonds.
Note 34: Approved by Ministry of Economic Affairs on July 19, 2013, Ching-Shou-Shang-Zi No. 10201143920, application for issuance of new shares to increase the total paid-in capital of Conversion of convertible bonds.
Note 35: Approved the capitalization of retained earnings by issuing new shares in accordance with Jin-Guan-Zheng-Fa-Zi Letter No. the Financial Supervisory Commission dated June 26, 2013 and approved the registration of capitalization of retained earnings by Letter No. 10201183270 issued by Ministry of Economic Affairs dated September 16, 2013.
Note 36: Letter Jing-Shou-Shang-Zi No. Ministry of Economic Affairs issued on October 23, 2013, approving registration of application for issuance of new shares by Conversion of convertible bonds to increase paid-in capital.
Note 37: Approved by Ministry of Economic Affairs on February 10, 2014, Jing-Shou-Shang-Zi No. 10301021640, application for issuance of new shares to increase the total paid-in capital of Conversion of convertible bonds.
Note 38: Approved by Letter Jing-Shou-Shang-Zi No. Ministry of Economic Affairs on April 10, 2014, registration and cancelation of treasury shares to change the total paid-in capital.
Note 39: Approved by Ministry of Economic Affairs on May 14, 2014, Ching-Shou-Shang-Zi No. 10301084310, application for issuance of new shares to increase paid-in capital of Conversion of convertible bonds.
Note 40: Approved by Letter Jing-Shou-Shang-Zi No. Ministry of Economic Affairs on September 2, 2014, registration and cancelation of treasury shares to change the total paid-up capital.
Note 41: Approved by Letter Jing-Shou-Shang-Zi No. Ministry of Economic Affairs on May 27, 2016, registration and cancelation of treasury shares to change the total paid-in capital.
Note 42: Ministry of Economic Affairs Letter Jing-Shou-Shang-Zi No. 10901116830 issued on July 02, 2020 approved the registration to increase total capital.

Shares Type	Share capital approved				Remark
	Outstanding shares	Treasury shares	Unissued Shares	total	
Common Shares	743,992,712	0	266,007,288	1,010,000,000	The Company's stock OTC stocks

Information relevant to the aggregate reporting policy: None.

(2) Shareholder structure

April 21, 2024

Shareholder structure / Amount	Government Agencies	Financial institution	Other	Individuals	Foreign institutions and foreigners	total
Number	2	8	232	61,425	107	61,774
Shares Held	855	945,183	315,331,319	357,239,779	70,475,576	743,992,712
Shareholding ratio	0.00%	0.13%	42.38%	48.02%	9.47%	100.00%

(3) Shareholding Distribution Status

April 21, 2024

Class of Shareholding	Number of	Shares Held	Shareholding
1 to 999	35,887	2,589,343	0.35%
1,000 to 5,000	16,809	38,734,467	5.21%
5,001 to 10,000	4,075	33,497,549	4.50%
10,001 to 15,000	1,296	16,648,315	2.24%
15,001 to 20,000	1,010	18,915,885	2.54%
20,001 to 30,000	843	22,013,026	2.96%
30,001 to 40,000	430	15,326,355	2.06%
40,001 to 50,000	346	16,279,676	2.19%
50,001 to 100,000	527	39,129,661	5.26%
100,001 to 200,000	283	40,645,598	5.46%
200,001 to 400,000	131	37,293,074	5.01%
400,001 to 600,000	40	20,008,208	2.69%
600,001 to 800,000	18	12,066,344	1.62%
800,001 to 1,000,000	9	8,114,098	1.09%
1,000,001 and above	70	422,731,113	56.82%
total	61,774	743,992,712	100.00%

Preferred shares: None.

(4) List of major shareholders

April 21, 2024

Shares / Name of Major Shareholders	Shares Held	Shareholding ratio
Lealea Enterprise Co., Ltd.	51,839,894	6.97%
Li Peng Enterprise Co., Ltd.	51,117,852	6.87%
Ching Yi Development Co., Ltd.	36,469,817	4.90%
Hongxiang Investment Co., Ltd	31,756,798	4.27%
Hong Yi Investment Co., Ltd.	15,892,584	2.14%
Wood Textile Enterprise Co., Ltd.	14,658,993	1.97%
Tech Island Investment Limited	14,658,250	1.97%
Shun Yu Investment Co., Ltd.	13,015,859	1.75%
Wisdom Luck Investment Limited	12,331,515	1.66%
Liwei International Development Co., Ltd.	11,056,482	1.49%

(5) Market Price, Net Worth, Earnings, and Dividends per Share in the Last Two Years

Item \ Year			Year 2022	Year 2023	Current year up to March 31, 2024 (Note 7)
Market price per share	Highest		9.52	11.60	11.35
	Lowest		8.16	8.46	8.50
	Average (Note 6)		8.91	10.20	10.62
Net Worth per Share	Before dividend		17.91	18.49	18.49
	After appropriation		17.91	Note1	(Note 5)
EPS	Weighted Average Shares (thousand shares)		737,688	737,688	737,688
	EPS	Before retrospective	0.06	0.33	(Note 5)
		After retrospective	0.06	Note1	(Note 5)
Dividends Per Share	Cash Dividends		0	Note1	(Note 5)
	Free allotment	Surplus allotment	0	Note1	(Note 5)
		Capital surplus share allotment	0	0	(Note 5)
	Accumulated Undistributed Dividends		0	0	(Note 5)
Return on investment Analysis	Price/Earnings Ratio (Note 2)		147.83	28.91	(Note 5)
	Price/Dividend Ratio (Note 3)		0	Note1	(Note 5)
	Cash dividend yield (Note 4)		0	Note1	(Note 5)

Note 1: The proposal for distribution of earnings in 2023 has not yet been approved by Resolution at the shareholders' meeting.

Note 2: Price/Earnings Ratio = Average Market Price/Earnings per Share.

Note 3: Price/Dividend Ratio = Average Market Price/Cash Dividends per Share.

Note 4: Cash dividend yield = Cash dividend per share/average closing price per share for the year.

Note 5: The financial statements for the first quarter of 2024 have not been reviewed by CPAs. There is no public financial forecast in 2024, and the distribution of earnings is not applicable.

Note 6: Average market price per share = annual transaction value/annual transaction volume.

Note 7: The net value per share is the information audited by the accountant in the fourth quarter of 2023. (VI) Dividend Policy and Implementation Status

1. Dividend Policy

If there is a surplus in the final accounts of the current year, the Company shall first pay taxes to make up for previous losses, and then set aside ten percent of the surplus as Legal reserve, plus the accumulated Unappropriated retained earnings after the beginning of the Unappropriated retained earnings . After adjusting the Special reserve that is listed or reversed in accordance with the law and deducting the appropriate amount of the retained earnings, the Board of Directors shall draft a proposal for the distribution of the current year's distributable surplus and submit it to the shareholders' meeting Resolution for distribution.

The Company is in a volatile industry environment and is in the growth stage of the corporate life cycle and diversified development. Considering the Company's future capital needs, long-term financial planning and shareholders' demand for cash inflows, if the Company's shareholders' meeting Resolution distributes dividends to shareholders, the cash dividend shall not be less than 10 percent of the total dividend, but if the cash dividend per share is less than NT $0.1, it will not be issued, and it will be paid in stock dividends, but the board of directors may change the above ratio according to the economic environment and the Company's operating conditions.

The Company's dividend distribution to shareholders for the most recent five years (2020-2023) reached 97.79% of the average net profit after tax for the most recent five years, which is a high surplus distribution rate, and is all distributed in cash dividends. For dividend distribution over the years, please refer to the information on dividend distribution at Market Observation Post System.

2. Proposed Distribution of Dividend

On April 19, 2024, Resolution, the Board of Directors of the Company passed the 2023 earnings distribution plan, proposing to distribute a cash dividend of NT $0.24 per share and a stock dividend of NT $0.30 per share, which will be submitted to the 2024

shareholders' meeting adoption and discussed.

3. It is expected that there will be no major changes in the Company's future dividend policy.

(VII) Effect upon business performance and earnings per share of any stock dividend distribution proposed or adopted at the most recent shareholders' meeting:

Not applicable.

(8) Remuneration to employees, directors and supervisors

1. Percentages or ranges of remuneration of employees, directors, and supervisors under Articles of Incorporation

If there is a profit in the year, no less than 0 • 5 percent shall be allocated as employee compensation, which shall be paid by the board of directors Resolution in stock or cash, and the recipients include employees of affiliated companies who meet certain conditions; The Company may set aside no more than three percent of the above-mentioned profits as directors' remuneration from the Board of Directors' Resolution. The distribution of remuneration to employees and directors shall be reported to the shareholders' meeting. However, when the Company still has accumulated losses, it shall reserve the amount to make up in advance, and then allocate the remuneration of employees and directors in proportion to the preceding paragraph.

2. The basis for estimating the amount of employee, director, and supervisor compensation, for calculating the number of shares to be distributed as employee compensation, and the accounting treatment of the discrepancy, if any, between the distributed amount and the estimated figure, for the current period.

(1) The basis for estimating the amount of employee, director, and supervisor compensation:

The estimated amount of employee remuneration and director

remuneration for the current period is based on the ratio regulations listed in Articles of Incorporation, and is estimated as employee remuneration at 0.5% of the net profit before tax of the current year distributable surplus and director remuneration at 3%.

(2) The basis for calculating the number of shares to be distributed as employee compensation:

The number of shares of stock dividends is determined by dividing the amount of Resolution dividends by the fair value of the stock. The fair value of the stock refers to the closing price on the day before the shareholders' meeting of Resolution, and takes into account the impact of ex-rights and ex-dividends as the basis for calculation.

(3) The accounting treatment of the discrepancy, if any, between the actual distributed amount and the estimated figure, for the current period:

If there is a difference between the actual allotment amount and the estimate of Resolution in the subsequent shareholders' meeting, it will be regarded as a change in accounting estimates and listed as the profit and loss of Resolution in the year of the shareholders' meeting.

3. Remuneration distribution approved by the Board of Directors

(1) The amount of any employee compensation distributed in cash or stocks and compensation for directors and supervisors:

The Company's 2023 employee and director remuneration is proposed to be set aside for employee remuneration of NT $1,511,928 and director remuneration of NT $9,071,569, which will be paid in cash, and the chairman is authorized to determine the date of distribution after reporting to the shareholders' meeting.

(2) The ratio of employee remuneration distributed in stock to the

net profit after tax of the individual or individual financial report for the current period and the total employee remuneration total: No proposed distribution.

4. The actual distribution of employee, director, and supervisor compensation for the previous fiscal year

   The actual distribution amount of employee remuneration and director remuneration is reduced by NT $7,412 compared with the estimated amount of expenses recognized in the accounts of 2023. The difference is treated as the profit and loss of 2024 according to the change in accounting estimates.

(9) Buyback of Treasury Stock: None.

2. Issuance of Corporate Bonds

(1) Issuance of Corporate Bonds

1. Issuance of Corporate Bonds

Corporate bond category	1st secured meeting in 2020 Corporate bonds	2nd secured meeting in 2020 Corporate bonds
Issuance (processing) date	2020.10.23	2020.12.14
Denomination	NT $one million	NT $one million
Place of issuance and trade	Domestic issuance Taipei Exchange	Domestic issuance Taipei Exchange
Issue price	NT $one million per denomination Issued by denomination	NT $one million per denomination Issued by denomination
Total Amount	NT $one billion	NT $one billion
Interest rate	0.62%	0.58%
Tenor	Five years; maturity date: October 23, 2025	Five years; maturity date: December 14, 2025
Guarantee agency	Mega International Commercial Bank Co., Ltd.	Yuanta Commercial Bank
Trustee	Taipei Fubon Commercial Bank Co., Ltd. Trust Department	Taipei Fubon Commercial Bank Co., Ltd. Trust Department
Underwriter	Mega Securities Co., Ltd.	MasterLink Securities, Yuanta Securities
Certified lawyer	Wei, Zhong-Jie Lawyer	Wei, Zhong-Jie Lawyer
CPA	Chi, Shi-Qin, Chen, Zong-Zhe	Chi, Shi-Qin, Chen, Zong-Zhe
Repayment method	For details, please refer to the first secured ordinary shares Regulations Governing the Issuance and Conversion of Corporate Bonds	For details, please refer to the Second Secured Ordinary Shares Regulations Governing the Issuance and Conversion of Corporate Bonds
Outstanding principal	NT $1,000,000,000	NT $1,000,000,000
Redemption or early redemption Settlement terms	For details, please refer to the first secured ordinary shares Regulations Governing the Issuance and Conversion of Corporate Bonds	For details, please refer to the Second Secured Ordinary Shares Regulations Governing the Issuance and Conversion of Corporate Bonds
Restrictive clauses	Nil.	Nil.
Credit rating agency, rating Date and corporate bond rating	Nil.	Nil.

results			
Attachment Others	Amount of Converted (Exchanged or Subscribed) Ordinary Shares, Global Depositary Receipts, or Other Securities as of March 31, 2022	Nil.	Nil.
Others Power Dividends	Issuance and conversion Regulations (Exchange or Subscription)	For details, please refer to the first secured ordinary shares Regulations Governing the Issuance and Conversion of Corporate Bonds.	For details, please refer to the Second Secured Ordinary Shares Regulations Governing the Issuance and Conversion of Corporate Bonds.
Issuance and conversion, exchange or subscription method, issuing condition dilution, and impact on existing shareholders Equity		Nil.	Nil.
Name of the commissioned custodian of exchangeable underlying		Not applicable.	Not applicable.

2. Corporate bonds in process: None.

3. Preferred Shares: None.

4. Global Depository Receipts: None.

5. Employee Stock Options: None.

6. Issuance of New Restricted Employee Shares: None.

7. Status of merger and acquisition (including mergers, acquisitions and demergers): None.

8. Financing Plans and Implementation: None.

Chapter 5 Business Overview

1. Business Activities

(I) Business Scope

1. The main contents of the business and its proportion:

The company's business is mainly based on the lease and sale of commercial buildings and public housing entrusted to construction factories, supplemented by the development of Other related business, and the domestic market accounts for 100%.

Proportion of consolidated business

Unit: NT $thousands

Product category	2023	
	Turnover	Business
Investment property Rent income	48,077	0.62
Revenue from real estate sales	3,142,764	40.79
Construction contract revenue	1,529,407	19.85
Service revenue	1,123,804	14.58
Franchise Interest revenue	661,013	8.58
Revenue from waste treatment	346,191	4.49
Service revenue	835,022	10.84
Other	19,263	0.25
total	7,705,541	100.00

2. Current Products (Services) Item:

(1) Entrusting construction companies to build commercial buildings and public housing for leasing and sales.

(2) General investment.

(3) Water treatment engineering, piping engineering, waste (sewage) water treatment and wholesale of pollution prevention equipment.

(4) Construction and operation of the Taipei City Northern Invest System Airbus cable car and station.

(5) General hotel and catering business.

(6) Environmental protection construction business.

(7) Waterland recreational activities management and other businesses.

(8) Waste removal and other businesses.

(9) Incinerator bottom ash treatment and resource recovery, etc.

(10) Biomass energy treatment and power generation: establish biomass energy plants and sell electricity.

3. New products (services) planned for development:

In the future, the Company plans to continue to launch products in prime locations in Taipei City and storefronts, offices and residential complexes in metropolitan areas in New Taipei City based on its existing operating performance and market foundation.

(2) Industry overview

1. Current status and development of the industry

Since the construction and investment industry requires a large amount of capital investment from the purchase of land, planning, promotion, outsourcing of construction, to the completion and delivery of houses, and due to the long construction period of houses, the capital turnover rate is less than that of general industries, so many loans from financial institutions are borrowed to support them. When purchasing real estate products, consumers rely on financial institutions for loans, except for a few of their own funds. Therefore, the amount of funds in the banking system, whether the loan conditions are loose or not, and changes in financial policies have a considerable impact on the activity of real estate transactions. The central government is to implement the government's policy of "Healthy Real Estate Market Plan" in order to curb speculation, prevent excessive funds from flowing into the real estate, and implement housing justice. Since December 2020, the central bank has successively proposed selective credit control measures for the housing market, including restricting Company Act people, natural person to purchase residential loans, land purchase loans, surplus housing loans, industrial area idle land mortgage loans, etc., and canceling the grace period of second home purchase loans in a specific region, etc. Each county and city governments actively discuss housing taxes, so that the housing

market has a long position and the empty position are being expanded.

Looking back on 2023, in terms of the transaction volume in the housing market, the amendment to the Equal Land Rights Act was promulgated in early January, and the transaction volume has slowed down significantly since the beginning of spring. However, as the Ministry of the Interior has adjusted the restrictions on the replacement of pre-sale homes, the impact of the previous housing market policy has gradually diminished, and the housing market has returned to normal supply and demand since the second quarter. Although the general election in the second half of the year has interfered with consumer’ s purchase confidence, the government launched a new youth home loan in August, so that many people who originally had a home purchase plan can accelerate their entry and increase the transaction volume. In terms of housing prices, the war between Russia and Ukraine has not stopped. At present, there are still Pakistan conflicts that cannot be resolved, and global geopolitical risks are rising, the phenomenon of long-term inflation may continue, and Cost of construction sales s will also increase significantly, making housing prices difficult to have a room for price decline. Overall, the housing market is showing a trend of price increase and decrease throughout the year.

On the whole, the stability of the domestic political and economic situation will affect the recovery of the economy and drive the recovery of the housing market. The key to the recovery of the real estate market is whether the government's housing policy can take into account the general public and the disadvantaged groups, and from stopping the negative policy of suppressing speculation in the housing market, to promote the development of the housing market and actively take actions to support the disadvantaged at the same time.

2. Future development trend

The products launched by the real estate market must be in line with each stage of the economic development environment of the market, so the future development trend is as follows:

(1) Products tend to be diversified, refined and humanized.

(2) Overall planning and design of the community.

(3) Differentiate the development scale and sales price.

(4) Increase demand for residential safety.

(5) Implementation of the construction brand system.

3. Correlation with Upstream, Midstream, and Downstream Sections of the Industry

The construction industry is related to a large number of industries, forming a huge system, which can be summarized as follows:

(1) Land owner: The success of the development of construction projects is a key factor. Construction companies usually acquire land through bidding and land agents.

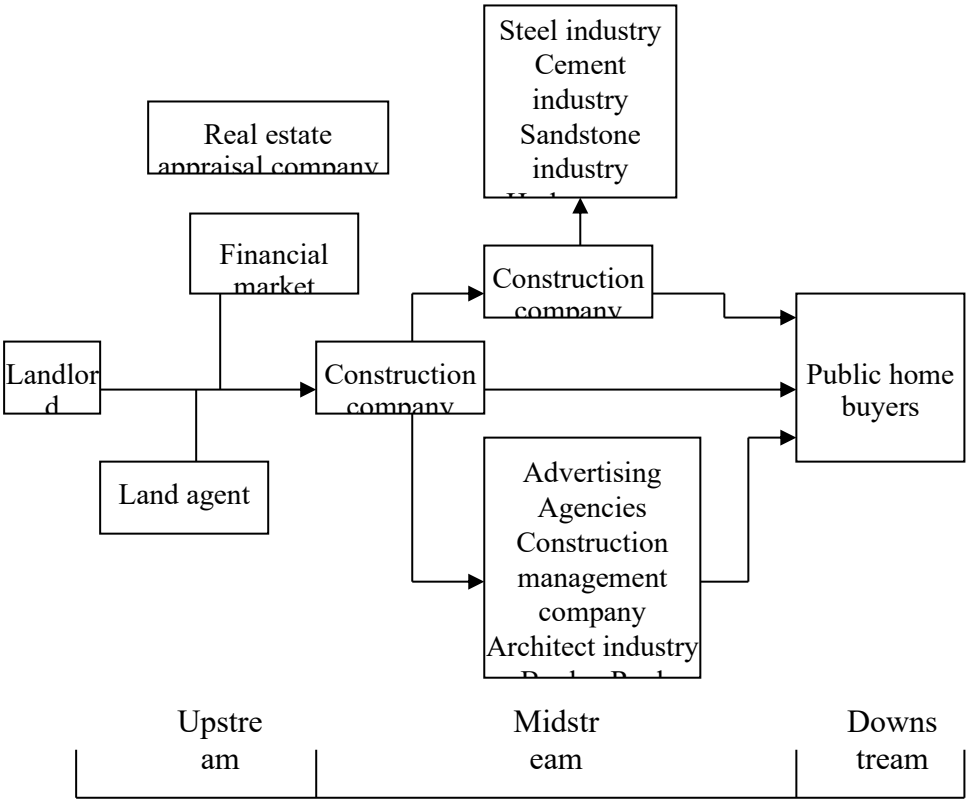
(2) Architect: According to the provisions of the Building Act, the construction of houses shall be designed and signed by the architect. Therefore, after the construction company obtains the land, it will entrust the architect to plan and design.

(3) Advertising and consignment companies: Most of the construction companies engage in the planning of professional marketing strategies of the consignment companies and they are responsible for the sales.

(4) Construction: According to the Building Act, the construction industry is the contractor of buildings, and the construction company is responsible for the engineering, and cooperates with the construction materials Raw materials industry, basic engineering industry, structural engineering industry, mechanical and electrical engineering industry, engineering design industry and other related industries to undertake the construction of buildings.

(5) Public home buyers: individuals, private enterprises, government agencies.

Overview of business operations



In the whole system, the construction company is actually in the position of coordination, integration and management, and has a complementary and interdependent relationship with various industries. The construction company obtains land from the landowners, and then entrusts architects to plan and construct the construction company, and sells to the public through advertising agency.

4. Product development trend and competition

(1) Product development trend

A. Products tend to be diversified, refined and humanized

In addition to the main products and residential buildings in the market, diversified products such as commercial buildings, factory and office buildings, leisure residences, senior citizen residences, green residences, and high-tech residences have emerged, which will meet the needs of customers at different levels. In the future, with the gradual increase in national income, home buyers' demand for houses will no longer focus on practicality as in the past. Instead, they will increasingly pay attention to the living environment, regional life functions, exterior design, layout, and quality of building materials and equipment. Therefore, the future product planning will develop towards diversification, humanization and refinement.

B. Community overall planning and design

In the future, new communities should focus on the integrity of life functions, such as nurseries, sports fields, libraries, leisure and entertainment facilities, etc., in order to fully meet the needs of modern people for a basic living environment.

C. Development scale and price differentiation

Since the high-speed railway has been completed, and with the continuous construction and completion of expressways and expressways and MRT projects, it will be more convenient to connect to the suburbs and urban areas in the future, and it will be able to adopt a large-scale development method to build general houses with lower unit prices to meet

the needs of the general public; In addition, due to the limited supply of land in the city and the high cost of acquisition, the development of high unit price and exquisite houses will be planned as high-quality comfortable houses.

D. Increase demand for housing safety

Due to the collapse of Lincoln County and the deterioration of social security, consumers are increasingly demanding the safety of home structure design and management security and other software and hardware planning, which has become the principle of home purchase that consumers pay special attention to.

E. Implementation of construction brand system

As the national income gradually increases, home buyers are demanding more and more sophisticated living quality such as exterior design, internal layout, building materials and equipment, and public facilities planning. In order to meet the needs of consumers, the construction industry will tend to be human comfort, life health and network technology in product planning. Therefore, the establishment of a vertical service network from land development, product design, housing construction, product sales to after-sales service, and the establishment of brand awareness in the minds of consumers will be the guarantee of the sales of individual projects.

(2) Competition

The real estate cannot completely replace each other. However, due to the wide geographical distribution of the real estate market and the differences in the location and location of the products, only there are cases with similar sections and positioning, and their product substitutability is high, and the competition is more obvious. The competition is less obvious for cases in different locations and locations, and individual companies have limited impact on the overall market.

A. Good sale of high-quality medium and large pings of residential buildings in the locality

Due to the scarcity of high-quality land in Taipei City and the large number of house buyers to lock in the number of house exchangers, houses in high-quality locations with convenient transportation are sold quickly.

B. Design for diversified and humanized products

Modern urban residents will give priority to products that pay attention to privacy, simplicity of neighbors, can maintain a quiet home life, are not interfered by outsiders, and can interact with outsiders easily.

C. Development of the leisure industry

With the two-day weekend and the public's attention to leisure, the development of the leisure industry will generate demand for related real estate markets, which will be another development direction.

(c) Technology and R & D Overview

In response to the changes in the real estate market, the Company will strengthen the overall competitiveness of the organization, improve the quality and efficiency of construction, continue to strengthen the understanding of customer needs, and build residential buildings that meet the requirements of customers' housing quality. In addition to focusing on the construction industry of the original product type, it will also collect the business model of Other product type from multiple parties as a reference for future transformation.

1. Strengthening the functions of the organization:
   - Further depth of professional capabilities, cultivate a sense of responsibility, and strengthen the concept of internal control.
   - Strengthen the company's overall combat power, strengthen the training of employees' second expertise, and improve the quality of human resources.
   - Implement professional managerial officers system.
2. Improve construction quality and efficiency
   - Strengthen the quality inspection of the construction site and supervise the construction progress of the site.
   - Study new construction methods and refer to the industry's construction experience to build high-efficiency and high-

quality buildings.

3. Deepen the market and understand customer needs

- Conduct on-site market research to understand market trends and customer needs as a reference for project promotion.
- The Company carries out planning operations with the concept of caring for customers all the way, receives customers in the form of treating their families and friends, and listens carefully to their needs and ideas.
- Encourage colleagues to absorb various professional knowledge and service enthusiasm, so as to provide customers with satisfactory services.

(IV) Long-term and Short-term Business Development Plans

1. Short-term development plan

A. Land development plan

Whether the land acquisition and development is successful or not significantly affects the operation of the construction company. The Company has always set high-quality areas in the Greater Taipei area as the goal of land development. However, high-quality land is becoming scarce and land integration is very difficult. In order to prevent the shortage of land resources, the Company actively builds land documents, keeps abreast of the actual information, formulates land development plans, and seeks land resources for construction.

B. Business development plan

Strengthen market research and understand customer needs through product differentiation and niche market strategy to grasp market information.

C. Engineering construction management plan

Cooperate with land development and product planning, research new construction methods, new building materials and new engineering management concepts, select excellent construction manufacturers, improve engineering quality, construction efficiency, shorten construction period and reduce

costs. For the completed cases, the customer complaints about the sales service will be returned to the pre-case design, so that the case can continue to have the consistent excellent quality.

D. Strengthen risk management and improve business performance

In order to improve business performance, in addition to daily operation control, target management and risk management are carried out to make the company's constitution more sound.

2. Long-term development plan

A. Land development strategy

In order to achieve sustainable development, in addition to actively seeking land in prime locations and with development potential, it also cooperates with urban renewal to develop old housing in old urban areas.

B. Business development strategy

a. In line with the promotion of government policies, we plan to expand our business beyond the Greater Taipei area and provide products that meet local needs according to the characteristics of the area.

b. In terms of all-round development, we will continue to develop relevant businesses such as construction, decoration, landscape, consignment, sewage treatment BOT projects, hotels, etc.

c. In response to the gradual popularization of the concept of leisure and the needs of an aging society, the leisure industry and senior citizen business are developed.

C. Engineering construction management strategy

Strengthen the research of various types of construction methods, establish complete construction specifications and standards, and actively develop zero-pollution construction methods in line with future policy trends.

2. Market and Sales Overview

(I) Market Analysis

1. Sales area of main products

December 31, 2023

Name of case	Usage	Area of house sales	Sales
Da-An Chin-Hwa'	Residential, shop	Xinsheng South Road, Taipei City	100%
Daizo Rhine	Residential properties	Dazhi Mingshui Road, Taipei City	100%
Yung-Kang Beauty	Residential properties	Xinsheng South Road, Taipei City	100%
Yung Kang Yu Pin	Residential properties	Xinsheng South Road, Taipei City	100%
Shinlin Beauty	Residential, financial	Zhongzheng Road, Shilin, Taipei	100%
Lealea Commercial	Office, financial	Songjiang Road, Taipei City	100%
Normal University	Residential buildings	Heping East Road, Taipei City	100%
Champs Elysees	Residential buildings	Jinhua Street, Taipei City	100%
Rich Commercial	Office, financial	Nanjing East Road, Taipei City	100%
Rich Nanjing World	Offices and shops	Jianguo North Road, Taipei	100%
Rich Dunnan	Office, financial	Dunhua South Road, Taipei City	100%
Nanjing Jidi	Residential properties	Songjiang Road, Taipei City	100%
Minquan Dunpin	Residential properties	Minquan East Road, Taipei City	100%
Rich Chongcheng	Offices and shops	Taipei City, Taiwan	85%
Rich Jilin Tianxia	Offices and shops	Jilin Road, Taipei	100%
Rich Nanjing	Office, financial	Nanjing East Road and Longjiang	100%
RichTwin Star	Residential properties	Xindian District, New Taipei City,	100%
Young Royal	Residential properties	beside Qingnian Park, Taipei City	100%
Ren Ai•Rich	Residential properties	Ren-Ai Road, Taipei City	100%
Chivalrous	Residential properties	Liaoning Street, Taipei City	100%
Wang YangRich	Residential properties	Jilin Road and Siping Street, Taipei,	100%
Happiness Garden	Residential properties	Tongshan Street, Taipei City	100%
Jing Wang	Residential properties	Songjiang Road and Changchun	100%
Rich Garden	Residential properties	Minquan East Road and	100%
Rich• Tian Mu-Lee	Residential properties	Section 7, Zhongshan North Road,	100%
Rich• Tian Mu-Ji	Residential properties	Section 7, Zhongshan North Road,	100%
Shan Lin Hai •.	Residential properties	MRT mangrove station in Danshui	100%

Name of case	Usage	Area of house sales	Sales
Rich Jin-Shen	Residential properties	Songjiang Road, Taipei City	100%
Rich Tsuen Shang-	Residential properties	Nangang Road Section 2, Taipei City	100%
Rich Tsuen Shang-	Residential properties	Nangang Road Section 2, Taipei City	100%
Rich Tsuen Shang-	Residential properties	Nangang Road Section 2, Taipei City	100%
Rich Tsuen Shang-	Residential properties	Nangang Road Section 2, Taipei City	100%
Rich Tsuen Shang	Residential properties	Nangang Road Section 2, Taipei City	100%
Rich Jin-Chan	Residential properties	Taipei City near Linsen North Road	100%
Rich Tai Ho	Residential properties	Mingde Road, Taipei City	100%
Rich Chopin	Residential properties	Jilin Road, Taipei	100%
Rich •.	Residential properties	Bei'an Road, Taipei City	100%
Rich Capital	Residential properties	Heping West Road, Taipei City	100%
Rich Qiyu	Residential properties	Ji Ling Street, Taipei City	100%
Rich Royalty	Residential properties	Wanhua Juguang Road, Taipei City	100%
Rich Empowerment	Residential properties	Ji Ling Street, Taipei City	100%
Rich Family Wealth	Residential properties	Central Road, Xinzhuang District,	96%
Rich Tien Mu	Residential properties	Adjacent to Tianmu No. 120 Western	64%

Note 1: By the end of 2023, a total of 43 construction projects have been completed.

Note 2: The sales rate of each project is calculated up to March 31, 2024.

2. Market share

The Company is mainly engaged in the construction of residential elevators and office buildings, which are mainly located in important metropolitan areas of Taipei City and New Taipei City. Its land development is based on the selection of locations with convenient transportation, complete living functions and future development potential, and a certain percentage of the market share.

3. Future market supply and demand and growth

Since the Company's projects are currently in the metropolitan area of Taipei, in addition to the analysis of the Taiwan area, the market conditions in the Taipei area are analyzed as follows:

Statistics on building construction licenses issued in Taiwan-Fujian over the years

Unit: Pieces; Thousand square meters

Year	Total	Total Floor Area
2019	27,143	36,928
2020	25,980	41,521
2021	26,089	43,425
2022	23,257	45,827
2023	18,542	37,443

Source: Construction and Planning Agency, Ministry of the Interior

The statistics of building use licenses issued in Taiwan-Fujian area over the years

Unit: Pieces; Thousand square meters

Year	Total	Total Floor Area
2019	22,026	26,489
2020	22,370	28,247
2021	22,486	28,023
2022	21,146	28,714
2023	20,280	31,956

Source: Website of Land Administration, Ministry of the Interior

(1) Supply

In 2023, a total of 18,542 building construction licenses were issued in Taiwan and Fujian, with a total floor area of approximately 37.44 million 3 thousand square meters or more, and the number of cases and total floor area decreased by 20.27% and 18.29%, respectively, compared with 2022.

According to the analysis of the usage, the proportion of the total floor area of the building construction licenses issued in 2023 is mainly in the residential area of 19.34 million 1 thousand square meters, accounting for 51.65%, and the industrial storage area of 7.11 million 9 thousand square meters, accounting for 19.02%.

In 2023, a total of 20,280 building use licenses were issued in Taiwan-Fujian region, with a total floor area of approximately 31.95 million 6 thousand square meters or more, and the number of cases and total floor area decreased by 4.1% and increased by 11.29% respectively compared to 2021.

According to the analysis of the usage, the proportion of the total floor area of the building use licenses issued in 2023 is mainly in the residential area of 16.98 million 2 thousand square meters, accounting for 53.14%, and the industrial storage area of 6.95 million 9 thousand square meters, accounting for 21.78%.

(2) Demand

Looking back on 2023, in terms of the transaction volume in the housing market, the amendment to the Equal Land Rights Act was promulgated in early January, and the transaction volume has slowed down significantly since the beginning of spring. However, as the Ministry of the Interior has adjusted the restrictions on the replacement of pre-sale homes, the impact of the previous housing market policy has gradually diminished, and the housing market has returned to normal supply and

demand since the second quarter. Although the general election in the second half of the year has interfered with consumer’ s purchase confidence, the government launched a new youth home loan in August, so that many people who originally had a home purchase plan can accelerate their entry and increase the transaction volume. In terms of housing prices, the war between Russia and Ukraine has not stopped. At present, there are still Pakistan conflicts that cannot be resolved, and global geopolitical risks are rising, the phenomenon of long-term inflation may continue, and Cost of construction sales s will also increase significantly, making housing prices difficult to have a room for price decline. Overall, the housing market is showing a trend of price increase and decrease throughout the year.

(3) Growth

Looking forward to 2024, under the continuous promotion of the "Healthy Real Estate Market Plan" measures, the regulations on average land rights will continue to ferment, and the housing accumulation tax 2.0 will be launched in July 2024, and the central bank has not loosen the control policy. Although the presidential election has ended at the beginning of the year, the impact of the policy on the housing market still needs to be observed. The demand for self-occupation is still the main force of the housing market, and it is expected to move towards the trend of price and volume consolidation.

4. Advantages and disadvantages of competitive niche and development prospects and countermeasures

A. Favorable factors

(1) Sound corporate structure

The Company is committed to its business operation with integrity and pragmatism, and handles the requirements of land selection and construction quality in a pragmatic and upright manner; In order to focus on the operation of the industry, the main considerations of capital income and expenditure, application and reinvestment are conservative and stable, and the decision-making and transaction process are legal and reasonable, because this makes the company can safely and steadily survive the recession.

(2) Professional Management Team

Since the first case, the planning and construction of each building have been carefully studied and the quality requirements are detailed, because we are all engaged in architecture with the attitude of "self-occupation", and professionals fully exert their expertise to discuss and decide on each humanized plan. As for the decision-making of manufacturers, professionalism and quality are the basic requirements, which is to achieve the perfect building of Rich .

B. Unfavorable factors

(1) Land acquisition is not easy, and the integration period is long

The land in Taipei is limited, and the integration of high-quality land usually cost manpower, money and time, resulting in an increase in construction costs.

(2) Political variables

The political disputes after the election affect the timing of the domestic economic recovery.

(3) Integrated Housing and Land Tax

The market is seeing a strong interest rate, and short-term investors will reduce their entry into real estate transactions, thus slowing down the momentum of housing prices. However, housing prices will first be stabilized in metropolitan areas, and housing prices will be consolidated in non-metropolitan areas.

C. Countermeasures

(1) The Company does not blindly select high-quality lands in Taipei City and New Taipei City, and adheres to the concept of "promoting urban renewal and building top-grade buildings" and implements it. The Company develops and plans a good living environment that can integrate local characteristics and is in line with human living.

(2) Strengthen market research, understand the needs and values of buyers, and build a residential or office building that can meet consumer needs, protect customers' Equity and meet customer satisfaction.

(3) Select cooperating suppliers with good construction quality and progress control to ensure quality and progress, and truly grasp the expenditure of construction costs.

(4) Properly handle customer requirements and problems reflected in the sales process, actively solve and meet customer needs in an honest and pragmatic manner, and maintain the Company's good service reputation and brand advantages.

(5) Create the uniqueness and superiority of the building and increase the added value.

(6) Establish brand marketing, develop networking and direct-effect marketing teams, participate in cultural and creative activities, develop high-quality customer sources, and master the customer sources of property-based and self-occupied

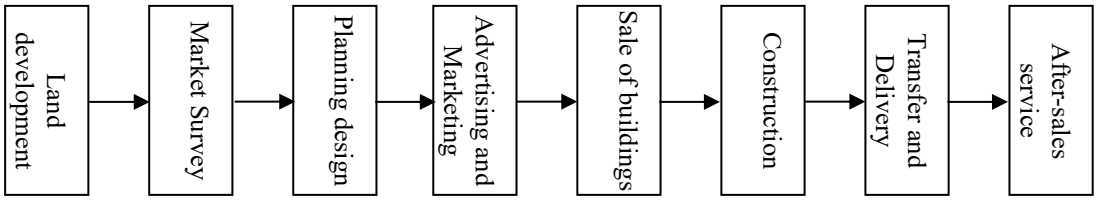
customers.

(2) Usage and manufacturing processes for the company's main products

1. Usage of main products:

Main products	Important use
Building	Residential, office, shop, parking space
Apartment	Residence, storefront, parking space
Other	Office lease, store lease, parking space lease

2. Production process of main products:



(3) Supply status of major Raw materials s

1. Land:

For land located in high-quality areas in the Greater Taipei area, and land projects tendered for sale by the National Property Administration and banks are the main development targets. Before development, we carefully investigate the existing conditions and evaluate future economic benefits before implementing land development. Maintain a good relationship with brokers and Other land source channels to ensure sufficient resources and smooth channels.

2. Construction engineering project:

In order to maintain the good quality of the project, depending on the construction characteristics of each project, the construction companies with excellent construction quality in the industry or the Class A construction companies reinvested by the Company are commissioned. Before outsourcing, the construction quality,

coordination, and financial status of the construction company are the first selection criteria, so as to ensure the progress and quality of each project. Since the construction companies that cooperate with are not limited to a single manufacturer and are the leading manufacturers in the industry, the quality of the project and the source of materials are very stable.

(IV) A list of any suppliers and clients accounting for 10 percent or more of the Company's total procurement (sales) amount in either of the 2 most recent fiscal years, the amounts bought from (sold to) each, the percentage of total procurement (sales) accounted for by each, and an explanation of the reason for increases or decreases in the above figures.

1. Information on major suppliers in the last two years

Unit: NT $thousands

Items Item	Year 2022				Year 2023			
	Company Name	Amount	As a percentage of net purchases for the year (%)	Relation Issuer Relationship	Company Name	Amount	As a percentage of net purchases for the year (%)	Relation Issuer Relationship
1	Zhenwei Development	354,976	14.08%	Nil.	Zhenwei Development	174,398	5.34%	Nil.
2	Guo, Shuzhen	0	0.00%	The Company Chairman	Guo, Shuzhen	561,390	17.18%	The Company Chairman
3	Lituo Construction	163,406	6.48%	Director Director	Lituo Construction	449,421	13.75%	Director Director
4	Other	2,003,648	79.44%	Nil.	Other	2,083,033	63.73%	Nil.
	Purchases Net	2,522,030	100.00%		Purchases Net	3,268,242	100.00%	

Analysis of changes:
The Company's purchases of Item are mainly for the purchase of land by the construction department, the construction of commercial buildings and residential buildings, and the construction of sewage treatment plant, pipeline network and machinery, instrumentation and control equipment in the sewage department. The construction projects are contracted to domestic construction and electromechanical manufacturers, and the sewage treatment machinery and instrumentation and control equipment will be imported and purchased from foreign manufacturers according to the needs of individual projects. The increase or decrease in the two years was mainly due to the decrease in investment in the "Phase I Turnkey Project of the Agricultural Circulation Pig Plant Reconstruction Investment Project" contracted by the water affairs department of Taiwan Sugar, the acquisition of land required for the development and integration of the construction department, and the continuous investment in the construction project of the Songjiang Enterprise Headquarters.

2. Major Clients in the Last Two Calendar Years

Unit: NT $thousands

Items Item	2022				2023			
	Company Name	Amount	As a percentage of net sales for the year (%)	Relationship with the issuer	Company Name	Amount	As a percentage of net sales for the year (%)	Relationship with the issuer
1	Taiwan Sugar Corporation	893,420	14.17%	Nil.	Taiwan Sugar Corporation	608,454	7.90%	Nil.
2	Other	5,411,766	85.83%	Nil.	Other	7,097,087	92.10%	Nil.

	Sales Net	6,305,186	100.00%		Sales Net	7,705,541	100.00%	

Analysis of changes:

Due to the completion of the Rich Tien Mu project in 2023, the construction department of the Company has increased or decreased significantly in the two years due to the characteristics of the construction industry. The water affairs segment is a professional environmental protection construction company, and its sales customers are mainly government units. Operating revenue is the contractor for the construction of Engineering service revenue and the operation and maintenance service income of the sewage plant, including the BOT project for the construction and operation transfer of the sewage plant in Nanzi District signed with the Kaohsiung City Government and the BOT project for the construction and operation transfer of the sewage plant in Luodong signed with the Yilan County Government.

(5) Production volume and value for the last two years

Unit: NT $thousands

Year Production Volume Value / Main Merchandise	2022			2023		
	Capacity	Production Volume	Value	Capacity	Production Volume	Value
Ming Yuan	0	0	70,669	0	0	78,603
Songjiang Road Project	0	0	129,026	0	0	446,592
Tianmu	0	0	229,451	37	37	770,696
total	0	0	429,146	37	37	1,295,891

Note 1: Production capacity and volume are based on the number of households completed in the current year.
Note 2: The production value is calculated based on the total cost of the project in the current year.

(6) Sales volume and value in the last two years

Unit: NT $thousands

Sales Year Volume Value Main Merchandise	2022				2023			
	Domestic sales		External sales		Domestic sales		External sales	
	Volume	Amount	Volume	Amount	Volume	Amount	Volume	Amount
Rich Royalty	1	49,185	0	0	0	0	0	0
Normal University	1	235,058	0	0	0	0	0	0
Rich Family Wealth	42	1,174,200	0	0	17	459,011	0	0
Rich Tien Mu	0	0	0	0	20	2,470,726	0	0
Land of Wan Chai Zhen	0	0	0	0	0	213,027	0	0
Volume revenue	0	149,160	0	0	0	0	0	0
Other income	0	16,087	0	0	0	19,263	0	0
Rental revenue	0	47,912	0	0	0	48,077	0	0
Construction contract	0	1,781,906	0	0	0	1,529,407	0	0
Franchise Interest revenue	0	647,674	0	0	0	661,013	0	0
Revenue from waste	0	247,162	0	0	0	346,191	0	0
Service revenue	0	1,230,616	0	0	0	1,123,804	0	0
Service revenue	0	726,226	0	0	0	835,022	0	0
total	44	6,305,186	0	0	37	7,705,541	0	0

Note 1: Sales volume is based on the number of houses delivered in the current year.
Note 2: The sales value is the actual amount recorded in the current year.

3. EMPLOYEES

Year		2022	2023	Current year up to March 31
Number of employees	Staff	1157	1215	1207
	Technician	0	0	0
	Ordinary worker	0	0	0
	total	1157	1215	1207
Average age		40.07	40.49	40.23
Average years of service		3.91	4.21	4.30
Education distribution ratio	PhD	0.17%	4.15	0.17%
	Masters	11.84%		11.35%
	College	65.44%	0.16%	63.38%
	High school	16.59%	10.95%	18.31%
	Below senior high school	5.96%	61.98%	6.79%

4. Environmental Protection Expenditure

(1) Any losses suffered by the company in the most recent fiscal year and up to the annual report publication date due to environmental pollution incidents: None.

(2) Future countermeasures and possible expenditures

The Company is a construction investment industry, and the provisions of the European Union's Restriction of Hazardous Substances (RoHS) are not applicable to the industry, and the construction and maintenance projects are contracted by major domestic construction companies, requiring companies to do a good job in environmental protection in accordance with laws and regulations.

5. Labor Relations

(I) Employee benefit plans, continuing education, training, retirement systems, and the status of their implementation, and the status of labor-management agreements and measures for preserving employees' rights and interests in Equity:

1. Employee welfare measures

Harmonious labor relations are the biggest driving force for the Company's growth. The Company adheres to the labor philosophy of "cherishing senior employees and caring for new employees", provides various welfare measures, and in addition to labor insurance, national health insurance and employee health checkups in accordance with the law, the Company established the Employee benefits/welfare Committee in April 1997, and provided a number of benefits. The welfare measures are as follows. Employee-related expenses amounted to NT $1,194 thousand, with an average of NT $28 thousand per person.

List of Welfare Measures

Item	Regular employee benefits
Wedding and funeral subsidies	Wedding and celebration, funeral condolence money, house subsidy
Annual festival and birthday gifts	Bonus for three festivals: NT $1,000 Birthday: NT $1,200; Birthday leave
Childbirth or Hospitalization Subsidy	A fixed subsidy of NT $2,000 per ward
Subsidies for large-scale recreational activities	The Welfare Committee organizes various large-scale cultural and recreational activities from time to time every year, such as fun games and parties.
Travel expense subsidy	A minimum subsidy of NT $2,000 per person for a single activity

Club activities	Annual cap NT $20,000
Annual dinner party	NTD 1,000 per person
Small recreational activities	Subsidy of NT $500 per person
Group insurance	Group accident insurance and subsidy for hospital beds for all employees of the Company

2. Continuing education and training

The Company's training methods for employee functions include new employee education and training, pre-employment training, internal training, and external training.

3. Retirement system and its implementation

Since July 1, 2005, in line with the government's implementation of Labor Pension Act, 4% of the monthly salary of each employee who has worked in the old pension system will be deposited into a special account in the Bank of Taiwan on a monthly basis. For employees who choose the new pension system, the Company will allocate 6% of the total personal salary to the individual pension account every month.

In 2023, Rich Development Construction recognized a total of NT $2,728 thousand as pension expenses under the old pension system. As of December 31, 2023, the balance of the old pension reserve account was approximately NT $58,674 thousand, and the balance of the old pension reserve account was NT $32,994 thousand.

4. Labor-management agreement

The Company regularly holds labor-management meetings, and each department head and subordinates effectively communicate through regular or irregular business meetings and education and training to achieve the communication bridge between the employer and the labor. The Company also has a

suggestion box for employees to reflect labor-management related issues.

5. Employee Equity Maintenance Measures

Established the Employee benefits/welfare Committee in accordance with the law to ensure and implement various employee benefits and Equity.

(2) Employee safety and work environment protection measures

1. Maintenance and inspection of various equipment

(1) According to the Building Public Safety Inspection Visa and Reporting Regulations, public safety inspection is conducted once a year.

(2) According to the Fire Services Act, fire drills are conducted twice a year (in the first half and second half of the year) and once a year in cooperation with the competent authority.

(3) In accordance with the Company's labor safety and health work rules, we maintain and maintain high and low voltage electrical equipment, elevators, air-conditioning equipment, water dispensers, fire-fighting equipment and generators on a daily, monthly, semi-annual and annual basis.

2. Disaster prevention measures and responses

(1) The Company has established fire, power and water outage handling procedures, standard operating procedures for employees and customers' injuries and accidents, labor safety and health work codes, and other disaster prevention and rescue precautions and accident and disaster reporting procedures, which clearly specify that employees should be responsible for handling significant events or natural disasters before and after the event.

(2) The Company has set up a fire protection group, conducts fire drills twice a year, and hires fire protection authorities to conduct fire protection and disaster prevention seminars and evaluations.

(3) In order to maintain the safety and environmental health of employees, there is a labor safety and health manager.

3. Employee Physiological health

(1) Health examination; New employees are required to undergo good health inspection. Employees are required to undergo annual health examinations in accordance with the Labor Safety and Health Law and the Food Sanitation Management Law.

(2) The workplace is sanitary and the business premises are completely non-smoking in accordance with the regulations, and the non-smoking signs are set up, and the restaurant is fully disinfected every month.

4. Insurance and Medical Care Consolation

(1) Purchase labor insurance (including occupational disaster insurance) and health insurance in accordance with the law.

5. Access control security

(1) There are safety management personnel to maintain the safety of employees and customers.

(2) There is a police-citizen connection with the police security unit to maintain security.

(c) Any losses suffered by the company in the most recent 2 fiscal years and up to the annual report publication date due to labor disputes (including any violations of Labor Standards Act found in labor inspection, specifying the disposition dates, disposition reference numbers, the articles of law violated, the substance of the legal violations, and the content of the dispositions), and disclosing an estimate of possible expenses that could be incurred currently and in the future and measures being or to be taken:

1. Losses due to labor disputes in the most recent year and up to the date of publication of the annual report: None.

2. Estimated losses that may occur at present and in the future: It is expected that there will be no losses in this regard in the future. The Company will comply with relevant laws and regulations on labor protection and ensure smooth communication channels at all times.

6. Cyber security management

(I) Describe the cyber security risk management framework, cyber security policies, concrete management programs, and investments in resources for cyber security management:

1. Cyber Security Policy

In order to ensure the confidentiality, integrity, availability and legality of the information Assets (hardware, software, data, documents and personnel related to information processing), avoid internal and external deliberate or accidental threats, and take into account the Company's business needs, the "Information Security Management Regulations" have been formulated, and the relevant control measures cover:

(1) Personnel security management: Including user system authorization, user management, and user password management.

(2) Data security management: Including host data backup, system data recovery, computer media and data document security management.

(3) System security management.

(4) Firewall security management.

(5) Security management of network services.

(6) Handling of system and network intrusion.

(7) Equipment safety management.

(8) Security management of the surrounding environment and computer facilities.

2. Cyber security risk management framework

The Company’ s current relevant operations are entrusted to external information manufacturers, and the Company has implemented measures such as computer host data backup, computer media and data document security management, firewall security management,

surrounding environment and computer room security management in accordance with the aforementioned regulations.

3. Information security management of Assets equipment

The Company regularly checks various information Assets to protect the confidentiality, availability and integrity of the information Assets, and is committed to strengthening the physical security management of the information room, including personnel access control, adding monitoring imaging systems and uninterruptible power systems to protect the security of the Company's information system equipment.

4. Management of external service providers

In order to maintain the Company's own Equity and information security, the Company has signed a service contract with external manufacturers to set out confidentiality clauses to protect the Company's confidential information and avoid improper use or disclosure. In addition, the Audit Office conducts audits on equipment safety management, safety environment management, computer system safety management, network security management, firewall security management, and system access control at least once a year to ensure the sustainable operation of the Company's business.

5. Resources invested in cyber security management

In addition to setting up equipment such as off-site backup host, computer room air conditioning and uninterruptible power supply system, the Company also conducts network information security maintenance and control from time to time, and continues to plan, design and improve appropriate software and hardware equipment resources. In addition, as information security insurance is still an emerging type of insurance, which involves information security level testing, claims identification and non-claims conditions, the Company is still evaluating the needs.

(2) Losses, possible impacts and countermeasures of major information security incidents:

In 2022 and as of the publication date of the annual report, the Company has not discovered any major cyber-attacks or incidents that have or may have a significant adverse impact on the Company's business and operations, nor has it been involved in any legal cases or regulatory investigations related to this.

7. Important Contracts

Company name	Contract Nature	Case	Contracting Party	Commencement/Expiration Date	Main contents	Restrictive clauses
Rich Construction Shares Finite Company	Construction contract	Rich Tien Mu	Lituo Construction (Shares)	From the signing date on June 6, 2018 to the expiration of the warranty period	7 lots of land including No. 15, Zhenxing Section Subsection 1, Beitou District, Taipei City (assumptions and foundation works)	Nil.
				From the signing date on November 14, 2019 to the expiration of the warranty period	7 lots of land (structural and renovation) at No. 15, Zhenxing Section, Beitou District, Taipei City	Nil.
		Songjiang Headquarter Building	Lituo Construction (Shares)	From the signing date on April 28, 2022 to the expiration of the warranty period	21 lots of land (assumptions, foundation, steel structure and curtain wall projects), including No. 73-81, Sub-section 3, Changchun Section, Zhongshan District, Taipei City	Nil.
				From the signing date on June 20, 2023 to the expiration of the warranty period	21 lots (buildings, mechanical and electrical engineering) at No. 73-81, Sub-section 3, Changchun Section, Zhongshan District, Taipei City	Nil.
	Joint construction Contract	Ming Yuan	Lai, Ming-De Lai, Min-Rui	August 2014 – after the joint construction and delivery of housing	Land No. 170, 170-1, 170-2, 171, and 172, Subsection 1, LanYa Section, Shilin District, Taipei City	Nil.
		Chongde Section, Xizhi	Yang, Ze-shi	May 2021 – after the joint construction and delivery of housing	42 lots including Chongde Section, Xizhi District, New Taipei City	Nil.
		Wan Chai Zhen Commercial Area A	Non-related party natural person	February 2023 – after the joint construction and delivery of housing	Haishantou Section, Xinzhuang District, New Taipei City	Nil.
		Fuyang Street Project	Non-related party natural person	May 2023 – after the joint construction and delivery of housing	Chihe Section, Xinyi District, Taipei City	Nil.
		Wan Chai Zhen Commercial Area B	Non-related party natural person	June 2023 – after the joint construction and delivery of housing	Haishantou Section, Xinzhuang District, New Taipei City	Nil.

Company name	Contract Nature	Case	Contracting Party	Commencement/Expiration Date	Main contents	Restrictive clauses
	Cooperative Investment and Construction Contract	Yonghe Yongan Section case	Juzhan Construction Development Co. Ltd.	From the signing date on January 29, 2015 to the expiration of the customer's house delivery and after-sales service	39 land lots including Yongan Section, Yonghe District, New Taipei City	Nil.
Tung Shan Lin Development (shares) Company	Yilan County Luodong Area Sewerage System BOT Project		Yilan County Government	The superficies agreement was signed on December 13, 2005.	Construction, operation, transfer and return of sewage system and related ancillary facilities and businesses in Luodong District, Yilan County	Nil.
	Syndicated Loan Agreement		Bank syndicate	July 10, 2013 to July 10, 2028	Solicitation of private institutions to participate in the construction project of the "Yilan County Luodong Area Sewerage System Construction, Operation, and Transfer Project"	Nil.
Green Forest Development (shares) Company	Contract for construction and operation of Nanzi Sewerage System in Kaohsiung City		Kaohsiung City Government	October 20, 2004 Signed the superficies right contract	Construction, operation, and transfer of Nanzi Sewerage System in Kaohsiung City	Nil.
	Syndicated Loan Agreement		Bank syndicate	August 31, 2007 to August 31, 2021	The project of "Solicitation of Private Institutions to Participate in the Construction and Operation of the Nanzi Sewerage System in Kaohsiung City" construction project financing	Nil.
Yilan Lili Development (shares) Company	Construction and Operation Contract of Yuanshan Park Hot Spring Hall in Yilan County		Yilan County Government	Signed on June 27, 2012, for a term of 50 years from the date of delivery of the base, unless otherwise provided in the contract	The construction, operation and transfer of the hot spring hall, park, parking lot and auxiliary business of Yuanshan Park	Nil.
Yuan	Construction,		Ministry of	August 1, 2016	Setup, reconstruction,	Nil.

Company name	Contract Nature	Case	Contracting Party	Commencement/Expiration Date	Main contents	Restrictive clauses
Shan Lin Development Co., Ltd.	renovation, operation and transfer contract		Economic Affairs the Industrial Development Bureau.	July 31, 2031	construction, operation and transfer contract of sewage system in Guanyin Industrial Park	
Heshan Forest Green Energy Co., Ltd. Company	Construction, renovation, operation and transfer contract		Environmental Protection Bureau, Taichung City Government	August 28, 2017 ~ August 28, 2042	Relocation contract for the construction and operation of Taichung City Waipu composting plant (Green Energy Ecological Park)	Nil.
LEALEA Ming Chi (shares) Company	Entrusted operation		Veterans Affairs Commission, Executive Yuan Veterans Affairs, Executive Yuan	April 17, 2015 ~ April 16, 2025	Concession right of “Renovation and Operation Project of Keelung and Ming Chi Recreation Facilities”	Nil.
Eminence Water Corporation	Construction and operation transfer contract		Kaohsiung City Government	December 28, 2023 ~ December 28, 2044	Construction, transfer and operation of Nanzi Reclaimed Water Plant in Kaohsiung City	Nil.

Chapter 6 Financial Overview

1. Condensed Assets Liabilities and Income Statement Information-International Financial Reporting Standards

(1) Condensed Assets Liabilities Table-International Financial Reporting Standards (Consolidated)

Unit: NT $thousands

Year / Item		Financial Summary for The Last Five Years				
		Year 2019	Year 2020	Year 2021	Year 2022	Year 2023
Current assets		22,888,033	23,348,717	23,044,151	22,443,571	22,013,049
Property, plant and equipment		5,291,440	7,200,529	5,298,535	5,890,241	6,606,041
Intangible assets		2,426,375	2,692,078	2,501,222	2,351,052	2,250,248
Other Assets.		9,892,696	10,396,608	9,884,268	9,508,145	9,411,013
Total assets		40,498,544	43,637,932	40,728,176	40,193,009	40,280,351
Current liabilities	Before dividend	15,727,715	15,243,399	14,294,667	14,915,784	14,899,884
	After appropriation	15,727,715	15,243,399	14,294,667	14,915,784	Note 2
Non-current liabilities		7,001,355	10,550,590	9,018,473	8,375,477	8,012,521
Total liabilities	Before dividend	22,729,070	25,793,989	23,313,140	23,291,261	22,912,405
	After appropriation	22,729,070	25,793,989	23,313,140	23,291,261	Note 2
Attributable to parent company Landlord's Equity		13,613,794	13,423,834	13,497,373	13,209,076	13,639,417
Share capital		7,439,927	7,439,927	7,439,927	7,439,927	7,439,927
Capital surplus		606,478	608,543	667,993	666,777	683,303
Retained earnings	Before dividend	5,895,776	5,554,607	5,625,432	5,462,317	5,688,770
	After appropriation	5,449,380	5,309,089	5,392,234	5,462,317	Note 2
Other equity interest		(230,192)	(81,048)	(137,784)	(261,750)	(74,388)
Treasury shares		(98,195)	(98,195)	(98,195)	(98,195)	(98,195)
Non-controlling interests		4,155,680	4,420,109	3,917,663	3,692,672	3,728,529
Total equity	Before dividend	17,769,474	17,843,943	17,415,036	16,901,748	17,367,946
	After appropriation	17,323,078	17,598,425	17,181,838	16,901,748	Note 2

Note 1: The above financial information has been audited by CPAs.

Note 2: The 2023 earnings distribution has not yet been approved by the shareholders' meeting, Resolution.

Assets Liabilities Table-International Financial Reporting Standards (Individual)

Unit: NT $thousands

Year / Item		Financial Summary for The Last Five Years				
		Year 2019	Year 2020	Year 2021	Year 2022	Year 2023
Current assets		17,390,730	16,482,150	16,845,820	16,256,683	15,924,045
Property, plant and equipment		2,598	3,440	2,294	1,467	670
Intangible assets		1,140	819	585	414	243
Other Assets.		8,360,306	9,246,902	8,504,186	8,376,460	8,256,058
Total assets		25,754,774	25,733,311	25,352,885	24,635,024	24,181,016
Current liabilities	Before dividend	11,106,778	9,275,348	9,129,744	9,031,546	7,852,060
	After appropriation	11,106,778	9,275,348	9,129,744	9,031,546	Note 2
Non-current liabilities		1,034,202	3,034,129	2,725,768	2,394,402	2,689,539
Total liabilities	Before dividend	12,140,980	12,309,477	11,855,512	11,425,948	10,541,599
	After appropriation	12,140,980	12,309,477	11,855,512	11,425,948	Note 2
Equity attributable to owners of parent		0	0	0	0	0
Share capital		7,439,927	7,439,927	7,439,927	7,439,927	7,439,927
Capital surplus		606,478	608,543	667,993	666,777	683,303
Retained earnings	Before dividend	5,895,776	5,554,607	5,625,432	5,462,317	5,688,770
	After appropriation	5,449,380	5,309,089	5,402,234	5,462,317	Note 2
Other equity interest		(230,192)	(81,048)	(137,784)	(261,750)	(74,388)
Treasury shares		(98,195)	(98,195)	(98,195)	(98,195)	(98,195)
Non-controlling interests		0	0	0	0	0
Total equity	Before dividend	13,613,794	13,423,834	13,497,373	13,209,076	13,639,417
	After appropriation	13,167,398	13,178,316	13,274,175	13,209,076	Note 2

Note 1: The above financial information has been audited by CPAs.

Note 2: The 2023 earnings distribution has not yet been approved by the shareholders' meeting, Resolution.

Condensed Income Statement of total-International Financial Reporting Standards (Consolidated)

Year / Item	Financial Summary for The Last Five Years				
	Year 2019	Year 2020	Year 2021	Year 2022	Year 2023
Operating revenue	7,827,344	6,468,941	5,744,620	6,305,186	7,705,541
Gross profit from operations	2,053,901	1,048,258	1,144,302	714,884	1,180,677
Operating profit	1,443,078	608,286	970,934	192,893	609,287
Non-operating income and expenses	(267,636)	(207,347)	(577,053)	(250,025)	(277,558)
Net profit before tax	1,175,442	400,939	393,881	(57,132)	331,729
Profit from continuing operations	954,361	123,180	181,088	(127,926)	159,040
Loss of suspended business unit	0	0	0	0	0
Net Profit (loss)	954,361	123,180	181,088	(127,926)	159,040
Other comprehensive income (Net after tax)	(152,827)	204,484	(76,457)	(116,516)	193,617
Total comprehensive income	801,534	327,664	104,631	(244,442)	352,657
Net income attributable to Owners of parent company	827,825	103,978	306,690	43,085	240,599
Net income attributable to Non-controlling interests	126,536	19,202	(125,602)	(171,011)	(81,559)
Total gains and losses of total Attributable to Owners of parent company	717,657	254,371	260,772	(63,883)	413,548
Total gains and losses of total Attributable to Non-controlling interests	83,877	73,293	(156,141)	(180,559)	(60,891)
EPS	1.12	0.14	0.42	0.06	0.33

Condensed Income Statement of total-International Financial Reporting Standards (Individual)

Year / Item	Financial Summary for The Last Five Years				
	Year 2019	Year 2020	Year 2021	Year 2022	Year 2023
Operating revenue	3,108,398	1,663,348	1,208,417	1,667,675	3,202,482
Gross profit from operations	1,183,158	294,191	338,660	400,117	698,597
Operating profit	861,901	132,085	476,538	221,953	456,536
Non-operating income and expenses	25,487	20,119	(131,995)	(146,169)	(164,741)
Net profit before tax	887,388	152,204	344,543	75,784	291,795
Continuing operations Net Profit	827,825	103,978	306,690	43,085	240,599
Loss of suspended business unit	0	0	0	0	0
Net Profit (loss)	827,825	103,978	306,690	43,085	240,599
Other comprehensive income (Net after tax)	(110,168)	150,393	(45,918)	(106,968)	172,949
Total comprehensive income	717,657	254,371	260,772	(63,883)	413,548
EPS	1.12	0.14	0.42	0.06	0.33

(2) Names and opinions of CPAs for the last five years

Year	Auditing CPA	Audit Opinion
2019	Chi, Shi-Qin, Chen, Zong-Zhe	unqualified opinions
2020	Chi, Shi-Qin, Chen, Zong-Zhe	unqualified opinions
2021	Chi, Shi-Qin, Chen, Zong-Zhe	unqualified opinions
2022	Zhang Shuying, Pan, Chun-Ming	unqualified opinions
2023	Zhang Shuying, Pan, Chun-Ming	unqualified opinions

2. Financial Analysis-International Financial Reporting Standards

Consolidated Financial Analysis-International Financial Reporting Standards

Year / Item		Financial analysis for the last five years				
		Year 2019	Year 2020	Year 2021	Year 2022	Year 2023
Finance Struct	debt to asset ratio	56.12	59.11	57.24	57.95	56.88
	Ratio of long-term capital to property, plant and equipment	468.13	394.34	498.88	429.14	384.20
Repayment Ability %	Current ratio	145.53	153.17	161.21	150.47	147.74
	Quick ratio	43.20	48.68	52.29	50.00	52.92
	Interest protection multiples	5.62	2.52	2.55	0.64	2.25
Operation Ability	Receivables turnover rate (times)	8.89	5.82	4.54	4.77	4.94
	Average collection days for receivables	41	62	80	76	73
	Inventories turnover rate (times)	0.35	0.34	0.29	0.37	0.45
	Accounts payable turnover (times)	5.24	4.07	3.65	4.69	4.70
	Average days for sale of goods	1042	1073	1258	986	811
	Property, plant and equipment turnover rate (times)	1.70	1.04	0.92	1.13	1.23
	Total Assets Turnover (Times)	0.20	0.15	0.14	0.16	0.19
Profit Ability	return on assets (%)	2.92	0.79	0.91	0.00	0.92
	return on equity (%)	5.47	0.69	1.03	-0.75	0.93
	Pre-tax income to paid-in capital (%)	15.80	5.39	5.29	-0.77	4.46
	Net Profit Margin (%)	12.19	1.90	3.15	-2.03	2.06
	Earnings per share (NT $)	1.12	0.14	0.42	0.06	0.33
Cash flow	Cash flow ratio (%)	16.04	3.17	0.67	3.85	12.16
	Cash flow fair ratio (%)	35.94	47.11	51.80	53.75	92.83
	Cash reinvestment ratio (%)	8.32	-0.33	-0.93	1.15	6.73
Leverage Rod	Leverage Operating Leverage	1.20	1.54	1.17	3.18	1.77
	Financial Leverage	1.21	1.76	1.36	6.00	1.77

Analysis of financial ratio differences for the last two years:

1. Financial structure: Mainly due to the continuous investment in hotels under construction by the hotel department, resulting in an increase in Property, plant and equipment, resulting in a decrease in Ratio of long-term capital to property, plant and equipment.
2. Solvency: The increase in the interest coverage ratio was mainly due to the increase in net profit before tax in 2023 compared to the same period last year.
3. Operating capacity: Mainly due to the increase in revenue from the sale of real estate in 2023 compared to last year, resulting in an increase in the ratios of operating capacity compared to last year.
4. Profitability: The increase in profitability ratio is mainly due to the increase in operating net profit in 2023 compared to the same period last year and the increase in net profit after tax.
5. Cash flow: Mainly due to the increase in revenue from the sale of real estate in 2023, which resulted in an increase in cash inflow from Decrease in inventories, resulting in an increase in cash flow ratios compared to the same period last year.

6. Leverage: The decrease in leverage ratio is mainly due to the increase in Net operating income in 2023 compared to last year, which resulted in a significant increase in profitability.

Individual Financial Analysis-International Financial Reporting Standards

Year (Note 1) / Item (Note 2)		Financial analysis for the last five years				
		Year 2019	Year 2020	Year 2021	Year 2022	Year 2023
Finance Structure %	debt to asset ratio	47.14	47.83	46.76	46.38	43.59
	Ratio of long-term capital to property, plant and equipment	563818.17	478429.16	707198.82	1063631.77	2437157.61
Repayment Ability %	Current ratio	156.58	177.70	184.52	180.00	202.80
	Quick ratio	11.94	6.30	14.30	14.40	23.25
	Interest protection multiples	10.12	2.54	5.19	4.61	5.06
Operation Ability	Receivables turnover rate (times)	63.81	121.43	98.33	149.36	470.09
	Average collection days for receivables	5	3	3	2	0
	Inventories turnover rate (times)	0.12	0.09	0.06	0.08	0.17
	Accounts payable turnover (times)	11.31	10.74	10.54	15.85	17.62
	Average days for sale of goods	3041	4055	6083	4562	2147
	Property, plant and equipment turnover rate (times)	1135.90	550.96	421.49	886.83	2997.18
	Total Assets Turnover (Times)	0.12	0.06	0.05	0.07	0.13
Profit Ability	return on assets (%)	3.49	0.71	1.46	0.24	1.22
	return on equity (%)	6.18	0.77	2.28	0.32	1.79
	Pre-tax income to paid-in capital (%)	11.93	2.05	4.63	1.02	3.92
	Net Profit Margin (%)	26.63	6.25	25.38	2.58	7.51
	Earnings per share (NT $)	1.12	0.14	0.42	0.06	0.33
Cash flow	Cash flow ratio (%)	20.69	2.02	3.30	10.62	16.79
	Cash flow fair ratio (%)	79.67	128.57	203.67	215.70	416.57
	Cash reinvestment ratio (%)	13.64	-1.57	0.34	4.71	8.06
Leverage Rod	Leverage Operating Leverage	1.05	1.35	0.45	1.16	1.07
	Financial Leverage	1.13	4.00	1.21	1.10	1.19

Analysis of financial ratio differences for the last two years:
(1) Financial structure: Due to the decrease in Property, plant and equipment compared with the same period last year, Ratio of long-term capital to property, plant and equipment increased.
(2) Solvency: Current ratio is greater than 100%, indicating that there is no inadequacy of solvency. Since most of Inventories are land and houses with higher unit prices and longer operating cycles, the quick ratio is lower than that of the Other industry due to the characteristics of the industry. During the current period, Decrease in short-term loans led to a decrease in Current liabilities, resulting in an increase in the quick ratio compared with the same period last year.
(3) Operating performance: The change in the turnover rate of Accounts receivable was mainly due to the impact of the current project promotion status and the timing of revenue recognition. In the current period, due to the increase in the income and cost of the Company's sales of real estate, the ratios of operating performance in the current period increased compared with the same period last year.
(4) Profitability: Due to the increase in sales volume this year compared to last year, the Net operating income this year increased compared to last year, resulting in an increase in profitability.
(5) Cash flow: The cash inflow from operating activities was mainly due to the increase in income from the sale of real estate in the current year, which resulted in an increase in the cash flow ratios compared with the same period last year.
(6) Leverage: Due to the increase in sales volume this year compared to last year, Net operating income increased compared to last year, resulting in an increase in financial leverage ratio and a decrease in operating leverage ratio.

Note 1: The above financial information has been audited or reviewed by CPAs. Note 2: The following equations should be included at the end of the annual report:

1. Financial structure
   (1) debt to asset ratio "Total liabilities/Total assets
   (2) Ratio of long-term capital to property, plant and equipment (Total equity + Non-current liabilities)/net Property, plant and equipment
2. Solvency (%)
   (1) Current assets/Current liabilities
   (2) Quick ratio (Current assets-Inventories-Prepaid expenses)/Current liabilities
   (3) Interest coverage ratio Net profit before income tax and Interest expense/Interest expenses for the current period.
3. Operating performance
   (1) Receivables turnover (including Accounts receivable and Notes receivable resulting from business operations) = Net sales/Balance of average receivables in each period (including Accounts receivable and Notes receivable resulting from business operations).
   (2) Average collection days ≦ 365/Receivables turnover rate.
   (3) Inventories turnover rate = Cost of sales 〕/average Inventories turnover.
   (4) Payables turnover (including Accounts payable and Notes payable resulting from business operations) Cost of sales ／ Balance of average payables (including Accounts payable and Notes payable resulting from business operations).
   (5) Average sales days ≦ 365/Inventories turnover rate.
   (6) Property, plant and equipment turnover rate\ net sales\ average Property, plant and equipment net.
   (7) Total Assets turnover rate ≦ Net sales ／ Average Total assets
4. Profitability
   (1) return on assets [net income after tax] Interest expense×(1-tax rate)]/average Total assets
   (2) return on equity after tax profit and loss/average Total equity.
   (3) Net Profit Margin “Profit and loss after tax/net sales.
   (4) Earnings per share (profit or loss attributable to Owners of parent company-preferred stock dividends)/weighted average number of shares outstanding. (Note 4)
5. Cash flow
   (1) Cash Flow Ratio Net Cash Flow from Operating Activities/Current liabilities
   (2) Net cash flow fair ratio = Net cash flow from operating activities for the most recent five years/(capital expenditure + Increase in inventories amount + cash dividend) for the most recent five years.
   (3) Cash reinvestment ratio (%) (Net cash flow from operating activities-Cash dividends)/(Property, plant and equipment gross margin + Other non-current assets + Working capital). (Note 5)
6. Leverage:
   (1) Leverage Operating leverage (Operating revenue, net-variable Operating costs and expense)/Net operating

income (Note 6)

(2) Financial leverage = Net operating income/(Net operating income − Interest expense)

Note 4: Special attention shall be paid to the following matters when using the calculation formula of earnings per share above:

1. It is based on the weighted average Number of ordinary shares, rather than the number of issued shares at the end of the year.
2. Where there are Proceeds from issuing shares or treasury stock transactions, the weighted average number of shares shall be calculated taking into account the period of circulation.
3. In the case of capital increase out of earnings or through Capital surplus, the calculation of earnings per share for the past fiscal year and the fiscal half-year shall be retrospectively adjusted based on the capital increase ratio, without the need to consider the issuance period for the capital increase.
4. If the preferred shares are non-convertible cumulative preferred shares, the dividend of the current year (whether issued or not) shall be subtracted from the net profit after tax, or added to the net loss after tax. If the preferred stock is non-cumulative, in the case of net profit after tax, the dividend of the preferred stock shall be deducted from the net profit after tax; No adjustment is required in case of loss.

Note 5: When measuring cash flow analysis, special attention should be paid to the following:

1. Net cash flow from operating activities refers to the net cash inflow from operating activities in the cash flow statement.
2. Capital expenditure refers to the annual cash outflow of capital investment.
3. Increase in inventories is only included when Equity at end of period is greater than Equity at beginning of period, or zero if Decrease in inventories is at the end of the year.
4. Cash dividends include cash dividends for ordinary shares and preferred shares.
5. Gross Property, plant and equipment refers to the total Property, plant and equipment before deducting the accumulated Depreciations.

Note 6: The issuer shall classify Operating costs and Operating expenses as fixed and variable according to their nature. If it involves estimates or subjective judgments, they should pay attention to their rationality and maintain consistency.

Note 7: If the Company's stock has no par value or the par value per share is not NT $10, the calculation of the ratio of paid-in capital in the previous issue will be calculated based on the ratio of Assets Liabilities Table Equity attributable to owners of parent.

3. Audit Committee’ s Review Report for the Most Recent Year

Audit Committee’ s Review Report

The Company's 2023 parent company only financial statements and Consolidated Financial Statements prepared by the Board of Directors have been audited and certified by accountants KPMG and Pan, Chun-Ming, together with the business report and earnings distribution proposal. The review has been completed by the Audit Committee and no discrepancies were found. Please review them in accordance with Article 14-4 of Securities and Exchange Act and Article 219 of Company Act.

To

2024 Annual General Meeting
Rich Development Construction Co., Ltd.

Convener of the Audit Committee: Lin, Chun-Liang

April 19, 2024

4. FINANCIAL STATEMENTS OF THE MOST RECENT FISCAL YEAR

Independent Auditors' Review Report

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

Audit Opinion

We have audited the financial statements of Rich Development Construction Co., Ltd. and its subsidiaries (Rich Group), which comprise Consolidated Balance Sheets as of December 31, 2023 and 2022, Consolidated Statements of Comprehensive Income, Consolidated Statements of Changes in Equity and Consolidated Statements of Cash Flows from January 1 to December 31, 2023 and 2022, and the notes to the consolidated financial statements, including a summary of significant accounting policies.

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

Basis for opinions

We conducted our audits in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and Auditing Standards. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with International Code of Ethics for Professional Accountants (IESBA Code) and we have fulfilled our responsibilities under Other. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion. Basis for opinions

Key audit matters

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

1. Inventories Evaluation

Please refer to Note 4 (h) Inventories to the consolidated financial statements for the accounting policy of Inventories evaluation; Please refer to note 5 (b) for assumptions and estimation uncertainty related to the valuation under Inventories; Please refer to Note 6 (5) Inventories for details.

Key audit matters Description:

Rich Group’ s Inventories is an important Assets for operations, and its amount accounts for about 35% of Total assets. Rich Group Inventories net realizable value is based on management’ s estimate of future selling prices and construction costs, and is susceptible to political and economic conditions. If the assessment of net realizable value is not fair, it will cause false expression in the financial statements. Therefore, the test of Inventories evaluation is one of the important evaluation items for accountants to perform the audit of Rich Group's consolidated financial report.

Audit Procedures:

Obtain the Rich Group Inventories net realizable value evaluation data, and sample and verify the sales contracts for the above data, refer to the latest real estate price registration announced by the Ministry of the Interior or obtain the nearby transaction price, and convert the average selling price into the net realizable value of the house for sale Inventories For the net realizable value of land and buildings under construction of Land held for construction site, we obtained and sampled the investment return analysis of the Company, compared the investment return analysis data with market conditions, and obtained external appraisal reports when necessary to assess whether the net realizable value of Inventories is stated in fair.

2. Assets Impairment Assessment

Please refer to Note 4 (15) of the consolidated financial statements for the accounting policy of impairment assessment of Assets; Please refer to Note 5 (c) for accounting estimates and assumption uncertainty of impairment assessment of Property, plant and equipment and Intangible assets. Please refer to note 6 (h) Property, plant and equipment and note 6 (j) Intangible assets to the consolidated financial statements for details.

Key audit matters Description:

As of December 31, 2023, Rich Group’ s carrying amount of Property, plant and equipment and Intangible assets accounts for 22% of Total assets. Its main composition is the operation of Assets and Franchise generated from the signing of public and private services with government agencies. Due to the impact of the COVID-19 epidemic and industrial environmental factors in 2023, it will not be as good as the expected benefits during the original investment period, which will cause doubts about whether the carrying amount of Assets and Franchise for operations exceeds its recoverable amount. Rich Group’ s management estimated the recoverable amount of Assets in accordance with International Accounting Standards 36 Impairment of Assets Assets. Since the recoverable amount assessment involves a high degree of uncertainty in management’ s subjective judgment, which may result in the risk of over-estimation of the carrying amounts of Property, plant and equipment and Franchise, we considered the assessment of impairment of Assets as one of the key audit matters in our audit. How the matter was addressed in our audit:

Audit Procedures:

In relation to the key audit matter above, our principal audit procedures included obtaining the impairment assessment model of Key audit matters and its related assumptions from the

management of Rich Group and considering whether all the Assets required to be tested for impairment had been fully incorporated into the assessment process, reviewing the individual financial assumptions used by the management, supporting documents related to the recoverable amount, and the external appraisal report adopted, and verifying the reasonableness of the assumptions used and the accuracy of the calculations made by the management based on the relevant information available. We also reviewed the adequacy of the Group' s disclosures of the impairment of Rich in the Assets.

3. Recognition of profit or loss on construction contracts and Onerous contracts losses

Please refer to Note 4 (17) for the accounting policy on revenue recognition of Engineering service revenue. Please refer to Note 5 (2) for assumptions and estimation uncertainties related to revenue recognition of construction contracts; Please refer to note 6 (20) for the disclosure related to contract revenue.

Key audit matters Description:

Rich Group’ s main business includes construction contracts signed with customers, and Operating revenue has a significant proportion of these construction contracts. Since the recognition of such construction contract revenue involves significant estimates and judgments, such as: the total cost of the construction contract, the degree of completion, the additional Engineering service revenue related to the consideration of costs, and the loss recognition of onerous contracts. Management’ s subjective judgment may result in a number of changes in estimates that affect the profit or loss and revenue recognized in the financial statements of Rich Group; Therefore, the recognition of profit and loss of construction contracts and Onerous contracts losses are important evaluation items for the accountants to perform the audit of Rich Group's consolidated financial report.

Audit Procedures:

Our main audit procedures for Key audit matters included testing the effectiveness of internal controls related to the timing and accuracy of revenue and cost recognition of construction contracts. Sampled and inspected significant contracts and interviewed management to understand the specific terms and risks of each contract; Testing the reasonableness of the estimated total contract costs, the stage of completion of the contracts and the contract margin by the management; We tested the process of construction estimation and pricing, verified and adjusted with the general ledger, and evaluated whether the construction contract revenue and cost recognition were in compliance with the relevant accounting standards. In addition, we obtained the relevant supporting documents of the management's assessment of onerous contracts, and checked whether the accounting records reflected the expected contract losses.

Other Matter

Rich Development Construction Co., Ltd. has prepared Parent Company Only Financial Statement for 2023 and 2022, and we have issued an audit report of unqualified opinions for reference.

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

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with Regulations Governing the Preparation of Financial Reports by Securities Issuers. and the Financial Supervisory Commission, International Financial Reporting Standards , International Accounting Standards , IFRIC and Statement on Internal Control (SIC), and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

Those charged with governance, including the audit committee, are responsible for overseeing the Group’ s financial reporting process.

Auditors’ Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an 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 Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error. Misstatements are considered

material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with Auditing Standards, we exercise professional judgment and professional skepticism throughout the audit. We also perform the following tasks:

1. Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error; Design and implement appropriate countermeasures for the assessed risks; Obtain sufficient and appropriate audit evidence as a basis for Basis for opinions. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group’ s internal control.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management’ s use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group’ s ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors’ report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors’ report. However, future events or conditions may cause the Group to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in accordance with fair.
6. Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

We also provide those charged with governance with a statement that we have complied with International Code of Ethics for Professional Accountants (IESBA Code) regarding independence, and to communicate with them all relationships and Other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of Rich for the year ended December 31, 2023 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.

KPMG

CPA:

Securities Competent Authority Approval No.	:	Jin-Guan-Zheng-Liu No. 0940100754 Order No. Financial-Supervisory-Securities-Auditing-1110333933
March 15, 2024		

Rich Development Construction Co., Ltd. and subsidiaries

Consolidated Balance Sheets

December 31, 2023 and 2022

Unit: NT $thousands

		2023.12.31		2022.12.31	
	Assets	**Amount**	**%**	**Amount**	**%**
	Current assets:				
1100	Cash and cash equivalents (note 6 (a))	$ 2,617,536	6	2,240,114	6
1110	Current financial assets at fair value through profit or loss (notes 6 (b) and 8)	381,442	1	402,429	1
1141	Current Assets (Notes 6 (20) and 9)	693,347	2	1,271,274	3
1150	Notes receivable, net (Notes 6 (d), (t) and 7)	3,214	-	5,021	-
1170	Accounts receivable, net (Notes 6 (d), (11), (20) and 7)	1,610,236	4	1,501,364	4
1220	Income tax assets for the current period	17,094	-	15,835	-
1320	Inventories (for construction business) (Notes 6 (e), 7, 8 and 9)	14,128,050	35	14,985,344	37
1476	Other current financial assets (notes 6 (c), 7, 8 and 9)	2,140,588	5	1,593,976	4
1479	Other current assets, others (Note 7)	392,090	1	386,192	1
1480	Incremental costs of obtaining a contract-current (Note 7)	26,074	-	39,716	-
1482	Cost to fulfill contracts-current	3,378	-	2,306	-
		22,013,049	54	22,443,571	56
	Non-current assets:				
1510	Non-current financial assets at fair value through profit or loss (note 6 (b))	17,386	-	17,522	-
1517	Non-current financial assets at fair value through other comprehensive income (note 6 (c))	626,472	2	473,662	1
1535	Non-current financial assets at amortized cost (Notes 7 and 13)	100,000	-	100,000	-
1550	Investments accounted for using equity method (note 6 (f))	195,224	-	207,180	1
1600	Property, plant and equipment (notes 6 (h), 7 and 8)	6,606,041	17	5,890,241	14
1755	Assets	196,743	-	282,743	1
1760	Investment property, net (notes 6 (i) and 8)	651,206	2	661,926	2
1780	Intangible assets (Notes 6 (j) and 8)	2,250,248	6	2,351,052	6
1840	Deferred tax assets (note 6 (17))	135,291	-	130,508	-
1932	Long-term accounts receivables (Notes 6 (11) and 8)	6,746,205	17	6,979,704	17
1980	Other non-current financial assets (Notes 7, 8 and 9)	729,486	2	652,829	2
1990	Other non-current assets, others (Note 7)	13,000	-	2,071	-
		18,267,302	46	17,749,438	44
	Assets Total	**$ 40,280,351**	**100**	**40,193,009**	**100**

Rich Development Construction Co., Ltd. and subsidiaries

Consolidated Balance Sheets (continued)

December 31, 2023 and 2022

Unit: NT $thousands

		2023.12.31		2022.12.31	
	Liabilities and Equity	**Amount**	**%**	**Amount**	**%**
	Current liabilities:				
2100	Short-term borrowings (note 6 (13))	$ 7,933,459	20	8,900,511	22
2110	Short-term notes and bills payable (note 6 (12))	1,841,815	5	2,301,000	6
2120	Current financial liabilities at fair value through profit or loss (note 6 (b) and (15))	4,590	-	-	-
2130	Current Liabilities (Notes 6 (20) and 7)	759,087	2	740,086	2
2150	Notes payable (Note 7)	280,452	1	361,690	1
2170	Accounts payable (Note 7)	1,181,564	3	954,573	2
2200	Other payables (notes 6 (h), (twenty-one) and 7)	852,108	2	728,730	2
2230	Income tax liabilities for the current period (note 6 (17))	69,340	-	24,363	-
2250	Provision for Liabilities-current	261,404	1	312,486	1
2280	Current Liabilities (Notes 6 (twenty-six) and 7)	85,849	-	90,835	-
2321	Bonds payable, current portion (note 6 (15))	866,052	2	-	-
2322	Long-term borrowings, current portion (note 6 (14))	724,869	2	468,629	1
2399	Other current liabilities, others	39,295	-	32,881	-
		14,899,884	38	14,915,784	37
	Non-current liabilities:				
2500	Non-current financial liabilities at fair value through profit or loss (note 6 (b) and (15))	-	-	16,200	-
2530	Bonds payable (note 6 (15))	1,997,977	5	2,945,823	7
2540	Long-term borrowings (note 6 (14))	5,089,852	13	4,399,329	12
2550	Provision for Liabilities-non-current	72,658	-	66,005	-
2570	Deferred tax liabilities (note 6 (17))	525,862	1	523,881	1
2580	Non-current lease Liabilities (Notes 6 (twenty-six) and 7)	107,348	-	197,476	-
2612	Long-term accounts payable	53,392	-	61,219	-
2640	Net defined benefit Liabilities-non-current	25,681	-	25,957	-
2645	Guarantee deposits received (Note 7)	139,751	-	139,587	-
		8,012,521	19	8,375,477	20
	Liabilities Total	22,912,405	57	23,291,261	57
	Owners of parent company’ s share of Equity (notes 6 (15) and (18)):				
3110	Ordinary share	7,439,927	18	7,439,927	19
3200	Capital surplus	683,303	2	666,777	2
3310	Legal reserve	1,315,448	3	1,309,440	3
3320	Special reserve	305,661	1	176,084	-
3350	Unappropriated retained earnings	4,067,661	10	3,976,793	10
3400	Other equity interest	(74,388)	-	(261,750)	-
3500	Treasury shares	(98,195)	-	(98,195)	-
	Owners of parent company Equity total	13,639,417	34	13,209,076	34
36XX	**Non-controlling interests (note 6 (g) and (18))**	3,728,529	9	3,692,672	9
	Equity Total	17,367,946	43	16,901,748	43
	Total Liabilities and Equity	**$ 40,280,351**	**100**	**40,193,009**	**100**

Rich Development Construction Co., Ltd. and subsidiaries

Consolidated Statements of Comprehensive Income

January 1 to December 31, 2023 and 2022

Unit: NT $thousands

		2023		2022	
		Amount	%	Amount	%
4000	**Operating revenue (Notes 6 (20) and 7)**	$ 7,705,541	100	6,305,186	100
5000	**Operating costs (Notes 6 (e), (j), (16) and 7)**	6,524,864	85	5,590,302	89
	Gross profit from operations	1,180,677	15	714,884	11
	Operating expenses (Notes 6 (j), (twenty-one) and 7):				
6100	Selling expenses	131,781	2	79,234	1
6200	Administrative expenses	439,609	6	442,274	7
6300	Commissions expense	-	-	483	-
		571,390	8	521,991	8
	PROFIT FROM OPERATIONS	609,287	7	192,893	3
	Non-operating income and expenses (Note 6 (twenty-two)):				
7100	Interest revenue (Note 9 (b))	34,924	-	11,563	-
7010	Other income	22,360	-	22,585	-
7020	Other gains and losses (notes 6 (f), 6 (j), 6 (o) and 7)	(370)	-	(52,183)	(1)
7050	Finance costs (Notes 6 (15) and 7)	(337,907)	(4)	(221,819)	(4)
7370	Share of profit of associates accounted for using Equity (note 6 (f))	3,435	-	(10,171)	-
		(277,558)	(4)	(250,025)	(5)
7900	**Net profit (loss) before tax**	331,729	3	(57,132)	(2)
7950	**Less: Tax expense (note 6 (17))**	172,689	2	70,794	1
	Net Profit (loss)	159,040	1	(127,926)	(3)
8300	**Other comprehensive income: (Notes 6 (f) and (18))**				
8310	**Item that will not be reclassified to profit or loss**				
8311	Remeasurement of defined benefit plans	147	-	4,130	-
8316	Unrealized gains (losses) from investments in Other comprehensive income based on Fair value’s Equity	194,968	3	(122,515)	(2)
8349	Less: Adjustments relating to Item that will not be reclassified to profit or loss	-	-	-	-
	Item that will not be reclassified to profit or loss total	195,115	3	(118,385)	(2)
8360	**Item that may be reclassified subsequently to profit or loss**				
8361	Exchange differences on translation of foreign financial statements	352	-	64	-
8370	Share of Equity Other comprehensive income-May be reclassified to profit or loss in subsequent periods	(1,850)	-	1,805	-
8399	Less: Item related to income tax	-	-	-	-
	To be reclassified to profit or loss in subsequent periods Item total	(1,498)	-	1,869	-
8300	**Other comprehensive income**	193,617	3	(116,516)	(2)
8500	**Total comprehensive income**	**$ 352,657**	**4**	**(244,442)**	**(5)**
	Net Profit (loss) attributable to:				
8610	Owners of parent company	$ 240,599	2	43,085	-
8620	Non-controlling interests	(81,559)	(1)	(171,011)	(3)
		$ 159,040	**1**	**(127,926)**	**(3)**
	Comprehensive income attributable to:				
8710	Owners of parent company	$ 413,548	5	(63,883)	(1)
8720	Non-controlling interests	(60,891)	(1)	(180,559)	(4)
		$ 352,657	**4**	**(244,442)**	**(5)**
	Earnings per share (note 6 (19))				
9750	**Basic earnings per share (NT $)**	**$**	**0.33**		**0.06**
9850	**Diluted earnings per share (NT $)**	**$**	**0.33**		**0.06**

Rich Development Construction Co., Ltd. and subsidiaries

Consolidated Statements of Changes in Equity

January 1 to December 31, 2023 and 2022

Unit: NT $thousands

	Equity attributable to owners of parent										
			Retained earnings			Other equity interest Item.					
	Common Shares Share capital	Capital surplus	Statutory earnings Surplus reserve	Special Surplus reserve	Undistributed Surplus	Overseas business units Financial Statements Exchange differences on translation Difference	Loss through Other total Measured at fair value Unrealized gains (losses) on Assets	Treasury shares	Attributable to owners of parent Owners of the Company Equity Total	Non-controlling interests Equity	Equity Total
Balance at January 1, 2022	$ 7,439,927	667,993	1,277,806	113,043	4,234,583	(1,703)	(136,081)	(98,195)	13,497,373	3,917,663	17,415,036
Net Profit	-	-	-	-	43,085	-	-	-	43,085	(171,011)	(127,926)
Other comprehensive income	-	-	-	-	4,130	925	(112,023)	-	(106,968)	(9,548)	(116,516)
Total comprehensive income	-	-	-	-	47,215	925	(112,023)	-	(63,883)	(180,559)	(244,442)
Appropriation and distribution of retained earnings:											
Legal reserve appropriated	-	-	31,634	-	(31,634)	-	-	-	-	-	-
Special reserve appropriated	-	-	-	63,041	(63,041)	-	-	-	-	-	-
Cash dividends of ordinary share	-	-	-	-	(223,198)	-	-	-	(223,198)	(45,648)	(268,846)
Difference between consideration and carrying amount of subsidiaries acquired or disposed	-	(2,007)	-	-	-	-	-	-	(2,007)	2,007	-
Changes in ownership of Equity	-	791	-	-	-	-	-	-	791	(791)	-
Disposal of investments accounted for under Other comprehensive income Fair value-Equity	-	-	-	-	12,868	-	(12,868)	-	-	-	-
Balance as of December 31, 2022	7,439,927	666,777	1,309,440	176,084	3,976,793	(778)	(260,972)	(98,195)	13,209,076	3,692,672	16,901,748
Net Profit (loss)	-	-	-	-	240,599	-	-	-	240,599	(81,559)	159,040
Other comprehensive income	-	-	-	-	147	(810)	173,612	-	172,949	20,668	193,617
Total comprehensive income	-	-	-	-	240,746	(810)	173,612	-	413,548	(60,891)	352,657
Appropriation and distribution of retained earnings:											
Legal reserve appropriated	-	-	6,008	-	(6,008)	-	-	-	-	-	-
Special reserve appropriated	-	-	-	129,577	(129,577)	-	-	-	-	-	-
Cash dividends of ordinary share	-	-	-	-	-	-	-	-	-	(3,404)	(3,404)
Changes in equity of associates and joint ventures accounted for	-	(73)	-	-	-	-	-	-	(73)	-	(73)

using equity method											
Proceeds from disposal of investments accounted for using equity method	-	-	-	-	-	(70)	-	-	(70)	(45)	(115)
Difference between consideration and carrying amount of subsidiaries acquired or disposed	-	(546)	-	-	-	7	330	-	(209)	-	(209)
Changes in ownership of Equity	-	17,145	-	-	-	-	-	-	17,145	80,797	97,942
Disposal of investments accounted for under Other comprehensive income Fair value-Equity	-	-	-	-	(14,293)	-	14,293	-	-	-	-
Changes in non-controlling interests	-	-	-	-	-	-	-	-	-	19,400	19,400
Balance at December 31, 2023	**$ 7,439,927**	**683,303**	**1,315,448**	**305,661**	**4,067,661**	**(1,651)**	**(72,737)**	**(98,195)**	**13,639,417**	**3,728,529**	**17,367,946**

Rich Development Construction Co., Ltd. and subsidiaries

Consolidated Statements of Cash Flows

January 1 to December 31, 2023 and 2022

Unit: NT $thousands

	2023	2022
Cash flows from operating activities:		
Profit (loss) before tax	$ 331,729	(57,132)
Adjustments:		
Item		
Depreciation expense	310,026	257,625
Amortization expense	156,538	162,479
Net (gain) loss on Fair value Financial Assets and Liabilities	(16,793)	31,499
Interest expense	264,375	160,768
Interest revenue	(34,924)	(11,563)
Dividend revenue	(6,033)	(8,667)
Share of loss (profit) of associates accounted for using Equity	(3,435)	10,171
Loss (gain) on disposal and retirement of Property, plant and equipment	(326)	1,379
Losses on disposals of intangible assets other than goodwill	5	-
Gains on disposals of investments	(115)	-
Reclassification expense	8,803	9,585
Provision (reversal) of Liabilities	(60,211)	200,175
Impairment loss	17,736	22,000
Loss (gain) on lease termination and modification	(1,247)	249
Rent concession	(3,898)	(4,096)
Item total	630,501	831,604
Changes in operating assets and liabilities:		
Financial assets mandatorily classified as at FVTPL under Fair value	39,246	(90,217)
Assets		
Assets-current	289,390	(444,510)
Notes receivable	1,807	23,612
Accounts receivable	(78,896)	(344,007)
Inventories	1,018,717	763,047
Other current assets	(615)	55,408
Other Finance Assets	(251,954)	(30,986)
Long-term accounts receivables	179,593	143,035
Incremental costs of obtaining a contract	13,642	(21,040)
Costs to fulfill a contract	(1,072)	(1,629)
Total changes in operating assets	1,209,858	52,713
Changes in operating liabilities:		
Liabilities-current	19,001	48,425
Notes payable	(81,238)	139,200
Accounts payable	226,991	107,738
Other payables	(34,940)	(4,254)
Liabilities	5,583	(6,312)
Other current liabilities	6,414	6,221
Liabilities	(129)	(286)
Long-term accounts payable	(7,827)	(6,987)
Total changes in operating liabilities	133,855	283,745

Total changes in operating assets and liabilities	1,343,713	336,458
Total adjustments	1,974,214	1,168,062

Rich Development Construction Co., Ltd. and subsidiaries

Consolidated Statements of Cash Flows (continued)

January 1 to December 31, 2023 and 2022

Unit: NT $thousands

	FY23	2022
Cash inflow generated from operations	2,305,943	1,110,930
Interest received	45,145	16,934
Dividends received	15,473	8,667
Interest paid	(423,094)	(378,612)
Income taxes paid	(131,773)	(183,085)
Net cash flows from operating activities	1,811,694	574,834
Cash flows from (used in) investing activities:		
Acquisition of financial assets at fair value through other comprehensive income	(120,734)	(5,500)
Proceeds from disposal of financial assets at fair value through other comprehensive income	106,331	6,000
Refund of share capital from investee companies using Equity method	4,030	-
Acquisition of property, plant and equipment	(760,838)	(435,174)
Proceeds from disposal of property, plant and equipment	868	2,674
Acquisition of intangible assets	(3,469)	(1,881)
Acquisition of investment properties	(3)	(11,596)
Other Finance Assets	(89,213)	73,263
Other non-current assets	(13,000)	-
Net cash flows used in investing activities	(876,028)	(372,214)
Cash flows from financing activities:		
(Decrease) increase in Short-term borrowings	(967,052)	272,679
(Decrease) increase in Short-term notes and bills payable	(459,185)	334,100
Repayments of bonds	-	(500,000)
Proceeds from long-term debt	2,197,718	273,236
Repayments of long-term debt	(1,250,955)	(1,056,263)
Increase in guarantee deposits received (Decrease)	164	(26,076)
Other payables-related parties	-	(27,000)
Repayment of lease principal	(96,848)	(78,133)
Cash dividends paid	(3,404)	(268,846)
Acquisition of ownership interests in subsidiaries	(209)	-
Change in non-controlling interests	19,400	-
Net cash flows used in financing activities	(560,371)	(1,076,303)
Effect of exchange rate changes on cash and cash equivalents	2,127	69
Increase (decrease) in Cash and cash equivalents	377,422	(873,614)
Cash and cash equivalents at beginning of period	2,240,114	3,113,728
Cash and cash equivalents at end of period	**$ 2,617,536**	**2,240,114**

Rich Development Construction Co., Ltd. and subsidiaries
Notes to the Consolidated Financial Statements
2023 and 2022
(Expressed in Thousands of New Taiwan Dollars, Unless Otherwise Specified)

1. Company History

Rich Development Construction Co., Ltd. (the "Company") was incorporated on July 30, 1992 under the approval of Ministry of Economic Affairs. The address of its registered office is 8th Floor, No. 99 Jilin Road, Taipei City. The Company and its subsidiaries (collectively referred herein as the "Group") are primarily engaged in the construction, leasing and sale of commercial buildings and public housing constructed by construction contractors. Item Wastewater treatment plant construction and operation of wastewater treatment projects; Operating tourist hotels, travel agency operations and other related businesses. Please refer to Note 14.

2. Date and Procedures of Approval of the Financial Reports

The consolidated financial statements were approved by the Company's board of directors and authorized for issue on March 15, 2024.

3. APPLICATION OF NEW, AMENDED AND REVISED STANDARDS AND INTERPRETATIONS

(1) Effect of the adoption of new and amended standards and interpretations endorsed by the Financial Supervisory Commission

The Group applied the following new amendments to International Financial Reporting Standards from January 1, 2023, which did not have a significant impact on its consolidated financial statements.

Amendments to International Accounting Standards "Disclosure of Accounting Policies"
Amendments to International Accounting Standards "Definition of Accounting Estimates"
Amendments to International Accounting Standards "Deferred income tax Related to Assets and Liabilities Arising from a Single Transaction"

The Group applied the following new amendments to International Financial Reporting Standards from May 23, 2023, which did not have a significant impact on its consolidated financial statements.

Amendment to International Accounting Standards No. 12 "Model Rules for the Two Supports of International Tax Reform"–

(2) Effect of the Financial Supervisory Commission-endorsed International Financial Reporting Standards not yet adopted

The Group assesses that the application of the following new amendments to International Financial Reporting Standards effective January 1, 2024 will not have a material impact on the consolidated financial statements.

Amendments to International Accounting Standards No. 1 "Classification of Current or Non-current of Liabilities"

Amendments to International Accounting Standards No. 1 "The amendment to Non-current liabilities with the contract clause"

Amendments to International Accounting Standards and International Financial Reporting Standards "Supplier Financing Arrangements"

Amendments to International Financial Reporting Standards "Leases in Sale and Leaseback Liabilities"

(3) New and amended standards and interpretations not yet endorsed by the Financial Supervisory Commission

The Group does not expect the following new and amended standards, which have yet to be endorsed by the FSC, to have a significant impact on its consolidated financial statements:

Amendments to International Financial Reporting Standards No. 10 and International Accounting Standards No. twenty-eight "Sale or Contribution of Assets between an Investor and its Associate or Joint Venture"

Amendments to International Financial Reporting Standards "Insurance Contracts" and International Financial Reporting Standards "Insurance Contracts"

Amendments to International Financial Reporting Standards "Initial Application of IFRS 17 and IFRS 9 Comparative Information"

Amendment to International Accounting Standards No. twenty-one "Lack of marketability"

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(1) Statement of compliance

These consolidated financial statements have been prepared in accordance with Regulations Governing the Preparation of Financial Reports by Securities Issuers. ("the Regulations") and the Financial Supervisory Commission endorsed and issued into effect by the FSC, International Financial Reporting Standards , International Accounting Standards , IFRIC Interpretations, and Statement on Internal Control (SIC) ("the Financial Supervisory Commission endorsed by the FSC).

(2) Basis of preparation

1. Basis of measurement

The consolidated financial statements have been prepared on the historical cost basis except for the following material Assets Liabilities-based Item:

(1) Financial assets at fair value through profit or loss under Fair value Assets;

(2) According to Fair value through Other comprehensive income, use the Fair value financial Assets.

(3) The net defined benefit Liabilities (or Assets) is based on the fair value of the retirement Funds Assets less the present value of the defined benefit obligation.

2. Functional and presentation currency

The functional currency of each Group entity is determined based on the primary economic environment in which the entity operates. The consolidated financial statements are presented in New Taiwan Dollars (NTD), which is the Company's functional currency. All financial information presented in New Taiwan Dollar has been rounded to the nearest thousand.

(3) Basis of consolidation

1. Principle of preparation of the consolidated financial statements

The consolidated financial statements comprise the Company and subsidiaries. Subsidiaries are entities controlled by the Group. The Group 'controls' an entity when

it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases. Intragroup balances and transactions, and any unrealized income and expenses arising from Intragroup transactions are eliminated in preparing the consolidated financial statements. The Group attributes the profit or loss and each component of other comprehensive income of total to the owners of the parent and to Non-controlling interests, even if Non-controlling interests has become deficit balance.

The Group prepares consolidated financial statements using uniform accounting policies for like transactions and other events in similar circumstances.

Changes in the Group’ s ownership interest in a subsidiary that do not result in a loss of control are accounted for as Equity transactions. Any difference between the amount by which the fair value of the consideration paid or received is adjusted in accordance with Non-controlling interests is recognized directly in Equity and attributed to owners of the Company.

2. Subsidiaries included in the consolidated financial statements

Subsidiaries included in the consolidated financial statements:

Investment company Company Name	Name of Subsidiary	Main business activities	Ownership (%) 2023.12.31	Ownership (%) 2022.12.31	Explanation
The Company	Power Crane Investment Ltd.	Investment in various production and financial businesses	100.00	100.00	An investee company in which the Company directly holds more than 50% of its ordinary shares
The Company	Green Forest Development Enterprise Co., Ltd	Water treatment engineering, piping engineering, and waste (sewage) water treatment	30.00	30.00	An investee company in which total holds more than 50% shares
The Company	Grain Forest Green Energy Co., Ltd.	Renewable energy generation business	30.00	30.00	An investee company in which total holds more than 50% shares
The Company	Rich Forest Leisure Development Co., Ltd.	Construction and operation of an Airbus cable car	52.38	52.38	An investee company in which the Company directly holds more than 50% of its ordinary shares
The Company	The Westin Yilan Resort	General hotel management	42.23	42.23	The Company is the largest shareholder
The Company	Yilan Lealea Development Ltd.	General hotel management	63.59	63.59	An investee company in which the Company directly holds more than 50% of its ordinary shares
The Company	Ho Ching Enterprises Co., Ltd.	Waste cleaning, waste treatment, environmental inspection services	68.44	68.44	An investee company in which the Company directly holds more than 50% of its ordinary

		Waste sewage treatment			shares
The Company	Forest Water Environmental Eng'g Co., Ltd.	Environmental protection engineering and industrial wastewater treatment engineering	1.13	1.17	An investee company in which total holds more than 50% shares
The Company	Eminence Water Corporation	Water treatment engineering and reclaimed water treatment	10.00	-	An investee company in which total holds more than 50% of its shares (Note 3)
The Company	Lea Ching Enterprise Co., Ltd.	General hotel management	54.67	54.67	An investee company in which the Company directly holds more than 50% of its ordinary shares
The Company	Re-Use Environmental Co., Ltd.	Waste disposal and other businesses	43.49	43.49	An investee company in which total holds more than 50% shares
The Company	Lealea Hotels & Resorts Co., Ltd.	General hotel management	61.35	57.17	An investee company in which the Company directly holds more than 50% of its ordinary shares
Power Crane Investment Ltd.	BLOSSOM INCREASE LIMITED	Investment in various production and financial businesses	100.00	100.00	An investee company in which total holds more than 50% shares
Power Crane Investment Ltd.	Ho Ching Enterprises Co., Ltd.	Waste cleaning, waste treatment, environmental inspection services, waste sewage treatment	0.14	0.14	An investee company in which total holds more than 50% shares

Power Crane Investment Ltd.	Rich Forest Leisure Development Co., Ltd.	Construction and operation of an Airbus cable car	3.98	3.98	An investee company in which total holds more than 50% shares
Power Crane Investment Ltd.	Forest Water Environmental Eng'g Co., Ltd.	Environmental protection engineering and industrial wastewater treatment engineering	-	0.06	An investee company in which total holds more than 50% shares

Investment company Company Name	Name of Subsidiary	Main business activities	Ownership (%) 2023.12.31	Ownership (%) 2022.12.31	Explanation
Power Crane Investment Ltd.	The Westin Yilan Resort	General hotel management	3.98	3.98	The Company is the largest shareholder
Power Crane Investment Ltd.	Lealea Hotels & Resorts Co., Ltd.	General hotel management	-	4.18	An investee company in which total holds more than 50% shares
The Westin Yilan Resort	Yilan Lili Development Co., Ltd.	General hotel management	36.41	36.41	An investee company in which total holds more than 50% shares
The Westin Yilan Resort	Lea Ching Enterprise Co., Ltd.	General hotel management	38.66	38.66	An investee company in which total holds more than 50% shares
Ho Ching Enterprises Co., Ltd.	Forest Water Environmental Eng'g Co., Ltd.	Environmental protection engineering and industrial wastewater treatment engineering	66.87	65.77	An investee company in which total holds more than 50% shares
Forest Water Environmental Eng'g Co., Ltd.	Green Forest Development Enterprise Co., Ltd	Wastewater treatment engineering Water treatment engineering, piping engineering, and wastewater (sewage) treatment	70.00	70.00	An investee company in which total holds more than 50% shares
Forest Water Environmental Eng'g Co., Ltd.	Orient Forest Development Enterprise Co., Ltd.	Water treatment engineering, piping engineering, and waste (sewage) water treatment	100.00	100.00	An investee company in which total holds more than 50% shares
Forest Water Environmental Eng'g Co., Ltd.	Perfection Forest Development Enterprise Co., Ltd.	Water treatment engineering, piping engineering, and waste (sewage) water	100.00	100.00	An investee company in which total holds more than 50% shares

Investment company Company Name	Name of Subsidiary	Main business activities	Ownership (%) 2023.12.31	Ownership (%) 2022.12.31	Explanation
		treatment			
Forest Water Environmental Eng'g Co., Ltd.	Eminence Water Corporation	Water treatment engineering and reclaimed water treatment	70.00	-	An investee company in which total holds more than 50% of its shares (Note 3)
Forest Water Environmental Eng'g Co., Ltd.	Easy Development Co., Ltd.	Waste disposal and other businesses	100.00	100.00	An investee company in which total holds more than 50% shares
Forest Water Environmental Eng'g Co., Ltd.	Grain Forest Green Energy Co., Ltd.	Renewable energy generation business	70.00	70.00	An investee company in which total holds more than 50% shares
Forest Water Environmental Eng'g Co., Ltd.	Eastern Forest Environmental Technology Co., Ltd.	Environmental hygiene and pollution prevention	70.00	70.00	An investee company in which total holds more than 50% shares
Forest Water Environmental Eng'g Co., Ltd.	Re-Use Environmental Co., Ltd.	Waste disposal and other businesses	50.41	50.41	An investee company in which total holds more than 50% shares
Forest Water Environmental Eng'g Co., Ltd.	Lea-Lea-Hsing Environmental Protection Ltd.	Waste disposal and other businesses	100.00	100.00	An investee company in which total holds more than 50% shares
Forest Water Environmental Eng'g Co., Ltd.	Modern Rich Investment Limited	Investment in various production and financial businesses	100.00	100.00	An investee company in which total holds more than 50% shares
Forest Water Environmental Eng'g Co., Ltd.	Lea Environmental Enterprise Co., Ltd.	Waste disposal and other businesses	95.00	95.00	An investee company in which total holds more than 50% shares
Eastern Forest Environmental	Bigwing Investment Limited	Investment in various production and	-	100.00	Investee of which total holds more than 50% of

Investment company Company Name	Name of Subsidiary	Main business activities	Ownership (%) 2023.12.31	Ownership (%) 2022.12.31	Explanation
Technology Co., Ltd.		financial businesses			its shares (Note 2)

Investment company Company Name	Name of Subsidiary	Main business activities	Ownership (%) 2023.12.31	Ownership (%) 2022.12.31	Explanation
Modern Rich Investment Limited	Faith Honest International Investment Limited	Investment in various production and financial businesses	100.00	-	An investee company in which total holds more than 50% shares
Bigwing Investment Limited	Forest Water Environmental Eng'g Co., Ltd.	Investment in various production and financial businesses	-	100.00	Investee of which total holds more than 50% of its shares (Note 2)
Forest Water Environmental Eng'g Co., Ltd.	Beijing Shanlin Water Environment Technology Co., Ltd.	Environmental hygiene and pollution prevention	-	70.00	Investee of which total holds more than 50% of its shares (Note 1)
Lealea Hotels & Resorts Co., Ltd.	Lealea Eagle Travel Service Co., Ltd.	Travel business operations, etc.	100.00	100.00	An investee company in which total holds more than 50% shares
Lealea Hotels & Resorts Co., Ltd.	Lealea Mingchih Resort Co., Ltd.	Operation of general hotels	51.00	51.00	An investee company in which total holds more than 50% shares

Note 1: The subsidiary was dissolved and liquidated by the shareholders' meeting of Resolution in April 2022, and the cancelation of registration was completed in April 2023, and the liquidation price of US $85 thousand was returned.

Note 2: The subsidiary was deregistered in June 2023, and the relevant deregistration procedures have been completed.

Note 3: The subsidiary was established in December 2023, and the relevant registration procedures have been completed.

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

(4) Foreign currency

1. Foreign currency transactions

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. At the end of each subsequent reporting period (hereinafter referred to as the reporting date), monetary items

Investment company Company Name	Name of Subsidiary	Main business activities	Ownership (%) 2023.12.31	Ownership (%) 2022.12.31	Explanation

denominated in foreign currencies Item are translated into the functional currencies using the exchange rate at that date. Fair value non-monetary assets and liabilities denominated in foreign currencies Item are translated into the functional currencies using the exchange rate at the date that the fair value was determined. Non-monetary assets and liabilities denominated in foreign currencies that are measured based on historical cost are translated using the exchange rate at the date of the transaction.

Foreign currency exchange differences arising from conversion are generally recognized in profit or loss, but the following conditions are recognized in Other comprehensive income:

(1) an Equity instrument designated as Other comprehensive income as Fair value;

(2) Hedges of net investments in foreign operations designated as Liabilities to the extent that the hedge is effective; Or

(3) qualifying Cash flow hedges to the extent that the hedge is effective.

2. Foreign operations

Assets and Liabilities of foreign operations, including Goodwill and fair value adjustments arising on acquisition, are translated into the functional currency at the exchange rates at the reporting date. The resulting currency translation differences are recognized in Other comprehensive income.

When a foreign operation is disposed of such that 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 as part of the gain or loss on disposal. When the Group disposes of only part of its interest in a subsidiary that includes a foreign operation while retaining control, the relevant proportion of the cumulative amount is reattributed to Non-controlling interests. When the Company disposes of only part of its investment in an associate or joint venture that includes a foreign operation while retaining significant influence or joint control, the relevant proportion of the cumulative amount is reclassified 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 the foreign operation are recognized in Other comprehensive income.

(5) Classification of current and non-current between Assets and Liabilities

The Group is mainly engaged in the contracting business of construction and civil engineering, and its business cycle is usually longer than one year. The Assets and Liabilities related to construction projects are classified as current and non-current according to the business cycle of 3 to 5 years; The classification criteria for current and non-current of other Assets and Liabilities accounts are as follows:

Assets that meets one of the following conditions is listed as Current assets, and all Other Assets that is not Current assets is listed as Non-current assets:

1. The Group expects to realize the Assets in its normal operating cycle (construction and engineering construction business is usually longer than one year), or intends to sell or consume it;

2. holds the Assets primarily for the purpose of trading;

3. The Group expects to realize the Assets within twelve months after the reporting period; Or

4. The Assets is cash or Cash equivalents, unless the Assets is restricted from being exchanged or used to settle Liabilities for at least 12 months after the reporting period.

Liabilities that meets one of the following conditions is listed as Current liabilities, and all Other Liabilities that is not Current liabilities is listed as Non-current liabilities:

1. It is expected to settle the Liabilities in the normal operating cycle of the Group (construction and engineering construction business is usually longer than one year);

2. holds the Liabilities primarily for the purpose of trading;

3. The Liabilities is due to be settled within twelve months after the reporting period; Or

4. Liabilities does not have an unconditional right to defer settlement of the

liability for at least twelve months after the reporting period. Terms of Liabilities that could, at the option of the counterparty, result in its settlement by the issue of Equity instruments do not affect its classification.

(6) Cash and cash equivalents

Cash comprises Cash on hand and demand deposits. Cash equivalents is a short-term, highly liquid investment that is readily convertible to known amounts of cash and is subject to an insignificant risk of changes in value. Time deposits which meet the above definition and are held for the purpose of meeting short-term cash commitments rather than for investment or Other purposes should be recognized as Cash equivalents.

(7) Financial instruments

Accounts receivable and debt securities issued are initially recognized when they are originated. All Other Financial Assets and Liabilities are initially recognized when the Group becomes a party to the contractual provisions of the instrument. Fair value’ s Assets (except for Accounts receivable, which does not contain a significant financing component) or Liabilities are initially measured at fair value plus transaction costs that are directly attributable to the acquisition or issue. Accounts receivable, which does not contain a significant financing component, is initially measured at the transaction price.

1. Finance Assets

All regular way purchases or sales of Assets are recognized and derecognized on a trade date basis.

On initial recognition, the Assets was classified as: measured at amortized cost Assets, investments in debt instruments at Fair value through Other comprehensive income, investments in Equity through Other comprehensive income, or Assets through profit or loss. The Group shall reclassify all affected Assets financial assets on the first day of the first reporting period only when it changes its business model for managing its financial assets.

(1) Assets Financial assets measured at amortized cost

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

Assets is held within a business model whose objective is to hold assets to collect contractual cash flows.

Assets' s 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 subsequently measures the cumulative amortization using the effective interest method and adjusted for any loss allowance at the amortized cost. Interest revenue, foreign exchange gains and losses, and Impairment loss are recognized in profit or loss. Any gain or loss on derecognition is recognized in profit or loss.

(2) Through Other comprehensive income under Fair value' s Finance Assets

A debt investment is measured at Fair value through Other comprehensive income if it meets both of the following conditions and is not designated as at FVTPL:

The objective of the Company' s business model is achieved both by collecting contractual cash flows and selling financial assets; and

Assets' s contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition of an investment in an equity instrument under Equity that is not held for trading, the Group may irrevocably elect to present subsequent changes in the investment' s fair value in Other comprehensive income. This election is made on an instrument-by-instrument basis.

Debt investments at FVOCI are subsequently accounted for under Fair value. Interest revenue, foreign currency exchange gains and losses and Impairment loss calculated by the

effective interest method are recognized in profit or loss, and the remaining 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.

Investors that belong to Equity tools follow Fair value. Dividend revenue is recognized in profit or loss unless it 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.

Equity’ s investment in Dividend revenue is recognized on the date when the Group’ s right to receive the dividends is established (usually the ex-dividend date).

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

Other comprehensive income and Fair value-related financial instruments that are not measured at amortized cost or Fair value are measured at fair value through profit or loss. On initial recognition, the Group may irrevocably designate a financial asset, which meets the requirements to be measured at amortized cost or Other comprehensive income with Fair value-based Assets, as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Assets is subsequently accounted for under Fair value and its net gain or loss (including any dividends and Interest revenue) is recognized in profit or loss.

(4) Impairment of Assets

The Group recognizes loss allowances for expected credit losses (ECL) on financial assets measured at amortized cost including Assets (including Cash and cash equivalents, Assets, Notes receivable and Accounts receivable, Other receivables, Guarantee deposits paid and Other), debt investments measured at Fair value and contract assets measured at Assets through Other comprehensive income.

The Group measures loss allowances at an amount equal to lifetime expected credit loss (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

Credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) of Other and Cash in banks has not increased significantly since initial recognition.

Loss allowance for Accounts receivable and Assets are always measured at an amount equal to lifetime ECL.

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

The Group considers a debt security to have low credit risk when its credit risk rating is equivalent to the globally understood definition of ‘investment grade which is considered to be BBB-or higher per Standard & Poor’s, Baa3 or higher per Moody’s or TWA or higher per Taiwan Ratings’.-

The Group assumes that the credit risk on a financial asset has increased significantly if it is more than 121 days past due under Assets.

The Group considers a financial instrument to be in default when the financial instrument

is more than 271 days past due or the debtor is unlikely to pay its credit obligations to the Group in full.

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 that result 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 Group 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 Group in accordance with the contract and the cash flows that the Group expects to receive). ECLs are discounted at the effective interest rate of Assets.

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

significant financial difficulty of the borrower or issuer;

·Default, such as delay or overdue for more than 271 days;

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;

The borrower is likely to file for bankruptcy or conduct financial restructuring of Other; Or

The disappearance of an active market for a security because of financial difficulties.

Loss allowances for financial assets measured at amortized cost of Assets are deducted from the gross carrying amount of Assets. For debt securities at FVOCI, the loss allowance is charge to profit or loss and is recognized in Other comprehensive income in accordance with Fair value, without reducing the carrying amount of Assets.

The gross carrying amount of a financial Assets is written off when the Group has no reasonable expectations of recovering a financial Assets in its entirety or a portion thereof. For individual customers, the Group has a policy of writing off the gross carrying amount when Assets is 271 days past due based on historical experience of recoveries similar to those under Assets. For corporate customers, the Group individually makes an assessment with respect to the timing and amount of write-off based on whether there is a reasonable expectation of recovery. The Group expects no significant recovery from the amount written off. However, the write-off Assets is still enforceable in order to comply with the Group’ s procedures for recovery of amounts due. Based on their experience, the overdue amount will not be recovered from corporate customers after 271 days.

(5) Derecognition of Assets

The Group derecognizes a financial Assets when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial

asset are transferred or in which the Group neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

The Group enters into transactions whereby it transfers assets recognized in its statement of Assets, but retains either all or substantially all of the risks and rewards of the transferred assets. In these cases, the transferred assets are not derecognized. VIVOTEK INC. AND SUBSIDIARIES Notes to the Consolidated Financial Statements Assets Liabilities

2. Financial Liabilities and Equity instruments

(1) Classification of Liabilities or Equity

Debt and Equity instruments issued by the Group are classified as either Liabilities or Equity in accordance with the substance of the contractual arrangements and the definitions of a financial Liabilities and Equity instrument.

(2) Equity Transaction

Equity tool refers to any contract that recognizes the remaining Equity after the deduction of all Liabilities from Assets. The Equity instrument issued by the Group is recognized at the proceeds received, net of direct issue costs.

(3) Treasury shares

When buying back the Equity instruments recognized by the Company, the consideration paid (including directly attributable costs) is recognized as a decrease in Equity. Repurchased shares are classified as Treasury shares. When Treasury shares is 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 Capital surplus is not sufficient to be written down).

(4) Finance Liabilities

Liabilities is classified as amortized cost or Fair value through profit and loss. Liabilities 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. Fair value Financial Instruments: Recognition and Measurement Liabilities requires net gains and losses, including any of Interest expense, to be recognized in profit or loss.

Other Financial Liabilities is 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 Liabilities

The Group derecognizes Liabilities when its contractual obligations are discharged or canceled, or expire. The Company also derecognizes Liabilities when its terms are modified and the cash flows of the modified Liabilities are substantially different, in which case a new Liabilities based on the modified terms is recognized at fair value.

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

(6) Offsetting of financial Assets and Liabilities

Assets and Liabilities are presented on a net basis in the table of Assets Liabilities only when the Group currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realize the asset and settle the liability simultaneously.

(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 contract liabilities are measured initially at their fair values and, if not designated as at FVTPL under Fair value and do not arise from a transfer of an asset, are measured subsequently at the higher of: (a) the amount of the loss allowance determined in accordance with International Financial Reporting Standards 9; the amount initially recognized less, where appropriate, the cumulative amount of income recognized in accordance with the revenue recognition policies set out below.

(8) Inventories

The original cost of Inventories is the necessary expenses incurred to bring Inventories to the place where it is available for sale. The cost of real estate development includes the construction cost, Land, cost, borrowing cost and project expense incurred during the development period. Upon completion, Construction in progress was transferred to Buildings and land held for sale, and the proportion of sales to the cost of real estate development was transferred to Operating costs. Subsequently, it is measured at the lower of cost and net realizable value. When the cost of Inventories is higher than the net realizable value, the cost should be reduced to the net realizable value, and the amount of the reduction should be recognized as Cost of sales in the current period. The net realizable value is determined as follows:

1. Land held for construction site: The net realizable value is calculated based on the replacement cost or estimated selling price (based on the current market conditions) less estimated selling expenses.

2. Construction in progress: Net realizable value is the estimated selling price (based on the current market condition) in the ordinary course of business, less the estimated costs of completion and selling expenses, or estimated by recent market value.

3. Buildings and land held for sale: Net realizable value is the estimated selling price (based on the current market condition) in the ordinary course of business, less the estimated costs necessary to make the sale.

4. Merchandise inventory

Inventories is measured at the lower of cost and net realizable value. The cost of inventories is calculated using the weighted average method, and includes expenditure incurred in acquiring the inventories, production or conversion costs, and other costs incurred in bringing them to their existing location and condition. The cost of Finished goods and Work in progress Inventories includes an appropriate share of production overheads based on normal operating capacity.

Net realizable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

(9) Service Concession Agreements

1. Recognition and measurement

The Group (the operator) and the government (the grantor) entered into the Franchise agreement for the public and private services that meet the following conditions, which is handled in accordance with IFRIC 12 "Service Franchise Agreement":

(a) the Grantor controls or regulates what services, service objects and service prices should be provided by the infrastructure;

(b) the Grantor, through its ownership, beneficiary rights or Other, controls any significant remaining Equity of the infrastructure at the end of the term of the Service Agreement.

The consideration received or receivable in respect of the construction or upgrade services provided by the Group should be recognized at fair value under Assets or Intangible assets. The Group recognizes a financial Assets only to the extent that it has an unconditional contractual right to receive cash or another financial Assets from or at the direction of the grantor for the construction services. Assets Please refer to Note 4 (g) "Financial Instruments" for accounting policies. Intangible assets is recognized to the extent that the Group receives a right (license) to charge users of the public service. A right to charge users of the public service is not an unconditional right to receive cash because the amounts are contingent on the extent that the public uses the service. Intangible assets (Franchise) Please refer to Note 4 (14) "Intangible assets" for accounting policies.

If the part of the payment received by the consolidated company from the provision of construction services is a financial Assets, and the part is a Intangible assets, each component of the consideration must be treated separately. The two components of the consideration received or receivable shall be recognized at the fair value of the consideration received or receivable at the time of initial recognition.

2. Construction or upgrade services

The Group follows the guidance of International Financial Reporting Standards 15 to account for revenue and costs relating to construction or upgrade services, see Note 4 (17) "Revenue recognition".

3. Operation Services

Please refer to Note 4 (17) "Revenue recognition" for the Group's revenue and costs related to operating services in accordance with International Financial Reporting Standards No. 15.

(10) Investments in associates

Associates are those entities in which the Group has significant influence, but not control or joint control, over the financial and operating policies.

The Group adopts Equity to account for its investments in associates. Under Equity, an investment in an associate is initially recognized at cost and includes transaction costs. The carrying amount of the investment in associates includes Goodwill identified at the time of the original investment, less any accumulated Impairment loss.

The consolidated financial statements include the Group's share of the profit or loss and Equity of those associates, after adjustments to align their accounting policies with those of the Group, from the date on which significant influence commences until the date on which significant influence ceases. When an associate incurs non-profit or loss and changes in Other comprehensive income's Equity that do not affect the Group's ownership percentage of the associate, the Group recognizes Equity's change in proportion to its ownership interest in the associate as Capital surplus.

Gains and losses resulting from transactions between the Group and an associate are recognized only to the extent of unrelated Group's interests in the associate's Equity.

When the Group's share of losses of an associate equals or exceeds its interest in an associate, Equity, it discontinues recognizing its share of further losses. After the recognized interest is reduced to zero, additional losses are provided for, and a liability is recognized, only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate. Liabilities

(11) Investment property

Investment property is property held either to earn rental income or for capital appreciation or for both, but not for sale in the ordinary course of business, use in the production or supply of goods or services, or for administrative purposes. Investment property

is measured at cost on initial recognition, and subsequently at cost, less accumulated impairment losses under Depreciations. The measurement of Depreciations, the useful life, and the residual value are treated in accordance with Property, plant and equipment.

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

Rental income from investment property is recognized as other revenue on a straight-line basis over the term of the lease. Lease incentives granted are recognized as an integral part of the total rental income, over the term of the lease.

(12) Property, plant and equipment

1. Recognition and measurement

Property, plant and equipment Item is measured at cost (including capitalized borrowing costs) less accumulated Depreciations and any accumulated impairment losses.

If significant components of Property, plant and equipment have different useful lives, they are accounted for as separate Item (major components) of Property, plant and equipment.

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

2. Subsequent cost

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

3. Depreciations

Depreciations is calculated based on the cost of Assets minus the residual value, and the straight-line method is recognized in profit and loss within the estimated useful life of each component.

Depreciations is not recognized for the land.

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

(1) Buildings and structures	10 ~ 50 years
(2) Transportation equipment	3 ～ 6 years
(3) Other Equipment	2 ~ 20 years
(4) Machinery equipment	3 ~ 10 years

The Group reviews Depreciations methods, useful lives and residual values at each reporting date and makes appropriate adjustments when necessary.

4. Reclassification to investment property

A property is reclassified to investment property at its carrying amount when the use

of the property changes from owner-occupied to investment property.

(13) Leases

Service concession arrangements within the scope of IFRIC 12 "Service Franchise Agreements" do not apply to the accounting for leases. The Group assesses whether a contract is, or contains, a lease at the inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified Assets for a period of time in exchange for consideration.

1. Lessee

The Group recognizes a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease under Assets, 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.

Assets is subsequently accounted for Depreciations 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 Group regularly assesses whether the right-of-use Assets is impaired and treats any incurred Impairment loss as well as cooperating to adjust the right-of-use Assets when the lease Liabilities is remeasured.

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

Lease payments included in the measurement of Liabilities comprise the following:

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

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

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

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

Liabilities subsequently accrues interest using the effective interest method, and the amount is measured when the following occurs:

(1) there is a change in future lease payments arising from the change in an index or rate; or

(2) There is a change in the amount of residual value guarantee expected to be paid;

(3) there is a change of its assessment on whether it will exercise a purchase option; or

(4) there is a change of its assessment on whether it will exercise an extension or termination option; or

(5) there is any lease modifications in lease subject, scope of the lease or terms of Other.

there is a change of its assessment on whether it will exercise a purchase, extension or termination option; or there is any lease modifications When the lease is remeasured, other than lease modifications, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or in profit and loss if the carrying amount of the right-of-use asset has been reduced to zero.

When the lease liability is remeasured to reflect the partial or full termination of the lease for lease modifications that decrease the scope of the lease, the Group accounts for the remeasurement of the lease liability by decreasing the carrying amount of the right-of-

use asset Assets to reflect the partial or full termination of the lease, and recognize in profit or loss any gain or loss relating to the partial or full termination of the lease.

The Group presents right-of-use assets that do not meet the definition of investment Assets and lease liabilities as a separate line item respectively in the statement of Assets Liabilities. Item

If an arrangement contains lease and non-lease components, the Group allocates the consideration in the contract to each lease component on the basis of their relative stand-alone prices. However, for the leases of land and buildings in which it is a lessee, the Group has elected not to separate non-lease components and account for the lease and non-lease components as a single lease component.

The Group has elected not to recognize the right-of-use assets and lease liabilities of Assets for short-term leases and leases of low-value assets. The Group recognizes the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

As a practical expedient, the Group elects not to assess whether all rent concessions that meets all the following conditions are lease modifications or not:

(1) the rent concessions occurring as a direct consequence of the COVID-19 pandemic;

(2) the change in lease payments that resulted in revised consideration for the lease that is substantially the same as, or less than, the consideration for the lease immediately preceding the change;

(3) Any reduction in lease payments affects only payments originally due on or before June 30, 2021; and

(4) there is no substantive change in the terms and conditions of Other to the lease.

In accordance with the practical expedient, the effect of the change in the lease liability is reflected in profit or loss in the period in which the event or condition that triggers the rent concession occurs.

2. Lessor

When the Group acts as a lessor, it determines at lease commencement whether each lease is a finance lease or an operating lease. To classify each lease, the Group makes an overall assessment of whether the lease transfers to the lessee substantially all of the risks and rewards of ownership incidental to ownership of the underlying asset, Assets. If this is the case, then the lease is a finance lease; if not, then the lease is an operating lease. As part of this assessment, the Group considers certain indicators such as whether the lease is for the major part of the economic life of Assets.

When the Group is an intermediate lessor, it accounts for its interests in the head lease and the sub-lease separately. It assesses the lease classification of a sub-lease with reference to the right-of-use asset arising from the head lease, Assets. If a head lease is a short-term lease to which the Group applies the exemption described above, then it classifies the sub-lease as an operating lease.

If an arrangement contains lease and non-lease components, the Group applies International Financial Reporting Standards requirements to allocate the consideration in the contract.

The Group recognizes lease payments received under operating leases as Rent income on a straight-line basis over the lease term.

(14) Intangible assets

1. Recognition and measurement

Goodwill arising from the acquisition of subsidiaries is measured at cost less accumulated impairment losses. The carrying amount of Investments accounted for using equity method is included in the carrying amount of the investment and Impairment loss is not allocated to Goodwill and any of Assets as part of the carrying amount of Investments accounted for using equity method.

Other Intangible assets is measured at cost less accumulated amortization and any accumulated impairment losses.

2. Franchise

Intangible assets is recognized to the extent that the Group receives a right (license) to charge users of the public service. They are initially recognized at cost and subsequently measured at cost less accumulated amortization and accumulated impairment losses under Impairment loss.

3. Business rights

The identifiable Intangible assets generated by the acquisition of subsidiaries is the legal right of the Group to obtain a waste disposal agency license. Please refer to note 6 (j) for the measurement of initial recognition.

4. Subsequent expenditure

Subsequent expenditure is capitalized only when it increases the future economic benefits embodied in the specific Assets to which it relates. All Other expenditure, including expenditure on internally developed Goodwill and brands, is recognized in profit or loss as incurred.

5. Amortization

Amortization Amortization is calculated over the cost of Assets, 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 of Franchise are from the date that subsidiaries are acquired to the date that Franchise ceases.

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

(1) Other intangible assets, net (Computer software): 3 ~ 5 years

(2) Business right: 13 to 25 years

(3) Patents and trademarks: 8 years

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

(15) Impairment of non-financial Assets

At each reporting date, the Group reviews the carrying amounts of its non-financial assets (other than Assets) to determine whether there is any indication of impairment. If any such indication exists, then the recoverable amount of Assets is estimated. Goodwill is tested annually for impairment.

For impairment testing, cash inflows that are largely independent of Other’ s cash inflows from Assets or the Assets group are treated as the smallest identifiable Assets group. Goodwill, acquired in a business combination, is allocated to each cash-generating unit or group of cash-generating units that is expected to benefit from the synergies of the combination.

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

CGU.

If the recoverable amount of an individual Assets or cash-generating unit is less than the carrying amount, it is recognized as Impairment loss.

Impairment loss is recognized immediately in profit or loss, and first reduces the carrying amount of the cash-generating unit's amortized Goodwill, and then reduces the carrying amount of each Assets in proportion to the carrying amount of each Other in the unit.

Goodwill Impairment loss will not be reversed. Goodwill and non-financial Assets will only be reversed if it does not exceed the carrying amount (less Depreciations or amortization) determined when Assets did not recognize the Impairment loss in the previous year.

(16) Liabilities Provision

A provision in Liabilities is recognized if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions for Liabilities 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 Liabilities. The unwinding of the discount is recognized as a finance cost in Interest expense.

1. Warranties

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

2. Onerous contracts

A provision for Liabilities onerous contracts is recognized when the Group expects the unavoidable costs of performing the obligations under a contract exceed the economic benefits expected to be received under the contract. The provision in Liabilities is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract. Before a provision is established for the onerous contract in Liabilities, the Group recognizes all of the Impairment loss related to the contract.

3. RESTORATION COSTS

A provision in Liabilities is recognized if, as a result of a past service concession arrangement, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions for Liabilities 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 Liabilities. The unwinding of the discount is recognized as a finance cost in Interest expense.

(17) 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 Group recognizes revenue when it satisfies a performance obligation by transferring control of a good or a service to a customer. The accounting policies for the Group’ s main types of revenue are explained below under Item:

(1) Land development and sale of real estate

The Group develops and sells residential properties and usually sales properties in advance during construction or before construction begins. Revenue is recognized when control over the properties has been transferred to the customer. The properties have generally no Other use for the Group due to contractual restrictions. However, an enforceable right to payment does not arise until legal title of a property has passed to the customer. Therefore, revenue is recognized at a point in time when the legal title has passed to the customer.

The revenue is measured at the transaction price agreed under the contract. For sale of readily available house, in most cases, the consideration is due when legal title of a property has been transferred. While deferred payment terms may be agreed in rare circumstances, the deferral never exceeds twelve months. The transaction price is therefore not adjusted for the effects of a significant financing component. For pre-selling properties, the consideration is

usually received by installment during the period from contract inception until the transfer of properties to the customer. If the contract includes a significant financing component, the transaction price will be adjusted for the effects of the time value of money during the period, using the specific borrowing rate of the construction project. Receipt of a prepayment from a customer is recognized under Liabilities. When adjusting the effect of the time value of money, the Group recognizes this amount in Interest expense and Liabilities. Accumulated amount of contract Liabilities is recognized as revenue when control over the property has been transferred to the customer.

Certain contracts include multiple deliverables to Item, such as sale of residential properties and a decoration service. The Group accounts for the decoration service as a single performance obligation, and the transaction price is allocated to the decoration service on a relative stand-alone selling price basis. If there is no directly observable price, the stand-alone selling price is estimated based on the expected cost plus a profit. Decoration service revenue is recognized at the time of completion.

(2) Significant financial composition – Advance real estate receipts

The Group's revenue is measured at the transaction price agreed under the contract. For sale of readily available house, in most cases, the consideration is due when legal title of a property has been transferred. While deferred payment terms may be agreed in rare circumstances, the deferral never exceeds twelve months. The Group evaluates whether the contract commitment consideration is different from the current sales price on a contract-by-contract basis and whether the aforementioned advance consideration includes financial factors. The Group's advance consideration is mainly to protect the customer's performance of the contract in order to reduce the re-sale price risk and subsidy caused by the customer's failure to perform the contract, so it is not a significant financial component to obtain financial financing from the customer. The transaction price is therefore not adjusted for the effects of a significant financing component.

(3) Construction contracts

The Group is engaged in the contracting business of public construction. Since Assets is controlled by the customer at the time of construction, the revenue is gradually recognized over time based on the proportion of Cost of engineering sales to the estimated total contract costs incurred so far. Contracts include fixed consideration and variable consideration. The customer pays the fixed amount based on a payment schedule. The variable consideration (such as price adjustment subsidy) is estimated by the expected value based on the accumulated experience in the past. If the Group has recognized revenue, but not issued a bill, then the entitlement to consideration is recognized as a contract under Assets. The Group will transfer the promised amount under Assets to Accounts receivable when the entitlement to payment becomes unconditional.

If the Company cannot reasonably measure its progress towards complete satisfaction of the performance obligation of a construction contract, the Company shall recognize revenue only to the extent of the costs expected to be recovered.

A provision for Liabilities onerous contracts is recognized when the Group expects the unavoidable costs of performing the obligations under a construction contract exceed the economic benefits expected to be received under the contract.

Estimates of revenues, costs or extent of progress toward completion are revised if circumstances change. Any resulting increases or decreases in estimated revenues or costs are reflected in profit or loss in the period in which the circumstances that give rise to the revision become known by management.

The Group provides standard warranties for construction contracts in accordance with agreed-upon specifications and has recognized warranty provisions for this obligation.

(4) Operation contract

The Group provides the operation and maintenance of sewage treatment plant to the county and city government units, and recognizes the income according to the completed quantity of treatment.

(5) Provision of waste disposal services

The Group is engaged in the waste treatment business and recognizes the related revenue during the financial reporting period of providing labor services. For fixed-price contracts, the revenue is recognized at the time when the actual service provided as of the reporting date is fulfilled and the performance obligation is fulfilled.

(6) Sales of recycled pellets

The Group recognizes revenue when control of the recycled pellets is transferred. The control of the products has transferred when the products are delivered to the customer, the customer has full discretion over the price to sell the products, and there is no unfulfilled obligation that could affect the customer's acceptance of the products. Delivery occurs when the products have been shipped to the specific location, the risks have been transferred to the customer, and either the customer has accepted the products in accordance with the sales contract, the acceptance provisions have lapsed, or the Group has objective evidence that all criteria for acceptance have been satisfied.

Accounts receivable is recognized when the goods are delivered as this is the point in time that the Group has a right to an amount of consideration that is unconditional.

(7) Revenue from sale of electricity

The performance obligation of electricity sales is satisfied over time, and the revenue is recognized based on the actual electricity sales volume and rate.

(8) Hotel service income

The Group provides catering, accommodation, management and travel services. 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 Group recognizes revenue when it satisfies a performance obligation by transferring control of a service to a customer. If the services rendered exceed the payment, then Assets should be recognized. If the payments exceed the services rendered, it is recognized as a contract Liabilities.

The Group offers its customers loyalty program points which entitle them to discount on future purchases. The Group considers that the points provide a material right to customers that they would not receive without purchasing services. Therefore, the promise to provide points to the customer is a performance obligation. The Group allocates the transaction price to the services and the points on a relative stand-alone selling price basis. Management estimates the stand-alone selling price per point on the basis of the discount granted when the points are redeemed and on the basis of the likelihood of redemption, based on past experience. The stand-alone selling price at the time of sale is estimated based on the consumption price of the service. The Group recognizes contract revenue of Liabilities at the time of sale based on the above criteria, and transfers the points to revenue when they are redeemed or when they expire.

2. Cost of contracts with customers

(1) Incremental costs of obtaining a contract

The Group recognizes as Assets the incremental costs of obtaining a contract with a

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

(2) Costs to fulfill a contract

If the costs incurred in fulfilling a contract with a customer are not within the scope of Other (International Accounting Standards No. 2 ‘Inventories’’, International Accounting Standards No. 16 ‘Property, plant and equipment’’ or International Accounting Standards No. thirty-eight ‘Intangible assets’’), the Consolidated Company recognizes these costs as Assets only if those costs relate directly to a contract or to an anticipated contract that the Consolidated Company can specifically identify; the costs generate or enhance resources of the Consolidated Company that will be used in satisfying (or in continuing to satisfy) performance obligations in the future; and the costs are expected to be recovered.

General and administrative costs, costs of wasted resources to fulfill the contract that were not reflected in the price of the contract, costs that relate to satisfied performance obligations (or partially satisfied performance obligations), and costs for which the Group cannot distinguish whether the costs relate to unsatisfied performance obligations or to satisfied performance obligations (or partially satisfied performance obligations), the Group recognizes these costs as expenses when incurred.

(18) Employee benefits

1. Defined contribution plan

Obligations for contributions to defined contribution plans are expensed as the related service is provided.

2. Defined benefit plans

The Group’s net obligation in respect of defined benefit plans is calculated separately for each the plan by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets.

The calculation of defined benefit obligations is performed annually by a qualified actuary using the projected unit credit method. When the calculation results in a potential asset for the Group, the recognized Assets is limited to the present value of economic benefits available in the form of any future refunds 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 Liabilities, which comprise actuarial gains

and losses, the return on plan Assets (excluding interest) and the effect of the Assets cap (excluding interest), are recognized immediately in Other comprehensive income and accumulated in Retained earnings. The Group determines the net Liabilities (Assets) Interest expense (revenue) for net defined benefit, using the net defined benefit Liabilities (Assets) and discount rate determined at the beginning of the annual reporting period. The net Interest expense and Other expenses defined benefit plans are recognized in profit or loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognized immediately in profit or loss. The Group recognizes gains and losses on the settlement of a defined benefit plan when the settlement occurs.

3. Short-term employee benefits

Short-term employee benefits are expensed as the related service is provided. A liability is recognized for the amount expected to be paid if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

(19) income tax

income tax includes current and deferred income tax. Except for expenses related to business combinations or recognized directly in Equity or Other comprehensive income Item, all current and deferred income tax are recognized in profit or loss.

The Group has determined that interest and penalties related to income tax, including uncertain tax treatment, do not meet the definition of income tax and therefore accounted for them under International Accounting Standards thirty-seven.

Current income tax includes an estimate of the tax payable to income tax or Tax refund receivable based on taxable profit (loss) for the year and any adjustment to the tax payable to income tax or Tax refund receivable in respect of previous years. The amount of current tax payables or receivables are the best estimate of the tax amount expected to be paid or received that reflects uncertainty related to income taxes, if any. It is measured using tax rates enacted or substantively enacted at the reporting date.

Deferred income tax measures the temporary differences between the carrying amount of Assets and Liabilities on the reporting date and their tax bases. Deferred income tax will not be recognized for the following exceptions:

1. where the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss;

2. temporary differences related to investments in subsidiaries, associates and joint arrangements to the extent that the Group is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and

3. Taxable temporary differences arising from the initial recognition of Goodwill.

income tax is recognized as Deferred tax assets to the extent that it is probable that future taxable profit will be available against which the unused tax losses, unused tax credits, and deductible temporary differences can be utilized. It will be re-evaluated on each reporting day, and the relevant income tax interests will be reduced to the extent that it is not likely to be realized; or to the extent that it becomes probable that sufficient taxable profits will be available to allow the deferred tax asset to be recovered.

Deferred income tax is 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.

The Group offset Deferred tax assets and Deferred tax liabilities only if both of the following conditions are met:

1. Have the legal enforcement power to offset Current tax assets and Current tax liabilities; and

2. Deferred tax assets and Deferred tax liabilities are related to one of the following taxpayers levied by the same Taxes authority on income tax:

(1) the same taxable entity; Or

(2) different taxable entities which intend to settle Deferred tax assets and Assets on a net basis, or to realize Assets and Liabilities at the same time, in each future period in which significant amounts of Deferred tax assets and Deferred tax liabilities are expected to be settled.

The Group adopts the linked-tax system for the accounting treatment of income tax, but the calculation of income tax is still processed in accordance with the aforementioned principles.

(20) Share-based payments Transaction

The grant-date fair value of Equity’ s share of Share-based payments is generally recognized as an expense, with a corresponding increase in Equity, over the vesting period of the awards. The amount recognized as an expense is adjusted to reflect the number of awards for which the related service and non-market performance conditions are expected to be met. The amount ultimately recognized is based on the number of awards that meet the service conditions and non-market vesting conditions on the vesting date.

Non-vesting conditions for Share-based payments rewards have been reflected in the measurement of fair value at the grant date of Share-based payments and there is no true-up for differences between expected and actual outcomes.

The fair value of the amount payable to employees in respect of share appreciation rights, which are settled in cash, is recognized as an expense with a corresponding increase in Liabilities, over the period during which the employees become unconditionally entitled to payment. The Liabilities is remeasured at each reporting date and at settlement date based on the fair value of the share appreciation rights. Any change in the fair value of the share appreciation rights is recognized in profit or loss.

(twenty-one) Earnings per share

The Group presents the basic and Diluted earnings per share attributable to the holders of the Company's common shares, Equity. Basic earnings per share is calculated by dividing the profit and loss attributable to the holders of the Company's common stock Equity by the weighted average number of outstanding Number of ordinary shares in the current period. Diluted earnings per share calculates the profit and loss attributable to the holders of the Company's common share, Equity, and the weighted average number of outstanding shares of Number of ordinary shares, after separately adjusting for the impact of all potential diluted common shares. Dilutive potential ordinary shares comprise convertible bonds and employee stock options.

(twenty-two) Reasons for and impact of accounting changes

The Group completed the assessment of the useful life of the landscape project in 2023. The project was invested and executed in accordance with the "Construction, Operation and Transfer of the Hot Spring Hall of Yuanshan Park in Yilan County (BOT Project)", and accounted for Property, plant and equipment. After assessment, the value of the landscape project was not easily affected by external environmental factors, the Group applied to Yilan County Government to extend the Depreciations life from 10 years to 30 years.

The impact of the above estimates on Depreciation expense is recognized in Operating costs and Operating expenses. The current and future impacts are as follows:

	Year 2023	2024 years	Year 2025	Year 2026	Year 2027	After years
Depreciation expense Increase (decrease)	$ (8,737)	(8,737)	(8,737)	(8,737)	(4,202)	39,150

5. Critical Accounting Judgments and Key Sources of Estimation and Uncertainty

The preparation of the consolidated financial statements in conformity with the Regulations and the IFRSs endorsed by the FSC requires management to make judgments, estimates, and assumptions that affect the application of the accounting policies and the reported amount of revenues and expenses in accordance with the Financial Supervisory Commission and International Financial Reporting Standards . Actual results may differ from these estimates.

The management continues to monitor the accounting estimates and assumptions. The management recognizes any changes in accounting estimates during the period and the impact of those changes in accounting estimates in the following period.

Information about judgments made in applying accounting policies that have the most significant effects on the amounts recognized in the consolidated financial statements is as follows:

(1) Notes 6 (10) and (11), receivables under service concession arrangements and classification of Intangible assets

In accordance with the service concession agreement, the Group determines whether the terms of the agreement conform to the requirements of IFRIC 12, Other, in which the Group unconditionally collects cash or Other Assets from the grantor or at the direction of the grantor, to distinguish the receivables and the classification of Intangible assets.

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment to the carrying amounts of Assets and Liabilities within the next financial year is as follows. Those assumptions and estimation have been updated to reflect the impact of COVID-19 pandemic:

(1) Construction contracts and onerous contracts

The Group's main business is derived from several construction contracts signed with customers that provide design, technology and functions or are closely related or interdependent in terms of the final purpose or use. The contract revenue is recognized over time by reference to the degree of completion of the construction contract, and the degree of completion is measured by the proportion of the contract cost incurred so far in the estimated total contract cost. The Group considers the nature of each project, estimated construction period, project Item, construction process, construction method and estimated contract amount to estimate the total contract cost. Any change in the above estimation basis may result in significant adjustments to the estimated amount.

(2) Evaluation of Inventories

As Inventories is required to measure at the lower of cost and net realizable value, the Group estimates the net realizable value of Inventories at the reporting date based on the future market selling prices and construction costs, which are sensitive to political and economic conditions. Therefore, the net realizable value may change significantly. Please refer to note 6 (e) for the valuation of Inventories.

(3) Impairment assessment of Property, plant and equipment and Intangible assets

In the process of evaluating the potential impairment of Assets, the Group is required to make subjective judgments in determining the independent cash flows, useful lives, expected future income and expenses related to the specific Assets group considering of the nature of the industry. Any changes in these estimates based on changed economic conditions or business strategies and could result in significant impairment charges or reversal in future years. Refer to note 6 (h) and (j) for further description of the key assumptions used to determine the recoverable amount.

6. Item Description of Significant Accounts

(1) Cash and cash equivalents

	2023.12.31	2022.12.31
Petty cash	$ 12,736	10,915
Demand deposits	2,414,584	1,886,178
Check deposits	120,196	193,001

Time deposits	70,020	150,020
Consolidated Statements of Cash Flows-Cash and cash equivalents	**$ 2,617,536**	**2,240,114**

Please refer to note 6 (c) for the exchange rate risk, interest rate risk, and sensitivity analysis of the financial Assets and Liabilities of the Group.

(b) Fair value Financial Assets and Liabilities

		2023.12.31	2022.12.31
Financial assets mandatorily measured at fair value through profit or loss Fair value Assets:			
Non-derivative financial instruments Assets			
Listed stocks (current)	$	117,883	100,271
Emerging stocks (current)		-	396
Beneficiary Certificate – Open-end Funds (Current)		263,559	301,762
Funds (non-current)		17,386	17,522
total	**$**	**398,828**	**419,951**
Financial assets mandatorily measured at fair value through profit or loss Fair value Liabilities:			
Right of redemption and put option of convertible bonds	**$**	**4,590**	**16,200**

1. Please refer to Note 6 (L) twenty-two for the amount of remeasurement at fair value through profit or loss.

2. The consolidated company has disclosed the credit risk and fair value information related to financial instruments in Note 6 (twenty-three).

3. Details of the Group’ s Assets pledged to others as collateral are provided in Note 8.

(c) Other comprehensive income as Fair value’ s Assets

		2023.12.31	2022.12.31
By using Other comprehensive income as Fair value’ s Equity instrument:			
Listed stocks Asia Pacific Telecom Co., Ltd.-	$	-	9,995
Information Technology Total Services Co., Ltd.-		1,672	1,264
the emerging stock market Tianli Offshore Wind Power Technology Co., Ltd.-		151,744	103,305
Unlisted stocks Hongling Heavy Industries Co., Ltd.-		20,906	13,838
Lee Ling Technology Co., Ltd.-		4,040	12,280

Lealea Technology Co., Ltd.-	148,263	80,228
Shin Kong Mitsukoshi Co., Ltd.-	12,388	11,807
Lianda Wushigang Resort Co., Ltd.-	-	99,840
Yung-Fu Co., Ltd.-	10,393	12,502
Asia Renewable Energy (Cayman) Ltd.	92,862	105,827
Lee Cheng Development Co., Ltd.-	1,498	1,508
Hwa Zhin Venture Capital Co., Ltd.-	-	268
Taiya Wind Energy Co., Ltd.-	146,007	-
Tien Sheng Yi Co., Ltd.-	36,699	21,000
total	**$ 626,472**	**473,662**

1. Investments through Other comprehensive income in Fair value’ s Equity instruments

(1) The Group holds these investments in Equity instruments as long-term strategic investments and are not held for trading purposes, which have been designated as Fair value through Other comprehensive income.

(2) Due to the change in the investment strategy in 2023, the Group sold the shares of Lian Da Wu Shi Gang Resort Co., Ltd. and Tianli Offshore Co., Ltd. through Other comprehensive income according to Fair value. The fair value at the time of disposal was NT $150,650, and the accumulated disposal gain was NT $5,392 thousand. Therefore, the accumulated disposal gain was transferred from Other equity interest to Retained earnings. As of December 31, 2023, other receivables of $44,319 thousand (accounted for as Other receivables) have not been received. On December 15, 2023, as a result of the merger of Far EASTONE Telecommunications Co., Ltd. and Asia Pacific Telecom Co., Ltd., Far EASTONE Telecommunications Co., Ltd. exchanged 9.34% of its equity interest in Asia Pacific for Far EASTONE Telecommunications Co., Ltd. in exchange. The fair value of the equity interest in Asia Pacific Telecom Co., Ltd. was $12,240 thousand, and the accumulated loss on disposal was $(19,685) thousand. Therefore, the accumulated gain on disposal mentioned above was transferred from Other equity interest to Retained earnings. The equity interest in Far EASTONE Telecommunications Co., Ltd. after the conversion was recognized as financial assets at Assets under Fair value.

2. For market risk, please refer to note 6 (f).

3. Assets was not pledged as collateral.

(4) Notes receivable and Accounts receivable

	2023.12.31	2022.12.31
Notes receivable From operations-	$ 3,214	5,021
Accounts receivable Measured at amortized cost-	1,610,262	1,501,390
Less: Allowance for impairment loss	(26)	(26)
	$ 1,613,450	**1,506,385**

1. The Group applies the simplified approach to provide for its expected credit losses, i.e. the use of lifetime expected loss provision for all Notes receivable and Accounts receivable. To measure the expected credit losses, these Notes receivable and Accounts receivable have been grouped based on shared credit risk characteristics and the days past due, as well as incorporated forward looking information.

(1) The expected credit losses of Notes receivable and Accounts receivable from government agencies are analyzed as follows:

	2023.12.31		
Aging range	Receivables Carrying	Expected weighted	Allowance duration

	Amount	average Credit loss rate	Expected credit losses
Not past due	**$ 1,072,481**	0.00%	**-**

	2022.12.31		
Aging range	**Receivables Carrying Amount**	**Expected weighted average Credit loss rate**	**Allowance duration Expected credit losses**
Not past due	**$ 1,147,877**	0.00%	**-**

(2) The expected credit losses of Other’ s customers for Notes receivable and Accounts receivable are analyzed as follows:

	2023.12.31		
Aging range	**Receivables Carrying Amount**	**Expected weighted average Credit loss rate**	**Allowance duration Expected credit losses**
Not past due	$ 92,562	0.00%	-
Past due 0 ~ 30 days	363	0.00%	-
Past due 31-360 days	325	0.00%	-
Past due over 361 days	26	100.00%	26
	$ 93,276		**26**

	2022.12.31		
Aging range	**Receivables Carrying Amount**	**Expected weighted average Credit loss rate**	**Allowance duration Expected credit losses**
Not past due	$ 82,066	0.00%	-
Past due 0 ~ 30 days	740	0.00%	-
Past due 31-360 days	154	0.00%	-
Past due over 361 days	26	100.00%	26
	$ 82,986		**26**

(3) The details of Notes receivable and accounts that the Consolidated Company has entered into mediation proceedings or have performance disputes are as follows:

	2023.12.31	**2022.12.31**
Amount in dispute	$ 538,750	367,079
Less: Expected loss (Note)	(91,031)	(91,531)
total	**$ 447,719**	**275,548**

Note: The possible losses are assessed based on the mediation or performance disputes of each project, and are regarded as changes in the estimated contract price, which is accounted for as a deduction of Operating revenue. Please refer to Note 9 for details.

2. The movement in the allowance for accounts receivable of Notes receivable

and Accounts receivable was as follows:

	2023	2022
Equity at end of period (i.e. Equity at beginning of period)	**$ 26**	**26**

As of December 31, 2023 and 2022, Notes receivable and Accounts receivable of the Group have not provided as collateral guarantees.

(5) Inventories

	2023.12.31	2022.12.31
Buildings and land held for sale	$ 2,683,928	1,408,199
Land held for construction site	3,727,312	3,154,028
Construction in progress	7,653,593	10,286,699
Prepayment for land purchases	138,143	220,095
Less: Allowance for valuation loss	(74,926)	(83,677)
	$ 14,128,050	**14,985,344**

1. The details of Operating costs are as follows:

	2023	2022
Cost of real estate sales	$ 2,475,205	1,236,990
Cost of leasing and Depreciations	37,432	36,411
Cost of environmental engineering and sewage treatment	3,060,293	3,656,255
Tourist hotel costs	960,685	666,488
Inventories write-down to net realizable value	(8,751)	(5,842)
	$ 6,524,864	**5,590,302**

As of December 31, 2023 and 2022, Inventories s that are expected to be realized more than 12 months are NT $12,767,310 thousand and NT $12,004,697 thousand, respectively.

For the information on interest capitalization for the years ended December 31, 2023 and 2022, please refer to Note 6 (twenty-two).

Please refer to Note 8 for details of the collateral provided by Inventories for the years ended December 31, 2023 and 2022.

(6) Investments accounted for using equity method

1. Associates

The Group’ s financial information for investments accounted for using the equity method of Equity that are individually insignificant was as follows:

	2023.12.31	2022.12.31
The carrying amount of Equity that is not individually material	**$ 195,224**	**207,180**

	2023	2023
Attributable to the Group:		
Profit from continuing operations (loss)	$ 3,435	(10,171)
Other comprehensive income	(1,850)	1,805

Total gains and losses of total	**$ 1,585**	**(8,366)**

For the years ended December 31, 2023 and 2022, the amounts from Dividends received, an associate, were NT $9,440 thousand and nil thousand, respectively.

3. Howsler Foods Co., Ltd., an associate of the Group, handled Proceeds from issuing shares on September 19, 2023. The Group did not increase its capital in accordance with its shareholding ratio, resulting in a decrease in its shareholding ratio to 15%, lost its significant influence and stopped using the Equity method, so Equity was retained according to Fair value and reported as financial Assets under Fair value. The gain of NT $115 thousand from Fair value was recognized under Other gains and losses. The gain or loss on disposal includes the amount of gains and losses related to the associate previously recognized in Other comprehensive income reclassified to profit or loss.

4. Lealea TIANYING Tourism (Xiamen) Co., Ltd. was dissolved by Resolution as a whole, and the cancelation of registration was completed on August 18, 2023. The Group lost significant influence and stopped using the Equity method, and recovered the remaining property distribution of $146 thousand.

5. On October 17, 2023, Richone Holdings.Ltd., an associate of the Group, reduced its capital by $3,884 thousand through the Board of Directors of Resolution. The legal procedures have been completed, and the above amounts have been received.

6. Guarantee

As of December 31, 2023 and 2022, Investments accounted for using equity method was not pledged as collateral.

(7) Subsidiaries with significant Non-controlling interests

Non-controlling interests, a subsidiary, is material to the Group as follows:

Name of Subsidiary	Principal place of business/ Country of registration	Non-controlling interests Ownership Equity voting rights 2023.12.31	2022.12.31
Ho Ching Enterprises Co., Ltd.	Taiwan	31.42%	31.42%
The Westin Yilan Resort	Taiwan	53.79%	53.79%
Forest Water Environmental Engineering Co., Ltd.	Taiwan	32.00%	33.00%
LEALEA TRAVEL DEVELOPMENT CO., LTD.	Taiwan	38.65%	38.65%

The summarized financial information in respect of the aforementioned subsidiaries is set out below. The financial information has been prepared in accordance with the Financial Supervisory Commission-endorsed International Financial Reporting Standards and adjusted to reflect the differences in accounting policies between the Group and its subsidiaries. Intra-group transactions were not eliminated in this information.

1. Summarized financial information of Ho Ching Enterprises Co., Ltd.:

	2023.12.31	2022.12.31
Current assets	$ 127,927	90,100
Non-current assets	3,985,728	3,606,295
Current liabilities	(91,087)	(1,013)

Non-current liabilities	(240,000)	-
Assets	**$ 3,782,568**	**3,695,382**
Non-controlling interests Carrying Amount at the End of the Period	**$ 1,188,178**	**1,160,792**

	2023	**2022**
Net Profit (loss)	$ 30,380	(176,915)
Other comprehensive income	31,727	(18,956)
Total gains and losses of total	**$ 62,107**	**(195,871)**
Non-controlling interests' s Net Profit (loss)	**$ 9,542**	**(55,572)**
Total profit and loss of Non-controlling interests attributable to total	**$ 19,509**	**(61,527)**
Cash flow from operating activities	$ 445	6,151
Cash flow from investing activities	(396,120)	80,692
Cash flow from financing activities	330,000	(8,000)
Decrease (increase) in Cash and cash equivalents	**$ (65,675)**	**78,843**

2. Summarized financial information of The Westin Yilan Resort:

	2023.12.31	2022.12.31
Current assets	$ 81,532	27,415
Non-current assets	813,438	908,296
Current liabilities	(177,239)	(71,682)
Non-current liabilities	(3,282)	(66,000)
Assets	**$ 714,449**	**798,029**
Unrealized profit from internal transactions	**$ 184,042**	**184,042**
Non-controlling interests Carrying Amount at the End of the Period	**$ 285,309**	**330,266**

	2023	2022
Operating revenue	**$ 83,588**	**84,474**
Net loss	(83,580)	(8,785)
Other comprehensive income	-	-
Total gains and losses of total	**$ (83,580)**	**(8,785)**
Non-controlling interests’ s Net loss	**$ (44,958)**	**(4,725)**
Total profit and loss of Non-controlling interests attributable to total	**$ (44,958)**	**(4,725)**
Unrealized profit attributable to Non-controlling interests	**(98,998)**	**(98,998)**
Cash flow from operating activities	$ 15,186	20,640
Cash flow from investing activities	(67,803)	5,296
Cash flow from financing activities	47,256	(27,060)
Cash and cash equivalents decrease	**$ (5,361)**	**(1,124)**

3. The summarized financial information of Forest Water Environmental Engineering Co., Ltd.:

	2023.12.31	2022.12.31
Current assets	$ 5,250,033	5,052,099
Non-current assets	10,185,882	10,328,489
Current liabilities	(5,601,236)	(4,918,052)
Non-current liabilities	(2,376,144)	(3,519,516)
Non-controlling interests	(1,671,968)	(1,642,101)
Assets	**$ 5,786,567**	**5,300,919**
Non-controlling interests Carrying Amount at the End of the Period	**$ 1,851,812**	**1,749,216**

	2023	2022
Operating revenue	**$ 3,679,679**	**3,922,895**
Net (loss) income	162,409	(168,881)
Other comprehensive income	48,788	(29,007)
Total gains and losses of total	**$ 211,197**	**(197,888)**
Net (loss) income attributable to Non-controlling interests	**$ 13,421**	**(90,086)**
Total profit and loss of Non-controlling interests attributable to total	**$ 30,425**	**(99,744)**
Cash flow from operating activities	$ 566,681	(318,391)
Cash flow from investing activities	(70,310)	(28,267)
Cash flow from financing activities	(68,807)	(425,616)
Effect of exchange rate changes on cash and cash equivalents	352	69
Increase (decrease) in Cash and cash equivalents	**$ 427,916**	**(772,205)**
Dividends paid to Non-controlling interests	**$ -**	**40,460**

4. Summary financial information of LEALEA TRAVEL DEVELOPMENT CO., LTD.:

	2023.12.31	2022.12.31
Current assets	$ 150,855	117,365
Non-current assets	866,255	951,923
Current liabilities	(404,610)	(280,677)
Non-current liabilities	(294,021)	(380,696)
Non-controlling interests	(9,884)	(25,754)
Assets	**$ 308,595**	**382,161**

Non-controlling interests Carrying Amount at the End of the Period	**$ 129,162**	**173,467**

	2023	2022
Operating revenue	**$ 476,868**	**399,785**
Net loss	(74,841)	(48,976)
Other comprehensive income	(16,253)	15,532
Total gains and losses of total	**$ (91,094)**	**(33,444)**
Non-controlling interests’ s Net loss	**$ (38,726)**	**(16,285)**
Total profit and loss of Non-controlling interests attributable to total	**$ (45,007)**	**(18,389)**

Cash flow from operating activities	$ 70,996	75,463
Cash flow from investing activities	(38,967)	6
Cash flow from financing activities	(6,661)	(124,723)
Increase (decrease) in Cash and cash equivalents	**$ 25,368**	**(49,254)**

(8) Property, plant and equipment

The details of changes in the cost of Property, plant and equipment, Depreciations and Impairment loss of the consolidated company in 2023 and 2022 are as follows:

	Land	Buildings and structures	Transportation equipment	Other equipment	Unfinished construction	Total
Cost or deemed cost:						
Balance at January 1, 2023	$ 2,357,455	2,539,256	52,810	398,267	1,831,017	7,178,805
Other additions	-	8,212	1,334	72,713	848,880	931,139
Disposals and obsolescence	-	(40)	(1,627)	(11,865)	-	(13,532)
Transfer in (out)	-	2,344,089	-	22,778	(2,371,985)	(5,118)
Balance at December 31, 2023	**$ 2,357,455**	**4,891,517**	**52,517**	**481,893**	**307,912**	**8,091,294**
Balance at January 1, 2022	$ 2,357,455	2,529,883	51,474	364,921	1,120,558	6,424,291
Other additions	-	9,356	1,219	34,818	704,609	750,002
Disposals and obsolescence	-	(83)	(871)	(6,720)	-	(7,674)
Transfer in (out)	-	100	988	5,248	5,850	12,186
Balance as of December 31, 2022	**$ 2,357,455**	**2,539,256**	**52,810**	**398,267**	**1,831,017**	**7,178,805**
Depreciations and Impairment loss:						
Balance at January 1, 2023	$ -	966,966	40,558	281,040	-	1,288,564
Depreciations	-	159,719	4,080	42,790	-	206,589
Impairment loss	-	-	-	3,091	-	3,091
Disposals and obsolescence	-	(28)	(1,626)	(11,337)	-	(12,991)
Balance at December 31, 2023	**$ -**	**1,126,657**	**43,012**	**315,584**	**-**	**1,485,253**
Balance at January 1, 2022	$ -	841,463	36,581	247,712	-	1,125,756
Depreciations	-	125,606	4,633	38,578	-	168,817
Reclassified	-	(48)	74	(164)	-	(138)
Disposals and obsolescence	-	(55)	(730)	(5,086)	-	(5,871)
Balance as of December 31, 2022	**$ -**	**966,966**	**40,558**	**281,040**	**-**	**1,288,564**
Carrying amounts:						

December 31, 2023	**$ 2,357,455**	**3,764,860**	**9,505**	**166,309**	**307,912**	**6,606,041**
January 1, 2022	**$ 2,357,455**	**1,688,420**	**14,893**	**117,209**	**1,120,558**	**5,298,535**
December 31, 2022	**$ 2,357,455**	**1,572,290**	**12,252**	**117,227**	**1,831,017**	**5,890,241**

1. As at December 31, 2023 and 2022, the unpaid amounts for the construction and decoration projects of the consolidated company for the operation of the hotel are respectively NTD 627,136 thousands and NTD 475,983 thousands, which are accounted for as Other payables.

2. Please refer to Note 6 (F) for the capitalization of interest of the Group in 2023 and 2022.

3. Impairment loss and subsequent reversal

(1) In 2023, the subsidiary, Dongfang Forest Environmental Technology Co., Ltd., was affected by the economic environment, and its operating conditions were not as expected, resulting in losses. The subsidiary performed the impairment assessment of non-financial Assets, and tested the fair value less costs of disposal of Property, plant and equipment as the basis for calculating the recoverable amount. After evaluation, the recoverable amount is estimated to be less than its carrying amount, so Impairment loss recognized NT $3,091 thousand, which is listed in Other gains and losses.

4. Guarantee

As of December 31, 2023 and 2022, the Group had been pledged as collateral for Long-term borrowings and financing limit, please refer to Note 8.

(i) Investment properties

The cost and depreciation of the investment property of the Group were as follows:

	Land and Improvements	Buildings and structures	Unfinished construction	Total
Cost or deemed cost:				
Balance at January 1, 2023	$ 489,111	331,210	4,313	824,634
Additions	-	-	3	3
Balance at December 31, 2023	**$ 489,111**	**331,210**	**4,316**	**824,637**
Balance at January 1, 2022	$ 477,399	327,759	4,303	809,461
Additions	9,856	1,730	10	11,596
Transfer from Inventories	1,856	1,721	-	3,577
Balance as of December 31, 2022	**$ 489,111**	**331,210**	**4,313**	**824,634**
Depreciations and Impairment loss:				
Balance at January 1, 2023	$ -	162,708	-	162,708
Depreciations	-	10,722	-	10,722
Balance at December 31, 2023	**$ -**	**173,430**	**-**	**173,430**
Balance at January 1, 2022	$ -	152,024	-	152,024

Depreciations	-	10,684	-	10,684
Balance as of December 31, 2022	**$ -**	**162,708**	**-**	**162,708**
Carrying amounts:				
December 31, 2023	**$ 489,111**	**157,780**	**4,316**	**651,207**
January 1, 2022	**$ 477,399**	**175,735**	**4,303**	**657,437**
December 31, 2022	**$ 489,111**	**168,502**	**4,313**	**661,926**
Fair value:				
December 31, 2023				**$ 1,084,407**
December 31, 2022				**$ 1,051,631**

1. The Group has developed criteria for the determination of whether an item of Assets is capable of being classified as investment property. Investment properties are properties held to earn rentals and/or for capital appreciation. Therefore, the Group considers whether the main cash flow generated by a property is independent from the Other Assets held by the Group. A portion of the property is held to earn Rent income or for capital appreciation and another portion is held for administrative purposes. If each part of the investment property can be sold separately, the consolidated company shall account for each part separately. If the portions could not be sold separately, the property is an investment property only if an insignificant portion is held for management purposes.

The fair value of investment property is based on a valuation by an independent appraiser who holds a recognized and relevant professional qualification and has recent experience in the location and category of the investment property being valued. The fair value measurement for investment property has been categorized as a level 3 fair value based on the inputs to the valuation technique used; Or refer to the real estate transaction price inquiry service network of the Ministry of the Interior and the housing brokerage website, and the transaction price in similar locations and types in the near future is the basis for evaluation.

As of December 31, 2023 and 2022, the investment properties of the Group had been pledged as collateral; please refer to Note 8.

(10) Intangible assets

The cost, amortization and Intangible assets’ s cost of revenue for the years ended December 31, 2023 and 2022 were as follows:

	Franchise	Business rights trademarks	Computer Software	Goodwill	Other Intangible assets	total
Costs:						
Balance at January 1, 2023	$ 2,688,406	609,486	11,934	34,394	106	3,344,326
Acquisition	2,114	-	1,355	-	-	3,469
Transfer in	38,918	2,072	-	-	-	40,990
Disposals	(41)	-	(750)	-	-	(791)

Balance at December 31, 2023	**$ 2,729,397**	**611,558**	**12,539**	**34,394**	**106**	**3,387,994**
Balance at January 1, 2022	$ 2,654,956	609,486	19,482	34,394	1,945	3,320,263
Acquisition	1,022	-	859	-	-	1,881
Transfer in	32,428	-	-	-	-	32,428
Disposals	-	-	(8,407)	-	(1,839)	(10,246)
Balance as of December 31, 2022	**$ 2,688,406**	**609,486**	**11,934**	**34,394**	**106**	**3,344,326**
Amortization and Impairment loss:						
Balance at January 1, 2023	$ 802,180	154,897	9,510	26,668	20	993,275
Amortization for the year	127,272	27,763	1,492	-	11	156,538
Impairment loss	(11,281)	-	-	-	-	(11,281)
Disposals	(36)	-	(750)	-	-	(786)
Balance at December 31, 2023	**$ 918,135**	**182,660**	**10,252**	**26,668**	**31**	**1,137,746**

	Franchise	Business right and trademark	Computer software, etc.	Goodwill	Other intangible assets, net	total
Balance at January 1, 2022	$ 652,029	121,943	16,552	26,668	1,849	819,041
Amortization for the year	128,151	32,953	1,365	-	10	162,479
Impairment loss	22,000	-	-	-	-	22,000
Disposals	-	-	(8,407)	-	(1,839)	(10,246)
Balance as of December 31, 2022	**$ 802,180**	**154,896**	**9,510**	**26,668**	**20**	**993,274**
Carrying amounts:						
Balance at December 31, 2023	**$ 1,811,262**	**428,898**	**2,287**	**7,726**	**75**	**2,250,248**
Balance at January 1, 2022	**$ 2,002,927**	**487,543**	**2,930**	**7,726**	**96**	**2,501,222**
Balance as of December 31, 2022	**$ 1,886,226**	**454,590**	**2,424**	**7,726**	**86**	**2,351,052**

1. Recognition of amortization and impairment

Intangible assets Amortization expense and Impairment loss are listed in the following Item of Consolidated Statements of Comprehensive Income:

	2023	2022
Operating costs	$ 129,981	130,672
Administrative expenses	26,557	31,807
Other gains and losses Impairment loss.-	(11,281)	22,000
total	**$ 145,257**	**184,479**

2. Impairment test

-In 2022, the subsidiary, Yuanshan Forest Development Co., Ltd., was affected by the economic environment, and its operating conditions were not as expected, resulting in losses. The subsidiary conducted an impairment assessment of non-financial Assets based on the value in use of the cash-generating unit as the basis for calculating the recoverable amount. The value in use calculation is based on the estimated cash flow of the financial forecast for the remaining year of the construction, reconstruction, construction and operation contract signed by the subsidiary and Ministry of Economic Affairs the Industrial Development Bureau, and the discount rate of 7.25% is used on December 31, 2022 to

Franchise	Business right and trademark	Computer software, etc.	Goodwill	Other intangible assets, net	total

reflect the specific industrial risks of the relevant cash-generating unit. After evaluation, the recoverable amount is estimated to be less than the carrying amount, so Impairment loss recognized NT $22,000 thousand, which is listed in Other gains and losses.

Due to the impact of the market and industrial environment of Raw materials, it is estimated that the expected benefits cannot be achieved. Therefore, on September 7, 2021, the Company sent a letter to the owner, Environmental Protection Bureau of Taichung City Government, to terminate the subsidiary plan agreement, and on September 22, 2023, both parties coordinated the establishment to terminate the contractual relationship of the ancillary facilities of the gasification system, and made the following adjustments to the rights and obligations:

(1) Assets returned in advance

The subsidiary shall complete the return of the rice straw storage area 1, the rice straw storage area 2 and the gasification power generation room Assets within 90 days after the establishment of the coordination, and the remaining rice straw gasification equipment invested by the subsidiary shall be disposed of by the subsidiary itself. On December 27, 2023, the Environmental Protection Bureau of the Taichung City Government agreed to extend the aforementioned Assets return date to March 5, 2024.

(2) Limited self-financing sources

The subsidiary's compost kitchen waste cleanup is capped at 9,000 tons per year, of which 7,200 tons of the inventory cleanup derived from the self-raised source is handled by the Environmental Protection Bureau of the Taichung City Government, and the subsidiary is not required to pay any fees. The remaining 1,800 tons of the inventory cleanup derived from the self-raised source may be handled by itself or by the Environmental Protection Bureau of the Taichung City Government. The cost per ton is NT $500 if it is entrusted to the Environmental Protection Bureau of the Taichung City Government for processing.

3. As a result of the aforementioned establishment, the subsidiary returned the fair value of Assets by $70,860 thousand to assess and reverse the impairment of $11,281 thousand recognized in the previous year. Fair value uses significant unobservable inputs and classified as Level 3.

The following are the key assumptions used to estimate the recoverable amount. The values of these key assumptions represent the management's assessment of the future trends of the related industries, and consider the historical information from internal and external sources.

	2023.12.31
Physical depreciation	18%
Functional depreciation	4%
Economic depreciation	-

Physical depreciation: During the use of equipment, parts are damaged by friction, shock, vibration and other effects, resulting in wear and fatigue.

Functional depreciation: value loss of Assets due to intangible wear and tear.

Economic depreciation: The economic depreciation of machinery and equipment is caused by external factors, including intensified market competition and reduced product demand, resulting in insufficient equipment construction, relatively excess production capacity and shortening the normal life of equipment.

4. In 2023 and 2022, the Group completed the construction in accordance with the service Franchise agreement signed with the government agency and transferred $38,918 thousand and $32,428 thousand, respectively, from the contract Assets.

5. Guarantee

As of December 31, 2023 and 2022, the Group had been pledged as collateral for

Long-term borrowings and financing limit, please refer to Note 8.

(11) Long-term accounts receivables

The Group entered into a service contract with a government entity, Franchise, under which the Group determined that the fair value of the consideration receivable for the construction or upgrade services provided is accounted for as a financial asset under Assets in accordance with the requirements of IFRIC 12. According to the service concession agreement, the Group expects to receive the consideration during the term of the agreement and chooses an appropriate discount rate to calculate the present value of the consideration receivable. As of December 31, 2023 and 2022, the receivables recognized by the consolidated company due to the discount value of the consideration receivable under the service concession agreement on each reporting date are as follows:

	2023.12.31	2022.12.31
Long-term accounts receivables	**$ 6,959,382**	**7,162,905**
Current	$ 213,177	183,201
Non-current	6,746,205	6,979,704
total	**$ 6,959,382**	**7,162,905**

1. On November 19, 2021, the Group signed a settlement agreement with the Kaohsiung City Government for the dispute over the replacement cost litigation case, agreeing to repay the principal of the construction cost of NT $371,136 thousand (tax inclusive) in four installments and the deferred interest of NT $100,505 thousand (tax inclusive) as of July 2021. According to the settlement letter, the payment schedule is as follows:

Payment Year	Settlement amount
December 31, 2023	NT $117,910 thousand
December 31, 2024	NT $117,910 thousand
December 31, 2025	NT $117,910 thousand
December 31, 2026	NT $117,911 thousand

As of December 31, 2023 and 2022, the deferred interest was $23,930 thousand, $47,326 thousand and $23,930 thousand and $70,902 thousand, respectively, according to the present value of the four-year maturity annuity. In addition, Interest revenue recognized $354 thousand and $290 thousand for the years ended December 31, 2023 and 2022,

respectively.

As of December 31, 2023 and 2022, the Group had provided guarantees for Long-term borrowings and financing facilities, please refer to Note 8 for details.

(12) Short-term notes and bills payable

The details of Short-term notes and bills payable were as follows:

	2023.12.31		
	Guarantee or acceptance institute	**Range of interest rates**	**Amount**
Commercial paper payable	Mega Bills	2.03% ≧ 2.888%	$ 315,000
〃	Grand Bills	2.08% ≧ 2.668%	181,000
〃	Taiwan Cooperative Bills Finance Corporation	2.22% ~ 2.23%	216,000
〃	China Bills	1.3% ≧ 2.688%	710,000
〃	International Bills Finance Corporation	1.92% ~ 2.88%	420,000
Less: Credit cost			(185)
total			**$ 1,841,815**

	2022.12.31		
	Guarantee or acceptance institute	**Range of interest rates**	**Amount**
Commercial paper payable	Mega Bills	2.12% ~ 3.05%	$ 230,000
〃	Grand Bills	2.13% ~ 2.26%	236,000
〃	Ta Ching Bills	2.502%	80,000
〃	Taiwan Cooperative Bills Finance Corporation	2.10%	196,000
〃	China Bills	2.14% ~ 2.34%	580,000
〃	Dah Chung Bills	2.45%	150,000
〃	International Bills Finance Corporation	2.30% ~ 2.76%	729,000
〃	Taiwan Finance Corporation	2.34%	100,000
total			**$ 2,301,000**

Please refer to Note 8 for details of the aforementioned commercial papers payable collateral which were pledged by the Group under Assets.

(13) Short-term borrowings

The details of Short-term borrowings were as follows:

	2023.12.31	**2022.12.31**
Unsecured Bank loan	$ 1,052,500	1,661,500
Guarantee Bank loan	6,880,959	7,239,011
total	**$ 7,933,459**	**8,900,511**
Unused credit lines	**$ 2,224,912**	**2,061,540**
Range of interest rates	**2.21% ~ 3.65%**	**1.45% ~ 3.05%**

Please refer to note 8 for a description of the Group’s Assets pledge as collateral for Bank loan.

(14) Long-term borrowings

The details, conditions and terms of the Group' s Long-term borrowings were as follows:

	2023.12.31			
	Currency	**Interest Rate (%)**	**Year of maturity**	**Amount**
Secured commercial paper	TWD	1.61% ~ 1.71%	114	$ 1,789,600
Guarantee Bank loan	TWD	2.34% ~ 3.59%	113 ~ 125	4,029,157
Syndicated loan arrangement fee				(4,036)
Less: current portion				(724,869)
total				**$ 5,089,852**
Unused credit lines				**$ 335,111**

	2022.12.31			
	Currency	Interest Rate (%)	Year of maturity	Amount
Guarantee Bank loan	TWD	1.47% ~ 2.09%	112	$ 39,990
Guarantee Bank loan	TWD	1.3% ~ 1.58%	114	1,300,000
Guarantee Bank loan	TWD	0.6% ~ 3.5%	112 ~ 125	3,532,896
Syndicated loan arrangement fee				(4,928)
Less: current portion				(468,629)
total				**$ 4,399,329**
Unused credit lines				**$ 863,000**

1. Collateral of Bank loan

Please refer to note 8 for a description of the Group’s Assets pledge as collateral for Bank loan.

2. Material loan contract

(1) The subsidiary entered into a syndicated credit facility agreement with eight banks (including the Land Bank) for the construction and operation of a sewer system in Luodong, Yilan County. According to the agreement, the subsidiary should maintain a certain level of financial ratio at the end of each year:

(i) Liabilities Equity (Total liabilities/Total equity): less than or equal to 200%.

(ii) The subsidiary should maintain the interest coverage ratio (net profit after tax + Depreciations + Interest expense)/(medium and long-term debt principal repayable in the current period + Interest expense): greater than or equal to 1 at the end of each year.

(iii) an interest rate of 0.25% per annum on each outstanding balance of the Facilities from the Management Bank’s notification to the day before the Fulfillment Date. If the aforesaid improvement is not completed within the period, 0.1% of the total outstanding balance on the expiration date of the improvement period (i.e. December 31) shall be paid to the managing bank.

(2) In order to meet the needs of the construction and operation of the Taichung City Waipu Composting Plant (Green Energy Ecological Park), the subsidiary signed a credit contract with the credit bank. According to the contract, the subsidiary should maintain a certain level of financial ratio at the end of each year (review from the financial report of 2024):

(i) Current ratio (Current assets/Current liabilities): greater than or equal to 100%.

(ii) Debt Equity ratio (Total liabilities/Total equity): less than or equal to 230%.

(iii) The subsidiary should maintain the interest coverage ratio (net profit after tax + Depreciations + Interest expense)/(principal of medium and long-term debt repayable in the current period + Interest expense) at the end of each year: more than or equal to 1 times.

(iv) an interest rate of 0.15% per annum on the outstanding balance of each facility from the bank’ s notice to the day before the Improvement Date. If the improvement is not completed within the period, 0.1% of the total balance outstanding on the expiration date of the improvement period shall be paid to the bank.

(3) On December 7, 2016, the Group entered into a credit facility agreement with Mega International Commercial Bank in response to the capital required for the investment in the construction and operation transfer (BOT) project of Yuanshan Park Hot Spring House in Yilan County. According to the contract, during the loan period, the ratio of self-owned funds certified by the accountant at the end of each year shall not be less than 30%.

(4) On November 2, 2020, the subsidiary entered into a 5-year syndicated credit facility agreement of NT $2.04 billion with International Bills Finance Corp., Mega Bills Finance Co., Ltd. and Bank of Kaohsiung Co., Ltd. for the funds required for the purchase of land and construction of a hotel project, and secured by 2 parcels of land in Shuishe section, Nantou County and the buildings and ancillary facilities constructed by them.

(15) Bonds payable

The details of Bonds payable were as follows:

	2023.12.31	2022.12.31
Amount of ordinary corporate bonds issued	$ 2,000,000	2,000,000
Amount of convertible bonds issued	1,000,000	1,000,000
Less: current portion or operating cycle	(866,052)	-
Less: Unamortized balance of Discount on bonds payable	(35,971)	(54,177)
Less: accumulated converted amount	(100,000)	-
Ending balance of Bonds payable	**$ 1,997,977**	**2,945,823**
Embedded derivative instruments — put and call options (Fair value-Liabilities)	**$ 4,590**	**16,200**
Conversion options embedded in Equity (reported in Capital surplus)	**$ 65,678**	**72,976**

	2023	2022
Embedded derivative – call options, included in financial assets measured at fair value through profit or loss under Fair value Liabilities	**$ 10,910**	**(12,400)**
Interest expense	**$ 27,628**	**28,761**

The main rights and obligations of the outstanding unsecured convertible bonds issued by the consolidated company are as follows:

Item	Second issuance of unsecured convertible bonds in 2021
Issue Amount	NT $1,000,000 thousand
Issue Date	2021.9.28
Issuance period	2021.9.28 ~ 2026.9.28
Coupon rate	0%

Trustee	Mega Securities Co., Ltd.
Repayment method	Except for the conversion of the bonds into the Company's ordinary shares by the bondholders in accordance with the Company's conversion method, or the early redemption by the Company or the repurchase and cancelation of the bonds by the securities firm's business premises in accordance with the conversion method, the Company shall repay in cash at the maturity of the bonds based on the par value of the bonds plus the interest compensation (101.26% of the par value).
Redemption	From the day after three months of the issuance of the convertible corporate bonds (December 29, 2021) to 40 days before the expiration of the issuance period (August 19, 2026), if the closing price of the Company's ordinary shares exceeds the conversion price for 30 consecutive business days for up to 30 percent (inclusive); The Company may redeem the bonds at its option if the outstanding balance of the bonds is less than 10% of total initial issue amount.
Redemption at the option of the creditor	The bondholders have the right to request the issuing company to redeem the bonds at face value plus interest compensation (100% of the face value) on the date of three years (September 28, 2024) after the issuance of the bonds.

Item	Second issuance of unsecured convertible bonds in 2021
Terms of conversion	Conversion period From three months after the issuance date of the convertible corporate bonds (December 29, 2021) to the maturity date (September 28, 2026), the bondholders shall convert the bonds into the Company's ordinary shares in accordance with the Company's conversion method.
Conversion price	NT $36.3.

The main rights and obligations of the secured ordinary corporate bonds issued by the Group in 2020 are as follows:

Item	First secured ordinary corporate bonds in 2020	Second Secured Ordinary Corporate Bond in 2020
Issue Amount	NT $1,000,000 thousand	NT $1,000,000 thousand
Issue Date	2020.10.23	2020.12.14
Issuance period	2020.10.23 ~ 2025.10.23	2020.12.14 ~ 2025.12.14
Coupon rate	0.62%	0.58%
Guarantee agency	Mega International Commercial Bank	Yuanta Commercial Bank
Trustee	Taipei Fubon Commercial Bank	Taipei Fubon Commercial Bank
Repayment method	Principal is repaid at maturity.	

(16) Operating leases

The Group leases out its investment property. The Group has classified these leases as operating leases, because it does not transfer substantially all of the risks and rewards incidental to the ownership of the assets. Please refer to note 6 (i) sets out information about the operating leases of investment property.

A maturity analysis of lease payments, showing the undiscounted lease payments to be received after the reporting date is as follows:

	2023.12.31	2022.12.31
Less than one year	$ 29,800	43,049

Item	Second issuance of unsecured convertible bonds in 2021	
One to two years	18,209	22,000
Two to three years	17,867	10,520
Three to four years	17,154	9,966
Four to five years	11,600	8,992
More than five years	1,120	7,840
Total undiscounted lease payments	**$ 95,750**	**102,367**

Please refer to Note 6 (20) for Rent income generated from investment properties for the years 2023 and 2022. The repair and maintenance expenses incurred for the investment property (listed in "Cost of sales and Operating expenses") are as follows:

	2023	2022
Rent income originated	**$ 1,701**	**113**

(17) income tax

1. Tax expense

The details of Tax expense for the years 2023 and 2022 were as follows:

		2023	2022
Current tax expense			
Arising during the period	$	113,509	78,455
Adjustment for prior periods income tax		9,634	3,856
Land value increment tax		52,348	27,632
		175,491	109,943
Deferred tax expense			
Changes in temporary differences		(2,802)	(39,149)
Tax expense	**$**	**172,689**	**70,794**

2. The reconciliation of the relationship between Tax expense and the net profit before tax of the consolidated company in 2023 and 2022 is as follows:

		2023	2022
Net profit before tax	$	331,729	(57,132)
income tax calculated based on the domestic tax rate of the Consolidated Company's location	$	116,554	(3,605)
Tax-exempt income from land transactions		(127,182)	(45,009)
Investment income-Equity		(38,479)	1,077
Book-tax difference of capitalized interest		(822)	(4,171)
Securities trading income		(4,629)	-
Under (over) provision of income tax in prior years		9,635	3,856
Change in unrecognized temporary differences		(2,761)	(1,751)
Current-year losses for which Deferred tax assets has not been recognized		168,782	84,667

Land value increment tax	52,348	27,632
Other	(757)	8,098
total	**$ 172,689**	**70,794**

3. Deferred tax assets and Liabilities

(1) Unrecognized Deferred tax assets

Deferred tax assets' s Item not recognized by the Group is as follows:

	2023.12.31	**2022.12.31**
Temporary differences on tax losses	$ 476,152	387,473
Deductible temporary differences	30,302	33,120
	$ 506,454	**420,593**

(2) Recognized Deferred tax assets and Liabilities

The changes in Deferred tax assets (Liabilities) in 2023 and 2022 are as follows:

	Deferred tax assets					Deferred tax liabilities	
	Unrealized after-sales service Service provision	Unrealized Impairment loss	Unrealized Inventories Loss on market price decline	Other	total	Unrealized Constructio n revenue	total
Balance at January 1, 2023	$ 6,986	10,977	16,736	95,809	130,508	(523,881)	(523,881)
(Debit) credit on income statement	2,928	(513)	(1,750)	4,118	4,783	(1,981)	(1,981)
Balance at December 31, 2023	**$ 9,914**	**10,464**	**14,986**	**99,927**	**135,291**	**(525,862)**	**(525,862)**
Balance at January 1, 2022	$ 7,184	6,577	17,904	27,435	59,100	(491,622)	(491,622)
(Debit) credit on income statement	(198)	4,400	(1,168)	68,374	71,408	(32,259)	(32,259)
Balance as of December 31, 2022	**$ 6,986**	**10,977**	**16,736**	**95,809**	**130,508**	**(523,881)**	**(523,881)**

Deferred tax assets are generally recognized for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized. Assets Significant accounting judgements in relation to the recognition of deferred tax assets and liabilities Assets are required to be made based on the likely timing and amount of future taxable profits together with future tax planning. The Group has not recognized part of the investment tax credit of Deferred tax assets because it is not probable that future taxable income will be available against which the Group can utilize the benefits therefrom.

4. Approval of income tax

(1) The settlement and declaration case of the Company’ s profit-making business, income tax, has been approved by the Taxes collection authority until 2021.

(2) The Company’ s domestic subsidiary, income tax, has been approved by the Taxes collection authority until 2021, except for the cases listed in the following.

Year of assessment	Company name
2022	Power Crane Investment Ltd.

5. Tax losses are in accordance with the provisions of income tax Law, and the losses in the previous ten years approved by the Taxes collection authority can be deducted from the net profit of the current year, and then income tax is approved. Item is not recognized as Deferred tax assets because it is not probable that the Consolidated Company will have sufficient taxable income in

the future to use the temporary difference. As of December 31, 2023, the Group's unused tax losses will expire as follows:

Year of loss	Unused loss	Deductible last year
For Fiscal Year 2014	$ 39,150	FY24
For Fiscal Year 2015	37,375	FY25
For Fiscal Year 2016	577,220	Year 2026
In 2017	294,552	Year 2027
For Fiscal Year 2018	175,326	Year 2028
FY19	192,493	Year 2029
FY20	178,223	Year 2030
FY21	229,650	For the Year Ended December 31, 2031
2022	122,572	Year 2032
2023	443,396	Year 2033
	$ 2,289,957	

(18) Capital and Other equity interest

As of December 31, 2023 and 2022, the Company's authorized Share capital amounts to $10,100,000 thousand, with a par value of $10 (in dollars) per share. There were both 743,993 thousand shares issued. All issued shares were paid up upon issuance.

1. Capital surplus

The balances with Capital surplus were as follows:

	2023.12.31	2022.12.31
Premium on convertible bonds	$ 12,949	12,949
Treasury stock transactions	3,337	3,337
Difference between consideration and carrying amount of subsidiaries acquired or disposed	435,896	436,442
Changes in equity of associates and joint ventures accounted for under Equity	-	73
Changes in ownership of Equity	231,121	213,976
	$ 683,303	**666,777**

In accordance with Company Act, Capital surplus must first make up for losses before it can issue new shares or cash in proportion to the shareholders' original shares in the realized Capital surplus. The aforementioned realized Capital surplus includes capital surplus resulting from premium on issuance of capital stock and earnings from donated assets received. In accordance with Regulations Governing the Offering and Issuance of Securities by Securities Issuers, Capital surplus may be capitalized and the amount of total may not exceed 10 percent of the paid-in capital each year.

2. Retained earnings

In accordance with the provisions of this Articles of Incorporation, if there is a surplus in the annual final accounts, the tax shall be paid first to make up for the losses of previous years, and the next ten percent shall be Legal reserve, plus the accumulated Unappropriated retained earnings after the Unappropriated retained earnings at the beginning of the period, after adjusting the Special reserve listed or reverted in accordance with the law and regulations and deducting the retained appropriate amount of surplus, if there is a balance, the balance may be given priority to distribute the dividends of the special stock in the current year. If there is a balance, it shall be the distributable surplus of the current year,

and the board of directors shall draft a proposal and submit it to the shareholders meeting of Resolution for distribution.

The Company is in a volatile industry environment and is in the growth stage of the corporate life cycle and diversified development. Considering the Company's future capital needs, long-term financial planning and shareholders' demand for cash inflows, if the Company's shareholders' meeting Resolution distributes dividends to shareholders, the cash dividend shall not be less than 10 percent of the total dividend, but if the cash dividend per share is less than NT $0.1, it will not be issued, and it will be paid in stock dividends, but the board of directors may change the above ratio according to the economic environment and the Company's operating conditions.

(1) Legal reserve

When a company incurs no loss, it may, at a shareholders' meeting, Resolution, distribute its new shares or cash by Legal reserve, provided that the portion of such reserve exceeds its paid-in capital by twenty-five percent.

(2) Special reserve

The difference between the net debit balance of Other’ s shareholder Equity and the balance of Special reserve appropriated, that occurred in the current year, is compensated from the current profit and loss and Unappropriated retained earnings in the previous period for Special reserve appropriated. The amount of the deduction from Other shareholders Equity accumulated in the previous period shall not be distributed from Unappropriated retained earnings's compensation Special reserve appropriated in the previous period. Any special reserve appropriated may be reversed to the extent that the net debit balance reverses and thereafter distributed.

Special reserve, which is the difference between the market price and the book value of the parent company’ s shares held by the subsidiary at the end of the period, shall not distribute the same amount based on the shareholding ratio. If there is a subsequent market price rebound, the amount may be reversed to Special reserve in proportion to the shareholding ratio.

On June 16, 2023, the Company held the regular shareholders' meeting, Resolution Special reserve appropriated for NT $123,966 thousand, and listed Special reserve for the changes in the market price of the parent company's shares held by subsidiaries for NT $5,611 thousand; In addition, on June 11, 2022, the Annual Shareholders' Meeting held Resolution Special reserve appropriated NT $56,736 thousand and listed Special reserve NT $6,305 thousand, which listed the changes in the market price of the parent company's shares held by subsidiaries.

(3) Earnings distribution

On June 16, 2023, the Company adopted the 2022 earnings distribution plan of Resolution at the regular shareholders' meeting. Due to the consideration of market conditions and capital needs of Construction in progress in 2022, no dividends will be distributed to shareholders in 2022. In addition, on June 15, 2022, the Company passed the 2021 earnings distribution plan of Resolution at the regular shareholders' meeting, and the amount of dividends distributed to owners is as follows:

	FY21	
	Amount per share (dollars)	**Amount**
Dividends distributed to ordinary shareholders:		
Cash	$ 0.30	**233,198**

3. Treasury Shares

(1) Treasury shares held by the Company shall not be pledged in accordance with Securities

and Exchange Act, and shall not be entitled to shareholders' rights before the transfer.

(2) As of December 31, 2023 and 2022, Power Crane Investment Ltd., a subsidiary of the Company, held the Company's treasury shares as follows:

	2023.12.31	2022.12.31
Shares of the Company held by subsidiaries	$ 6,305	6,305
Acquisition cost	$ 98,392	98,392
Stock market price	$ 61,346	54,284

Note: The amount recognized as treasury shares based on the Company's shareholding ratio is NT $98,195 thousand.

4. Other equity interest (net after tax)

	Exchange differences on translation of foreign financial statements	Through Other total Fair value through profit or loss Assets Unrealized profit or loss	Non-controlling interests Equity	total
Balance at January 1, 2023	$ (778)	(260,972)	(33,819)	(295,569)
Share of exchange differences of associates accounted for using Equity	(1,437)	-	(413)	(1,850)
Exchange differences arising on translation of foreign operations, net Assets	627	-	(275)	352
Unrealized gains (losses) from financial Fair value transactions through Other comprehensive income	-	173,612	21,356	194,968
Proceeds from disposal of investments accounted for using equity method	(70)	-	(45)	(115)
Disposal of investments accounted for under Other comprehensive income Fair value-Equity	-	14,293	-	14,293
Difference between consideration and carrying amount of subsidiaries acquired or disposed	7	330	-	337
Balance at December 31, 2023	**$ (1,651)**	**(72,737)**	**(13,196)**	**(87,584)**
Balance at January 1, 2022	$ (1,703)	(136,081)	(24,271)	(162,055)
Share of exchange differences of associates accounted for using Equity	904	-	901	1,805
Exchange differences arising on translation of foreign operations, net Assets	21	-	43	64
Unrealized gains (losses) from financial Fair value transactions	-	(112,023)	(10,492)	(122,515)

through Other comprehensive income				
Disposal of investments accounted for under Other comprehensive income Fair value-Equity	-	(12,868)	-	(12,868)
Balance as of December 31, 2022	**$ (778)**	**(260,972)**	**(33,819)**	**(295,569)**

(19) EARNINGS PER SHARE

1. Basic earnings per share

For the years ended December 31, 2023 and 2022, the calculation of Basic earnings per share was based on the profit attributable to the ordinary stockholders of the Company, Equity, and the weighted-average number of ordinary shares outstanding, calculated as follows:

(1) Profit attributable to ordinary shareholders of the Company, Equity

	2023	**2022**
Profit attributable to ordinary shareholders of Equity	**$ 240,599**	**43,085**

(2) Weighted average number of ordinary shares

	2023	2022
Issued ordinary shares at January 1	743,993	743,993
Effect of treasury stock	(6,305)	(6,305)
Weighted-average number of ordinary shares at December 31	**737,688**	**737,688**
Earnings per share (NT $)	**$ 0.33**	**0.06**

2. Diluted earnings per share

For the years ended December 31, 2023 and 2022, Diluted earnings per share calculates the profit attributable to ordinary shareholders of the Company, Equity, based on the weighted average number of ordinary shares outstanding after adjustment for the effects of all dilutive potential ordinary shares. The calculation is as follows:

(1) Profit attributable to ordinary shareholders of the Company, Equity (diluted)

	2023	2022
Attributable to the Company Net Profit	$ 240,599	43,085
Effect of conversion of convertible bonds	(651)	-
Profit attributable to ordinary shareholders of Equity (diluted)	**$ 239,948**	**43,085**

Note: Due to the anti-dilution effect, it is not included in the calculation of Diluted earnings per share.

(2) Weighted-average number of ordinary shares (diluted)

	2023	2022
Weighted-average number of ordinary shares (basic)	737,688	737,688
Effect of employee stock bonus	163	71
Weighted-average number of ordinary shares (diluted) at December 31	**737,851**	**737,759**
Earnings per share (NT $)	**$ 0.33**	**0.06**

(20) Revenue from contracts with customers

1. Disaggregation of revenue

	2023	2022
Primary geographical markets:		
Taiwan	**$ 7,705,541**	**6,305,186**

		FY23	2022
Major products/services lines:			
Rent income (Note)		48,077	47,912
Revenue from real estate sales	$	3,142,764	1,607,489
Water treatment construction contract revenue-service Franchise agreement		99,167	123,973
Water treatment construction contract revenue-public construction		1,430,240	1,657,933
Revenue from water treatment operation and maintenance		1,123,804	1,230,616
Service Franchise revenue		661,013	647,674
Revenue from waste treatment		346,191	247,162
Service revenue		835,022	726,226
Other operating revenue		19,263	16,201
	$	**7,705,541**	**6,305,186**
Timing of revenue recognition:			
Gradually transferred services over time	$	1,171,881	1,278,528
Construction transferred over time		1,529,407	1,781,906
Over time Recognized using the effective interest method		661,014	647,674
Services transferred at a point in time		1,181,210	974,052
Goods transferred at a point in time		3,142,764	1,607,489
Other		19,265	15,537
	$	**7,705,541**	**6,305,186**

Note: Rent income is subject to International Financial Reporting Standards No. 16.

2. Contract balances

		2023.12.31	2022.12.31	2022.1.1
Notes receivable	$	3,214	5,021	28,633
Accounts receivable		1,610,262	1,501,390	1,109,710
Less: Allowance for impairment loss		(26)	(26)	(26)

		FY23	2022
total	**$ 1,613,450**	**1,506,385**	**1,138,317**
Contract Assets project investment does not meet the right to receive payment-	$ 573,311	1,336,540	992,686
Assets Construction retainage received-	120,036	255,310	186,644
Less: loss allowance (Note 9 (b))	-	(320,576)	(320,576)
total	**$ 693,347**	**1,271,274**	**858,754**
Expected to be recovered after more than 12 months	**$ 16,452**	**282,127**	**266,053**

		2023.12.31	2022.12.31	2022.1.1
Contract Liabilities The amount received exceeds the input amount-	$	125,755	110,935	200,917
Contract Liabilities Advance construction receipts-		6,221	9,942	13,929
Liabilities Advance booking payment-		144,920	117,244	119,563
Liabilities Advance real estate receipts-		482,191	501,965	357,252
total	**$**	**759,087**	**740,086**	**691,661**
Amount expected to be settled after more than 12 months	**$**	**14,925**	**14,925**	**24,566**

3. Please refer to note 6 (d) for the disclosure of Notes receivable, Accounts receivable and their impairment.

4. Credit risk information for Assets is provided in Note 6 (twenty-three).

5. The major change in Assets and Liabilities is the difference between the time frame in the performance obligation to be satisfied and the payment to be received.

(twenty-one) Remuneration to employees and directors

In accordance with the provisions of this Articles of Incorporation, if there is a profit in the year, no less than 0.5% shall be allocated for employee compensation, which shall be paid in stocks or cash by the board of directors Resolution. The issuance targets include employees of controlled or affiliated companies that meet certain conditions. The conditions and distribution methods are authorized to the board of directors or its authorized persons to decide; The Company shall allocate no more than 3% of the above-mentioned profit amount as directors' remuneration by the board of directors Resolution. The distribution of remuneration to employees and directors shall be reported to the shareholders' meeting. However, when the Company still has accumulated losses, it shall reserve the amount to make up in advance, and then allocate the remuneration of employees and directors in proportion to the preceding paragraph.

For the years ended December 31, 2023 and 2022, employees' compensation was accrued at $1,513 thousand and $219 thousand, respectively, and directors' remuneration was accrued at $9,078 thousand and $1,315 thousand, respectively. These amounts were estimated based on the net profit before tax, excluding employees' compensation and directors' remuneration, multiplied by the percentage of employees' compensation and

directors' remuneration distributed under Articles of Incorporation, and were presented as Operating expenses for each period. If the actual amounts differ from the estimated amounts, the differences shall be accounted as changes in accounting estimates and recognized as profit or loss in the following year.

For the year ended December 31, 2022, employees' compensation and directors' remuneration were accrued at $219 thousand and $1,315 thousand, respectively, and the actual distribution were $386 thousand and $2,319 thousand, respectively, which were underestimated at $167 thousand and $1,004 thousand, respectively. For the year ended December 31, 2021, employees' compensation and directors' remuneration were estimated to be NT $2,686 thousand and NT $16,118 thousand, respectively, and the actual amounts distributed were higher than NT $869 thousand and NT $5,218 thousand, respectively. Related information can be found in Market Observation Post System.

(twenty-two) Non-operating income and expenses

1. Interest revenue

The details of Interest revenue were as follows:

	2023	2022
Interest income from bank deposits	$ 19,914	7,085
Interest on preference shares	3,537	3,500
Interest revenue	9,638	-
Other interest income	1,835	978
	$ 34,924	**11,563**

2. Other income

The details of Other income for the years 2023 and 2022 were as follows:

		2023	2022
Dividend revenue	$	6,033	8,667
Rental revenue		2,350	1,561
Other income		13,977	12,357
	$	**22,360**	**22,585**

3. Other gains and losses

The details of Other gains and losses for the years 2023 and 2022 were as follows:

		2023	2022
Net gain (loss) on financial assets at Fair value and Assets	$	5,883	(19,099)
Net gain (loss) on financial assets at Fair value and Liabilities		10,910	(12,400)
Gains on disposals of investments		115	-
Gains (losses) on lease termination		1,247	(249)
Gains on disposals of property, plant and equipment (Loss)		326	(1,379)
Assets Impairment loss		(25,926)	-
Reversal of impairment loss recognized in profit or loss (loss) (note 6 (h) and (j))		8,190	(22,000)
Exchange gains and losses		(211)	4,080
Miscellaneous disbursements		(899)	(1,136)
Gains on disposals of intangible assets		(5)	-
	$	**(370)**	**(52,183)**

4. Finance costs

The details of Finance costs for the years 2023 and 2022 were as follows:

		2023	2022
Interest expense			
Bank loan	$	407,522	333,014
Amortization of fixed royalty payable		3,282	3,591
Amortization of convertible bonds discount		13,320	14,249
Interest on bonds payable		14,308	14,512
Amortization of discount on Liabilities		1,396	1,836
Interest on lease Liabilities		5,375	6,519
Other Interest expense		125	724
Capitalized borrowing costs		(180,953)	(213,677)
Finance costs		73,532	61,051
	$	**337,907**	**221,819**
Capitalized interest rate		**2.23% ~ 3.6492%**	**1.61% ~ 3.33%**

(twenty-three) Financial instruments

1. Credit risk

(1) Maximum credit risk exposure

The carrying amount of Assets and Assets represents the maximum amount exposed to credit risk.

(2) Concentration of credit risk

The Group's concentration of credit risk on government units for BOT and public construction projects accounted for 94% of the total accounts receivable as of December 31, 2023 and 2022, respectively.

(3) Credit risk of receivables and debt securities

For credit risk exposure of Notes receivable and Accounts receivable, please refer to note 6 (d).

Other Financial assets measured at amortized cost Assets includes Other receivables (part of Other current financial assets), etc., which is mainly due to the advance payment on behalf of the joint contract project and the request for payment according to the progress of the project. The consolidated company considers the historical default loss rate, the current financial status of the debtor and the future forecast of the industry in which it operates, to measure the expected credit loss, and there is no impairment.

Investments in debt instruments at FVTPL under Fair value include foreign private placement of Funds, beneficiary certificates-open-end Funds and convertible bonds-call options. Please refer to Note 6 (2) for details on investment valuation gains and losses.

All of these financial assets are considered to have low risk, and thus, the impairment provision recognized during the period was limited to 12 months expected losses. Regarding how the financial instruments are considered to have low credit risk, please refer to note 4 (g). There was no change in the allowance for losses in 2023 and 2022.

(4) Contract Assets

The customers of the Group are concentrated in public construction, BOT and ROT bids. As of December 31, 2023 and 2022, the Group’ s concentration of credit risk in government entities for BOT and public construction projects accounted for 99% and 96% of Total assets, respectively. However, since the counterparties are government agencies, there is no credit risk.

2. Liquidity risk

The following table shows the contractual maturities of Liabilities, including estimated interest payments and excluding the impact of netting agreements.

	Carrying Amount	Contract Cash flow	Within 1 year	12 years	25 years	Over 5 years
December 31, 2023						

Non-derivative financial instruments Liabilities						
Floating interest rate liabilities	$ 13,748,180	14,493,323	6,040,218	3,498,701	4,039,899	914,505
Fixed interest rate liabilities	4,769,999	4,867,048	1,877,198	2,021,625	944,640	23,585
Liabilities	2,351,771	2,351,771	2,236,313	18,326	97,132	-
Leases Liabilities	193,198	230,420	88,981	13,914	19,685	107,840
	$ 21,063,148	**21,942,562**	**10,242,710**	**5,552,566**	**5,101,356**	**1,045,930**

	Carrying Amount	Contractual cash flows	Within 1 year	12 years	25 years	Over 5 years
December 31, 2022						
Non-derivative financial instruments Liabilities						
Floating interest rate liabilities	$ 13,768,469	14,409,390	6,630,406	2,060,852	5,623,829	94,303
Fixed interest rate liabilities	5,318,796	5,452,180	2,337,937	23,133	3,056,425	34,685
Liabilities	2,173,827	2,173,827	1,921,499	156,807	95,396	125
Leases Liabilities	288,311	335,565	95,716	77,193	29,773	132,883
	$ 21,549,403	**22,370,962**	**10,985,558**	**2,317,985**	**8,805,423**	**261,996**

The Group does not expect the cash flows included in the maturity analysis to occur significantly earlier or at significantly different amounts.

3. Interest rate analysis

Please refer to the notes on liquidity risk management and interest rate exposure of 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. For floating rate Liabilities, the analysis is based on the assumption that the amount of Liabilities outstanding on the reporting date is outstanding throughout the year. A 1% increase or decrease was used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.

If interest rates had been 1% higher/lower and all other variables were held constant, the Group's profit for the years ended December 31, 2023 and 2022 would decrease/increase by $78,391 thousand and $84,898 thousand, respectively. This is mainly attributable to the Group's variable-rate borrowings and deposits.

4. Other price risk

On the reporting date, if the price of securities in Equity changes (the analysis is based

Carrying Amount	Contractual cash flows	Within 1 year	12 years	25 years	Over 5 years

on the same basis for both periods, and assuming that the change factors of Other remain unchanged), the impact on the profit and loss of total Item is as follows:

	2023		2022	
Price of securities at reporting date	Other total loss Amount before income tax	Profit before tax	Other comprehensive income Before tax	Profit before tax
Increasing 10%	$ 62,647	39,883	47,366	41,995
Down by 10%	$ (62,647)	(39,883)	(47,366)	(41,995)

5. Fair value information

(1) Valuation process of fair value of financial instruments

The Group’s accounting policies and disclosures include the adoption of Fair value, Assets and Liabilities. The Group has established an internal control system for Fair value. These include establishing a valuation team to be responsible for reviewing all significant Fair value (including Level 3 fair value) and reporting directly to the chief financial officer. The valuation group periodically reviews significant unobservable inputs and adjustments. If third-party information, such as broker quotes or pricing services, is used to measure fair value, the valuation group would assess the evidence obtained from the third parties to support the conclusion that such valuations meet the requirements of International Financial Reporting Standards , and the level in the fair value hierarchy in which such valuations should be classified.

The Group uses observable market data to evaluate Assets and Liabilities when it is possible. Different levels of the fair value hierarchy to be used in determining the fair value of financial instruments are as follows:

Level 1: quoted prices (unadjusted) in active markets for identical Assets or Liabilities.

Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices) Assets or Liabilities.

Level 3: inputs for Assets or Liabilities that are not based on observable market data (unobservable inputs).

(2) Categories and fair value of financial instruments

The Fair value Assets and Liabilities of Fair value and Assets of Fair value of Other comprehensive income are evaluated on a recurring basis. The carrying amount and fair value of the Group' s financial instruments, including the information on fair value hierarchy were as follows; however, except as described in the following paragraphs, for financial instruments not measured at fair value with the carrying amount reasonably close to the fair value under Assets and Liabilities, disclosure of fair value information is not required:

	2023.12.31				
		Fair value			
	Carrying Amount	Level 1	Level 2	Level 3	total
Financial assets at fair value through profit or loss Fair value Assets					
Non-derivative financial assets mandatorily measured at fair value through profit or loss Fair value Assets (including current and non-current)	$ 398,828	381,442	-	17,386	398,828
Measured at Other comprehensive income as Fair value' s Assets					
Domestic listed companies and the emerging stock market	153,416	1,672	151,744	-	153,416
Based on unquoted Fair value Equity instruments	473,056	-	-	473,056	473,056
Sub-total	626,472	1,672	151,744	473,056	626,472
total	**$ 1,025,300**	**383,114**	**151,744**	**490,442**	**1,025,300**
Financial assets at fair value through profit or loss Fair value Liabilities					
Financial assets designated as at fair value through profit or loss Fair value Liabilities	**$ 4,590**	**-**	**-**	**4,590**	**4,590**

	2022.12.31

		Fair value			
	Carrying Amount	**Level 1**	**Level 2**	**Level 3**	**total**
Financial assets at fair value through profit or loss Fair value Assets					
Non-derivative financial assets mandatorily measured at fair value through profit or loss Fair value Assets (including current and non-current)	$ 419,951	402,033	396	17,522	419,951
Measured at Other comprehensive income as Fair value’ s Assets					
Domestic listed companies and the emerging stock market	114,564	11,259	103,305	-	114,564
Based on unquoted Fair value Equity instruments	359,098	-	-	359,098	359,098
Sub-total	473,662	11,259	103,305	359,098	473,662
total	**$ 893,613**	**413,292**	**103,701**	**376,620**	**893,613**

	2022.12.31				
		Fair value			
	Carrying Amount	Level 1	Level 2	Level 3	total
Financial assets at fair value through profit or loss Fair value Liabilities					
Financial assets designated as at fair value through profit or loss Fair value Liabilities	$ 16,200	-	-	16,200	16,200

(3) Valuation techniques for financial instruments not measured at fair value under Fair value

The Group’s valuation techniques and assumptions used for financial instruments not under Fair value are as follows:

Financial assets at amortized cost Assets and Liabilities

If there is quoted price generated by transactions, the recent transaction price and quoted price data is used as the basis for fair value measurement. If no market value is available for reference, the evaluation method is used for estimation. However, if no quoted prices are available, the discounted cash flows are used to estimate fair values.

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

(4.1) Non-derivative financial instruments

Financial instruments traded in active markets are based on quoted market prices. 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.

A financial instrument is regarded as being quoted in an active market if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency and those prices represent actual and regularly occurring market transactions on an arm’s-length basis. If a financial instrument does not accord with the definition aforementioned, then it is considered to be without quoted price in active market. In general, market with low trading volume or high bid-ask spreads is an indication of a non-active market.

If the financial instruments held by the Group are in an active market (listed stocks, beneficiary certificates, etc. are financial Assets with standard terms and conditions and traded in an active market), their fair values are determined with reference to market quoted prices.

For the Group's financial instruments that have no active markets, the fair value is measured using the market approach based on the category and nature of the Equity instruments with no quoted market prices. The main assumption is based on the market value and financial information of the investee's comparable companies. This estimate has been adjusted for the discount effect of the circulation of Equity.

(4.2) Derivative financial instruments

Based on the valuation model widely accepted by market users, the market approach and the binary tree convertible bond valuation model are used to estimate the fair value.

(5) Transfers between Level 1 and Level 2: None.

(6) Reconciliation of Level 3 fair values

	At fair value through profit or loss Fair value		Through Other comprehensive income According to Fair value
	No quoted price available Debt instruments	Held for trading Liabilities Embedded derivatives	Unquoted Equity instruments
January 1, 2023	$ 17,522	16,200	359,098
Total gains and losses			
Recognized in profit or loss	(136)	(10,910)	-
Recognized in Other comprehensive income	-	-	144,172
Conversion of corporate bonds	-	(700)	-
Purchases	-	-	89,105
Disposals	-	-	(119,319)
December 31, 2023	**$ 17,386**	**4,590**	**473,056**
January 1, 2022	$ 15,357	3,800	450,396
Recognized in profit or loss	828	12,400	
Recognized in Other comprehensive income	-	-	(75,798)
Purchases	1,337	-	5,500
Disposals	-	-	(21,000)
December 31, 2022	**$ 17,522**	**16,200**	**359,098**

Note: As of December 31, 2023, $23,363 thousand has not been paid and is recognized in Other payables. The aforementioned total gains and losses were recognized in "Other gains and losses" and "unrealized gains and losses from financial assets measured at Fair value through Other comprehensive income and Assets". Among them, those related to Assets still held on December 31, 2023 and 2022 are as follows:

The aforementioned total gains and losses were recognized in "Other gains and losses" and "unrealized losses on valuation of Fair value-Financial Assets through Other comprehensive income." Among them, those related to Assets still held on December 31, 2023 and 2022 are as follows:

	2023	2022
Recognized in profit or loss (listed in "Other gains and losses")	10,774	(11,572)
Recognition under Other comprehensive income (reported as "Unrealized gain (loss) on valuation of Fair value Financial Assets through Other comprehensive income)	124,693	(75,798)

(7) Quantitative information of Fair value with significant unobservable inputs (Level 3)

Fair value classified as level 3 of the Group mainly consists of financial assets at fair value through profit or loss, financial assets at fair value through profit or loss, financial assets at fair value through other comprehensive income, financial assets at fair value through other comprehensive income, financial assets at fair value through other comprehensive income, financial assets at fair value through profit or loss and financial assets at fair value through other comprehensive income under Fair value – debt instruments and financial assets at fair value through profit or loss classified as Equity – derivative financial instruments.

Most of the fair value measurements categorized within Level 3 use the single and significant unobservable input.

Quantified information of significant unobservable inputs was as follows:

Item	Valuation technique	Significant unobservable inputs Significant unobservable input	Significant unobservable inputs Inputs and fair value Relationship of value
Other comprehensive income Fair value-Financial Instruments with Assets-Investments in Equity Instruments with no active market	Market approach and Assets approach	Discount for lack of marketability (December 31, 2023 and December 31, 2022 were 11.21% ~ 30% and 10% ~ 30%)	The higher the liquidity discount, the lower the fair value.
		Net Assets Value (2023.12.31)	The higher the net Assets value, the higher the fair value
		Volatility (17.48% ~ 26.91% and 14.54% ~ 23.91% on December 31, 2023 and 2022, respectively)	The higher the volatility, the lower the fair value
Financial assets at fair value through profit or loss Fair value Assets-Debt investments with no active market	Assets	Discount for lack of marketability (10% on December 31, 2023 and 2022)	The higher the liquidity discount, the lower the fair value.
Financial assets at fair value through profit or loss Fair value Liabilities-embedded derivatives	Binary Tree Convertible Bond Valuation Model	Volatility (21.22% and 14.95% as of December 31, 2023 and 2022, respectively)	The higher the volatility, the higher the fair value

(8) Sensitivity analysis of Level 3 fair value under Fair value

The Group’s Fair value of financial instruments is reasonable, but the use of different evaluation models or evaluation parameters may result in different evaluation results. For fair value measurements in Level 3, changing one or more of the assumptions to reflect reasonably possible alternative assumptions would have the following effects:

	Upward or	Fair value changes Reaction to Current	Fair value changes Reaction to Other

		downward changes	profit and loss		comprehensive income	
	Inputs	Change	Favorable changes	Unfavorable	Favorable changes	Unfavorable
December 31, 2023						
Financial assets at fair value through profit or loss Fair value Assets						
Debt investments with no active market	Discount for lack of marketability	+ 1%	-	(193)	-	-
	Discount for lack of marketability	1%	193	-	-	-
Measured at Other comprehensive income as Fair value’ s Assets						
Investments in Equity instruments with no active market	Liquidity discount and volatility	+ 1%	-	-	-	(5,361)
	Liquidity discount and volatility	1%	-	-	5,361	-
Financial assets at fair value through profit or loss Fair value Liabilities						
Embedded derivative	Volatility	+ 1%	360	-	-	-
	Volatility	1%	-	(360)	-	-

	Inputs	Upward or downward changes Change	Fair value changes Reaction to Current profit and loss Favorable changes	Fair value changes Reaction to Current profit and loss Unfavorable	Fair value changes Reaction to Other comprehensive income Favorable changes	Fair value changes Reaction to Other comprehensive income Unfavorable
December 31, 2022						
Financial assets at fair value through profit or loss Fair value Assets						
Debt investments with no active market	Discount for lack of marketability	+ 1%	-	(195)	-	-
	Discount for lack of marketability	1%	195	-	-	-
Measured at Other comprehensive income as Fair value’s Assets						
Investments in Equity instruments with no active market	Liquidity discount and volatility	+ 1%	-	-	-	(3,928)
	Liquidity discount and volatility	1%	-	-	4,046	-
Financial assets at fair value through profit or loss Fair value Liabilities						
Embedded derivative	Volatility	+ 1%	1,000	-	-	-
	Volatility	1%	-	(1,200)	-	-

The favorable and unfavorable effects represent the changes in fair value, and fair value is based on a variety of unobservable inputs calculated using a valuation technique. The analysis above only reflects the effects of changes in a single input, and it does not include the interrelationships with another input.

(twenty-four) Financial risk management

1. Summary

The Group have exposures to the following risks from its financial instruments:

(1) Credit risk

(2) Liquidity risk

(3) Market risk

The following likewise discusses the Group’s objectives, policies and processes for measuring and managing the above mentioned risks. For detailed information, please refer to the related notes to the financial statements.

2. Risk management structure

The Group’s risk management policies are established to identify and analyze the risks faced by the Group, to set appropriate risk limits and controls, and to monitor risks

and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities. The Group, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Group Audit Committee oversees how management monitors compliance with the Group's risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the Group. The Group Audit Committee is assisted in its oversight role by Internal Audit. Internal Audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the Audit Committee.

The Group’s Audit Committee oversees how management monitors compliance with the Group’s risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the Group. The Group Audit Committee is assisted in its oversight role by Internal Audit. Internal Audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the Audit Committee.

3. Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group’s receivables from customers and investments in debt securities.

(1) Accounts receivable and Other receivables

Since the Group is mainly engaged in the pre-sale of real estate, has a large customer base and a diversified sales region, and does not significantly concentrate transactions with a single customer, there is no significant concentration of credit risk in Accounts receivable. The construction projects of the consolidated company are in accordance with the company's contracting operation methods, and the contracting and construction technology meet the requirements and the construction manufacturers with good reputation, so they can fully control the construction quality and progress. In addition, the customers of the consolidated company engaged in wastewater treatment business transactions are concentrated in public construction, BOT and ROT bids. As of December 31, 2023 and 2022, the Group's concentration of credit risk on government entities for BOT and public construction projects accounted for 94% of the total receivables, respectively. However, as the counterparties are mainly government agencies, there is no credit risk.

The Group set up an allowance for bad debt account to reflect the estimated losses for Accounts receivable and Other receivables and investments. The allowance for bad debt account consists of specific losses relating to individually significant exposure and the unrecognized losses arising from Assets group. The collective component is based on historical payment experience of similar financial instruments in accordance with Assets.

(2) Investments

The credit risk exposure in Cash in banks, fixed income investments and Other are measured and monitored by the Group’s finance department. The Group only deals with banks, other external parties, corporate organizations, government agencies and financial institutions with good credit rating. The Group does not expect any of the counterparties above to fail in meeting their obligations. However, the Group continues to evaluate changes in the economic environment and create a valuation profit and loss account for the pledged

investments held.

4. Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial assets and financial liabilities that are settled by delivering cash or Other Assets Liabilities. The Group’ s approach to managing liquidity is to ensure, as far as possible, that it always has sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group’ s reputation.

The Group calculates the capital required for the cost of each development project one by one, the sales period that can be collected from customers and the construction financing that can be supported by banks, and properly plans the timing of capital income and expenditure to ensure that there is sufficient liquidity to pay the Liabilities due. Since a portion of the funds required for the development and construction of the construction project can be obtained from the bank, and customers can also obtain housing loans from the bank to pay most of the price when the house is handed over, the consolidated company will not face the risk of significant losses or damage to the reputation.

5. Market risk

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

Interest rate risk

The Group's exposure to changes in interest rates is mainly attributable to its Bank loan. Borrowings issued at variable rates expose the Group to cash flow risk; borrowings issued at fixed rates expose the Group to fair value risk. The Consolidated Company evaluates that the operating environment in which the interest rate is stable in recent years, and there should be no significant interest rate risk.

(twenty-five) Capital management

The Group meets its objectives for managing capital to safeguard the capacity to continue to operate, to continue to provide a return on shareholders, to maintain the interest of Other's related parties, and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may adjust the dividend payment to the shareholders, reduce the capital for redistribution to shareholders, issue new shares, or sell Assets to settle Liabilities.

The Group and other entities in the same industry use the Liabilities capital ratio to manage capital. This ratio is the total net Liabilities divided by the total capital. Liabilities is the Total liabilities shown in Assets Liabilities minus Cash and cash equivalents. The total capital consists of all components of Equity (i.e. Share capital, Capital surplus, Retained earnings and Other equity interest) plus net Liabilities.

The capital management strategy of the consolidated company in 2023 is consistent with that in 2022. Liabilities capital ratio is maintained to ensure financing at a reasonable cost. The capital ratios of Liabilities as of December 31, 2023 and 2022 were as follows:

	2023.12.31	2022.12.31
Total liabilities	$ 22,912,405	23,291,261
Less: Cash and cash equivalents	(2,617,536)	(2,240,114)
Liabilities	20,294,869	21,051,147
Total equity	17,367,946	16,901,748
Adjusted capital	**$ 37,662,815**	**37,952,895**

Liabilities capital ratio	**53.89%**	**55.47%**

(twenty-six) Non-cash investing and financing activities

For the years ended December 31, 2023 and 2022, the Group's non-cash financing activities were as follows:

1. The reconciliation of Liabilities from financing activities is as follows:

	2023.1.1	Cash flow	Non-cash changes	2023.12.31
Leases Liabilities	$ 288,311	(96,848)	1,734 (Note1)	193,197

	2022.1.1	Cash flow	Non-cash changes	2022.12.31
Leases Liabilities	$ 321,923	(78,133)	44,521 (Note 2)	288,311

Note 1: It is an increase of NT $39,631 thousand, rent concession of NT $3,898 thousand and lease termination decrease of NT $33,999 thousand in the current period.

Note 2: It is an increase of NT $48,623 thousand in the current period, a decrease of NT $6 thousand in lease termination and modification due to the pandemic rent reduction of NT $4,096 thousand.

7. RELATED PARTY TRANSACTIONS

(a) Names and relationship with related parties

The followings are entities that have had transactions with related party during the periods covered in the consolidated financial statements.

Name of related parties	
Guo, Shuzhen	Chairman of the Company
Lealea Evergreen Long-Term Care Association Corporation	The chairman of the company is a director of the Company
Musheng Yunduo Interior Decoration Design Co., Ltd.	The chairman of the company is a director of the Company
Ju Shan Lin Information Technology Co., Ltd.	The chairman of the company is a director of the Company
Giant Industry Co., Ltd.	The chairman of the company is a director of the Company
Howsler Foods Co., Ltd.	The chairman of the company is a director of the Company
Garden Square Co., Ltd.	The chairman of the company is a director of the Company
Ching Shan Lin Corporation	The chairman of the company is a director of the Company
Techdesign Consulting Co., Ltd.	The chairman of the company is a director of the Company
Yilan County, private Li Li Lohas long-term care center for the elderly (care type)	The chairman of the company is a director of the Company
Jia Rui Development Co., Ltd.	The chairman of the company is a director of the Company
Yu Ching Home Health Co., Ltd.	The chairman of the company is a director of the Company
About Design Interior Decoration Co., Ltd.	The chairman of the company is a director of the Company
Liwei International Development Co., Ltd.	The chairman is the chairman of the Company
Chimei International Enterprise Co., Ltd.	The chairman is the chairman of the Company
Chi Mao International Co., Ltd.	The chairman is the chairman of the Company
Zhantang Cultural and Creative Co., Ltd.	The chairman is the chairman of the Company
Guo, Musheng Cultural and Educational Center Funds	The chairman is the chairman of the Company
Li Peng Enterprise Co., Ltd.	The chairman of the company is the second immediate family of the chairman of the Company
Lealea Enterprise Co., Ltd.	The chairman of the company is the second immediate family of the chairman of the Company
Lealea Technology Inc.	The chairman of the company is the second immediate family of the chairman of the Company
Best Hotel	The chairman of the company is the second immediate family of the chairman of the Company
Yilan County Li Social Welfare and Charity Funds Association	The chairman of the company is the second immediate family of the chairman of the

	Company
Shan-Lin Kuo Funds	The chairman of the company is the second immediate family of the chairman of the Company
Li Yu Education Co., Ltd.	The director of the company is a director of the company
Leader Construction Co., Ltd.	The director of the company is a director of the company
Shan Lin Hsu Technology Environmental Engineering Co., Ltd.	The director of the company is a director of the company
Tianfang Energy Technology Co., Ltd.	The director of the company is a director of the company
Taiwan Green Power Corporation	The director of the company is a director of the company
Baiqiao Food Co., Ltd.	The director of the company is a director of the company

Hong Jie Engineering Co., Ltd.	Related party in substance
Li Shan Lin Kenting Zheyuan Co., Ltd.	Related party in substance
QINGJING HAIJING CO., LTD.	Related party in substance (Note 1)

Note 1: After the resignation of directors in September 2022, they are no longer related parties of the consolidated company.

Note 2: After the resignation of directors in December 2023, they are no longer related parties of the consolidated company.

(2) Significant transactions with related parties

1. Sale of real estate

The Group's contractual commitments and receipts in advance from related parties were as follows:

	Pre-sale house and land purchase and sale contract		Revenue from sale of real estate		Liabilities	
	2023.12.31	2022.12.31	2023	2023	2023.12.31	2022.12.31
Shun Yu Investment Co., Ltd.	$ 130,153	130,153	130,153	-	-	39,600
Yang Jiang, Yang Jun	-	-	-	28,472	-	-
	$ 130,153	130,153	130,153	28,472	-	39,600

There were no significant differences between the terms of transactions with related parties and that of Other.

2. Purchases from related parties

(1) The amounts of purchases and outstanding balances of construction contracts that the Group paid to related parties of Other were as follows:

	Contract amount		Purchases (Current pricing)	
	2023.12.31	2022.12.31	2023	2022
Lituo Construction	$ 2,498,442	1,832,152	449,421	163,406
Nengbang Engineering	92,210	441,600	(1,223)	(176)
Lealea Development	138,785	138,662	24,445	18,816
Liyang Mechanical and Electrical	142,008	273,108	10,684	76,100
Li Gang Industrial	36,132	59,241	935	21,852
Hong Jie Engineering	124,136	95,153	31,069	69,920

Hongling Heavy Industries	12,721	34,810	(561)	791
Shan Lin Xu	377,497	192,381	101,647	56,613
Other Related party	16,843	13,353	7,059	4,570
	$ 3,438,774	**3,080,460**	**623,476**	**411,892**

The price of the construction contracted by the Consolidated Company to related parties is based on the construction budget plus a reasonable Administrative expenses and profit, which is determined by mutual comparison and negotiation, and the payment shall be made in accordance with the contract. Some related parties prepaid the front-end fee after signing the contract, and paid by half of the spot bill and half of the 30-day promissory note after receiving the payment documents every month, and Other paid by 30-day promissory note, which was not significantly different from the transaction conditions of non-related parties.

(2) In December 2023, the Group purchased land from Guo, Shuzhen to build a commercial building for sale or lease at a total price of NT $561,390 thousand. As of December 31, 2023, the transfer procedures have been completed, and accounted for under Inventories. The aforementioned acquisition price is based on the real estate appraisal report. Please refer to Note 13 (a) .5.

3. Receivables from related parties

The receivables from related parties were as follows:

Item	Type of related party	2023.12.31	2022.12.31
Notes receivable	Other Related party	$ 113	74
Accounts receivable	Other Related party	158	547
Other receivables	Li Tuo Construction (Note)	7,037	3,500
Other receivables	Other Related party	716	130
		$ 8,024	**4,251**

Note: Dividends receivable from preferred stocks.

4. Prepayments

The prepayments to related parties arising from construction contracts were as follows:

	2023.12.31	2022.12.31
Other-related parties	$ 15,822	26,620
Other-related parties-Hung Chieh Engineering	92	-
Other Related party — Nengbang Engineering	-	1,010
Other Related party — BHD	6,868	-
Other Related party — Hongling Heavy Industries	-	2,520
Other Related party — Li Yang	-	2,193
	$ 22,782	**32,343**

5. Payables to related parties

The payables to related parties were as follows:

Item	Type of related party	2023.12.31	2022.12.31

Notes payable	Lituo Construction	$	14,343	20,716
Notes payable	Liyang Mechanical and Electrical		620	-
Notes payable	Li Fang Development		25	-
Notes payable	Nengbang Engineering		-	166
Notes payable	Lealea Development		4,469	3,984
Notes payable	Hong Jie Engineering		-	17,910
Notes payable	Liyang Mechanical and Electrical		-	16,684
Notes payable	Ching-Shan Lin		-	253
Notes payable	Shan Lin Xu		22,986	1,078
Notes payable	Other Related party		4,335	4,588
Accounts payable	Nengbang Engineering		302	5,042

Item	Type of related party	2023.12.31	2022.12.31
Accounts payable	Liyang Mechanical and Electrical	18,007	15,721
Accounts payable	Lealea Development	8,299	4,625
Accounts payable	Hong Jie Engineering	1,245	6,356
Accounts payable	Lituo Construction	68,728	-
Accounts payable	Shan Lin Xu	17,707	11,037
Accounts payable	Other Related party	531	4,757
Other payables	Li Fang Development	321,349	188,975
Other payables	Musheng Yunduo	37,134	70,699
Other payables	ABOUT DESIGN	12,103	18,365
Other payables	Liyang Mechanical and Electrical	60,790	-
Other payables	Ju Shan Lin	29,351	15,725
Other payables	Shun Yu Investment (Decoration allowance)	6,405	-
Other payables	Other Related party	7,754	18,813
		$ 636,483	**425,494**

6. ACQUISITION OR DISPOSAL OF Other Assets

(1) The contractual commitments of the Group to Other related parties for the hotel construction are as follows:

	Contract signed (before tax)		Amount billed	
	2023.12.31	2022.12.31	2023.12.31	2022.12.31
Li Fang Development	$ 1,466,140	1,432,611	1,466,140	1,144,750
Musheng Yunduo	219,344	221,698	219,344	149,466
Liyang Mechanical and Electrical	119,196	66,757	115,436	37,311

Item	Type of related party		2023.12.31	2022.12.31
Other Related party	153,160	119,200	147,794	51,479
	$ 1,957,840	**1,840,266**	**1,948,714**	**1,383,006**

Note: As of December 31, 2023 and 2022, prepayments for construction amounted to NT $1,494 thousand and NT $22,850 thousand, respectively.

(2) For the year ended December 31, 2022, the Group purchased Other related party, Lealea Enterprise Co., Ltd., for rent of $6,917 thousand from Assets, recognized as investment property.

7. LEASE

(1) Lease:

The Group leased office buildings, parking spaces and hotels to affiliates and related parties of Other, and entered into a 1 ～6-year lease contract with reference to the rental rates in the neighboring areas. As of December 31, 2023 and 2022, Rent income’ s deposits for leases were NT $5,109 thousand and NT $8,626 thousand, respectively, and as of December 31, 2023 and 2022, guarantee deposits received for leases were NT $682 thousand and NT $1,308 thousand, respectively.

(2) Lease:

The Group leased office buildings and parking spaces from Other and signed a 10-year lease contract with reference to the rental rates of offices and parking spaces in the neighboring areas. For the years ended December 31, 2023 and 2022, interest expenses recognized were NT $662 thousand and NT $721 thousand, respectively. As of December 31, 2023 and 2022, the balance of Liabilities was nil and NT $39,122 thousand, respectively.

The Group entered into a 10-year lease contract with Other, Leader Construction Co., Ltd., in May 2022, with a total contract value of $32,585 thousand. After the transfer of ownership, there is no need to continue the lease. Therefore, both parties signed an early termination agreement on December 1, 2023, agreeing to terminate the lease on December 31, 2023, and recognized a gain on lease modification of $777 thousand.

8. Other

(1) For the years ended December 31, 2023 and 2022, the Group paid NT $19,390 thousand and NT $17,103 thousand to Other, respectively, as set up maintenance fee (accounted for as Operating costs and Operating expenses).

(2) For the years ended December 31, 2023 and 2022, the Group paid Entertainment expense management fees and employee travel expenses of NT $12,167 thousand and NT $12,111 thousand, respectively, to its associates and related parties of Other, respectively.

(3) For the year ended December 31, 2022, the Group commissioned Liqiang Industry and Other to sell buildings and land. According to the agreement, 1% ~ 3% of the sales commission was paid at NT $9,483 thousand and NT $935 thousand, respectively. As of December 31, 2022, the contract acquisition cost of Ching Yi Development, a related party of Other, was NT $9,523 thousand.

(4) For the years ended December 31, 2023 and 2022, Donation expense and Other were $6,501 thousand and $8,267 thousand, respectively.

(5) On December 1, 2023, the Group purchased the real estate located at No. 182 Xiushui Road, Yuchi Township, Nantou County from Leader Construction Co., Ltd.. The total contract price is NT $126,781 thousand. As of December 31, 2023, the Group has paid the first installment of NT $13,000 thousand (accounted for as Other non-current assets), which is still in the process of applying for the relevant procedures.

(6) On August 12, 2019, the Group subscribed for 10,000 thousand cumulative preference shares issued by Lituo Construction, totaling NT $100,000 thousand. In addition, in accordance with the issuance method, the preference share dividend rate is 3.5% per annum. If there is no dividend distribution in the current year, the interest rate of 1.06% per annum should be added and accumulated to the future earnings and priority to make up for it; Interest revenue recognized preferred stock dividends of NT $3,537 thousand and NT $3,500 thousand for the years ended December 31, 2023 and 2022, respectively.

The aforementioned preferred shares were accounted for as Non-current financial assets at amortized cost. As of December 31, 2023 and 2022, the cumulative dividends receivable on preferred shares were $7,037 thousand and $3,500 thousand, respectively.

(3) Key management personnel transactions

Key management personnel compensation

	2023	2022
Short-term employee benefits	**$ 67,690**	**53,392**

8. PLEDGED Assets

The carrying amount of Assets pledged by the Group was as follows:

	Pledge guarantee subject	2023.12.31	2022.12.31
Other current financial assets	Trust Account	$ 502,630	240,710
Other current financial assets	Bank loan、Performance bond	410,175	397,619
Other current financial assets	Gift voucher guarantee	15,949	2,345
Inventories	Commercial paper and Bank loan	13,595,232	14,406,451
Fair value Financial Assets-Current	Bank loan	40,082	39,298
Other non-current financial assets	Bank loan, Bonds payable	592,837	616,051
Other non-current financial assets	Performance bond	13,119	13,300
Property, plant and equipment	Bank loan	6,268,387	5,653,435
Franchise	Bank loan	1,136,318	1,168,284
Investment property, net	Bank loan	382,625	391,543
Long-term accounts receivables	Bank loan	3,091,234	3,170,428
		$ 26,048,588	**26,099,464**

9. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNIZED COMMITMENTS

Liabilities

(1) Significant unrecognized contractual commitments:

1. The Group’ s unrecognized contractual commitments are as follows:

	2023.12.31	2022.12.31
Contract signed		
Sale of premises and capacity	$ 665,461	1,859,468
Purchase of Land held for construction site	197,486	416,065
Hotel construction and renovation contracts	150,751	2,282,217

Construction in progress Contract		1,745,504	1,988,386
Purchase of Property, plant and equipment (Contract Amount)		126,781	-
Received or priced price			
Sale of premises and capacity	$	482,191	501,965
Purchase of Land held for construction site		138,143	220,095
Hotel construction and renovation contracts		38,922	1,556,318
Construction in progress Contract		377,944	827,252
Purchase of Property, plant and equipment (Contract Amount)		13,000	-

2. The details of the joint construction contracts or joint investment and construction contracts signed by the Consolidated Company on December 31, 2023 and 2022 are as follows:

Project name	Nature of joint construction	Joint construction deposit (Accounted for as Other current financial assets) 2023.12.31	2022.12.31
Rich Tien Mu	Co-built shared house	$ -	15,464
Zhongshan North Section 6	〃	11,000	11,000
Huanshan Project	〃	Note	111,020
Yongan Section, Yonghe District	〃	86,100	85,370
Xizhi Chongde Section	〃	430,000	430,000
Da Ye Road Project	〃	35,000	35,000
Section 1, Zhongcheng Road	〃	3,310	1,680
Wan Chai Zhen Commercial Area	〃	31,793	-
Fuyang Street Project	〃	17,932	-
		$ 615,135	**689,534**

Note: It is the guarantee deposit placed by the Group in the joint construction contract and joint investment and construction contract signed with Other’ s related party, Guo, Shuzhen. The joint construction agreement was terminated in December 2023 to purchase the land for self-construction. The aforementioned guarantee deposit has been fully recovered.

3. Unrecognized contractual commitments of the Group for contracted projects are as follows:

	2023.12.31	2022.12.31
Amount contracted but not yet received (before tax)	**$ 3,724,909**	**5,306,819**
Contracted but not paid (before tax)	**$ 2,485,927**	**2,309,212**

4. On December 10, 2021, the Group entered into a contract with an unrelated party to sell 2,500 shares of Sky Power Co., Ltd. for the purpose of planning and developing No. 28 Offshore Wind Farm in Changhua County. As of June

30, 2022, the equity delivery procedures have been completed, and the contract price of $21,000 thousand has been received. Subsequently, as the counterparty intends to withdraw from the No. 28 Offshore Wind Farm Project in Changhua County and sell the aforementioned equity, the Group signed a termination agreement with the counterparty on October 26, 2023.

5. The Group has entered into a BOT (Build-Operate-Transfer) arrangement with a government authority in respect of the sewage treatment services for Nanzi Sewerage in Kaohsiung and Luodong Sewerage in Yilan. The major contents of the arrangement are summarized as follows:

(1) During the service concession period, the Group provides construction, operation and maintenance of these wastewater treatment facilities in the form of services designated by the government authorities;

(2) The Group has the right to use these facilities and the related land to provide wastewater treatment services during the service concession period, and is paid based on the price and price adjustment index agreed in the construction and operation contract;

(3) The government authorities will control and supervise the scope of services to be provided by the Consolidated Company using the Facilities;

(4) both the Group and the government authorities have the right to terminate the agreement in the event of a material breach of the terms thereof;

(5) The Combined Company is the nominal registrant of the relevant land superficies and wastewater treatment facilities during the Service Concession Period; At the end of the service concession period, the designated plant and equipment are restored to the normal operation requirement in accordance with the provisions of the construction and operation contract, and are transferred and returned at no cost;

(6) The consolidated company may apply for a preferential right of renewal four years before the expiration of the term.

(7) In the construction and operation contract signed by the Consolidated Company and Yilan County Government, according to Article 8.4.7 of the contract, Yilan County Government shall deduct the difference between the number of users' water taken over by tap water and the actual number of water intake of the wastewater treatment plant in the agreed month, and the relevant information shall be clarified by the water plant; However, Yilan County Government will deduct the actual amount of incoming water in the agreed month, and will pay it after it is approved to take over the actual amount of water used by the users of the tap water plant. According to historical experience, the Group will recover it approximately two years later, and estimate the deduction of income according to the historical deduction ratio.

(8) The Consolidated Company and the Economic Development Bureau of the Kaohsiung City Government applied for the treatment of sewage in Nanzi Industrial Park in the form of an affiliated business under the original sewage treatment main plan for a concession period from 2023 to 2027.

6. The Group has entered into an arrangement with a government authority to provide services for Franchise in the form of ROT (Build-Operate-Transfer) for the sewage treatment service in Guanyin Industrial Park, Taoyuan. The main contents are summarized as follows:

(1) During the service concession period, the Group provides construction, reconstruction, construction and operation of these wastewater treatment facilities in the form of services designated by the government authorities; The Group shall pay a fixed amount of royalties, variable royalties and equipment transfers every year during the operating period in accordance with the provisions of the contract.

(2) The Group has the right to use these facilities and the related land to provide wastewater treatment services during the service concession period. In addition, as stipulated in the investment contract, the Group is compensated in accordance with the wastewater treatment system usage fee rate approved by the government authority;

(3) The government authorities will control and supervise the scope of services to be provided by the Consolidated Company using the Facilities;

(4) both the Group and the government authorities have the right to terminate the agreement in the event of a material breach of the terms thereof;

(5) At the end of the service concession period, the Group restored the designated plant and equipment to the operating requirements stated in the license without any compensation in accordance with the provisions of the contract;

(6) The Consolidated Company may apply for a first right of renewal before the end of November 2029, and the new contract period shall not exceed 15 years.

7. The Group has entered into an arrangement with the government in relation to the Taichung compost kitchen waste removal and rice treatment service in the form of ROT (reconstruction-operation-transfer). The main contents of the arrangement are summarized as follows:

(1) During the Service Concession Period, the Group shall provide the renovation, operation and maintenance of such compost kitchen waste treatment facilities in accordance with the service method designated by the government authorities; According to the contract, the Group should pay a fixed amount of royalties and variable royalties every year during the operating period.

(2) During the service concession period, the Company has the right to use the facilities and related land to provide compost waste and rice pole treatment services, and the waste treatment is compensated according to the price and treatment amount agreed in the contract; The processing fee is paid with the processing quantity provided by the government agency according to the price agreed in the contract;

(3) The government authorities will control and supervise the scope of services to be provided by the Consolidated Company using the Facilities;

(4) both the Group and the government authorities have the right to terminate the agreement in the event of a material breach of the terms thereof;

(5) At the end of the service concession period, the Group restored the designated plant and equipment to the normal operating requirements without any compensation in accordance with the provisions of the contract;

(6) The consolidated company may apply for a first right of renewal before August 2039, and the new contract period shall not exceed 20 years, and shall be limited to once.

8. The Group has entered into a BTO (Build-Transfer-Operate) service contract with a government authority in relation to the Nanzi Reclaimed Water Treatment Service in Kaohsiung. The major contents of the arrangement are summarized as follows:

(1) During the service concession period, the Group provides construction, operation and maintenance of these wastewater treatment facilities in the form of services designated by the government authorities;

(2) The Company has the right to use the facilities and related land to provide reclaimed water treatment services during the service concession period, and is compensated based on the price and price adjustment index agreed in the construction and operation contract;

(3) The government authorities will control and supervise the scope of services to be provided by the Consolidated Company using the Facilities;

(4) during the service concession period, the government authorities agreed to lease the relevant land and buildings to the Group for use in the construction and operation plan; At the end of the service concession period, the designated plant and equipment are restored to the normal operation requirement in accordance with the provisions of the construction and operation contract, and are transferred and returned at no cost;

(5) The consolidated company may apply for a preferential right of renewal three years before the expiration of the term.

(6) The Group paid performance bond for pledged time deposits of $100,000 thousand

9. The Group’s service Franchise contracts with government agencies are as follows:

Name of subsidiary as the operator	Location	Name of Grantor	Type of agreement	Service concession arrangements
Green Forest Development Co., Ltd.	Kaohsiung area	Kaohsiung City Government	BOT of sewage system	April 2006 to April 2041
〃	〃	〃	Entrusted treatment contract for waste (sewage) water in Nanzi Industrial Park	January 2023 to June 2027
Tung Shan Lin Development Co., Ltd.	Yilan area	Yilan County Government	BOT of sewage system	December 2005 to December 2040

Yuan Shan Lin Development Co., Ltd.	Guanyin Industrial Park	Ministry of Economic Affairs Industrial Park Administration	Sewage system ROT	August 2016 to July 2031
Heshan Forest Green Energy Co., Ltd.	Taichung	Environmental Protection Bureau, Taichung City Government	Composting kitchen waste removal system ROT	August 2017 to August 2042
Eminence Water Corporation	Kaohsiung area	Kaohsiung City Government	Nanzi Reclaimed Water Plant BTO	December 2023 to December 2044
〃	〃	Southern Taiwan Science Park Administration, National Science and Technology Commission	Contract for the operation and management of high-end treatment facilities, water distribution tanks and distribution pipelines for reclaimed water in Nanzi	16 years from the date of notification by government authority

10. The Group’s major discretionary investment contracts are as follows:

Owner	Project name	Contract amount	Performance period
Yilan County Government	Operation and maintenance of water resource recycling center in Yilan area	A portion is fixed income, and a portion is payable monthly	December 2023 to November 2026
Central Taiwan Science Park Administration, National Science and Technology Commission	Operation and maintenance of sewage system in Taichung Park	The portion is fixed income, and the portion is claimed based on the monthly input amount, and the annual payment does not exceed the limit specified in the contract.	January 2020 to December 2024
Chiayi City Government	Chiayi City Water Recycling Center Acting Operation	The portion is fixed income, and the portion is claimed based on the monthly input amount, and the annual payment does not exceed the limit specified in the contract.	November 2022 to December 2025
Bureau of Water Resources, Tainan City Government	Entrusted operation and maintenance of Yongkang Water Resources Recycling Center and Reclaimed Water Plant in Tainan City	The portion is fixed income, and the portion is claimed based on the monthly input amount, and the annual payment does not exceed the limit specified in the contract.	December 2022 to December 2037
Southern Taiwan Science Park Administration, National Science and Technology Commission	Entrusted operation and maintenance of the high-level management facility, pool and distribution network of Yongkang reclaimed water in Tainan City	The portion is fixed income, and the portion is claimed based on the monthly input amount, and the annual payment does not exceed the limit specified in the contract.	December 2022 to December 2037
Taiwan Water Corporation Seventh District Management Office Penghu Operation Office	Establishment of the 6,000-ton seawater desalination plant, and commissioned operation and maintenance	The portion is fixed income, and the portion is claimed based on the monthly input amount, and the annual payment does not exceed the limit specified in the contract.	October 2023 to October 2038

(2) Contingencies Liabilities:

1. As at December 31, 2023 and 2022, the Group’s guaranteed notes issued for contract obligations and borrowings amounted to NT $1,553,825 thousand and NT $1,685,555 thousand, respectively.

2. On January 19, 2019, the subsidiary and the Construction and Planning Agency of the Ministry of the Interior signed the "Turnkey Project for the New Construction of Yongkang Water Recycling Center and Reclaimed Water Plant in Tainan City" and the "Turnkey Project for the New Construction of Yongkang Reclaimed Water High-end Treatment Facility Plant,

Blending Pool and Distribution Pipeline in Tainan City". On December 31, 2023, due to the overdue construction progress, the amount debited by the owner was NT $515,000 thousand (accounted for Accounts receivable). However, the construction process of the project was affected by the neighboring projects, the impact of the COVID-19 epidemic, the inconsistency of the GIS drawings provided by the Southern Taiwan Science Park Administration, the cumbersome audit procedures, and weather factors and administrative factors, resulting in delays in the construction period. Therefore, the subsidiary is actively seeking with the owner to extend the construction period that cannot be attributable to the subsidiary. In addition, since the project has expired the contract performance period, after considering the above factors that cannot be returned to the subsidiary, the estimated fine is NT $79,156 thousand (accounted for as a deduction of Operating revenue in 2022). According to the lawyer's evaluation and the letter from the competent authority, the application for extension of the construction period is justifiable, which is not unfounded. The Group has submitted for mediation on January 5, 2023, but the final result will depend on the subsequent remedial results.

3. Because the former responsible person and former factory affairs manager of the subsidiary Lea Environmental Enterprise Co., Ltd. (hereinafter referred to as Lealea Environmental) were suspected of violating the Waste Disposal Act, the Changhua District Prosecutor's Office listed Lealea Environmental Protection as a joint defendant. On December 16, 2021, the prosecutor of the Changhua District Prosecutor's Office postponed the lawsuit for 2 years. During the disposal period, the Consolidated Company must improve the environment and equipment of the original plant in accordance with the improvement plan approved by the Changhua County Environmental Protection Bureau. On April 7, 2023, the Changhua District Prosecutor 'The Company shall pay NT $100 thousand to the treasury within three months from the date of determination of the deferred prosecution and disposal, and the improvement and obtaining of permits for the original deferred prosecution shall not affect the effectiveness of the deferred prosecution. The Group is also required to complete the disposal of illegal waste with the former responsible person in accordance with the waste disposal plan approved by the Yunlin County Environmental Protection Bureau before December 31, 2022, and has obtained the approval of the Yunlin County Environmental Protection Bureau on January 16, 2023.

4. As of December 31, 2023, the subsidiary contracted with the Taipei City Government for the “Phase VI Operation and Maintenance of the Dihua Sewage Treatment Plant” and was fined NT $23,750 thousand by the owner for violating the contract due to the failure of the equipment and water quality to meet the standards of the Water Pollution Control Law. However, the penalty standards of some of the fines are still in dispute. In the current period, the relevant penalty amount estimated to be NT $11,875 thousand (accounted for as a reduction of Operating revenue in 2022) based on the mediation results of the previous similar fines. The Company will subsequently apply for mediation, but the final amount will depend on the subsequent remedial results.

5. Resolution, the environmental impact assessment review of the Taipei Metro Line Airbus BOT project, was conditionally approved at the 123rd meeting of the Environmental Impact Assessment Committee on December 21, 2012. The Taipei High Administrative Court issued a judgment 2015-Su-Geng-Yi-Zi No. 14, which ruled that the above-mentioned environmental impact assessment review conclusion of Resolution was conditionally approved. The Taipei City Government did not appeal, so the conclusion of the environmental impact assessment was revoked. According to the contract, the Group is not required to conduct environmental impact assessment, so the environmental impact assessment fee has been applied and paid by the Taipei City Government. After the Consolidated Company was rejected in accordance with the contract, on July 20, 2018, the Consolidated Company requested the Taipei City Government to refund the fee of NT $10,358 thousand in accordance with the law. Although the Taipei City Government

appealed to the Supreme Court on July 30, 2020, the Consolidated Company had to abandon the litigation in accordance with the second coordination meeting minutes of the fourth session of the Beitou Airbus cable road BOT project received by Fu-Kung-Hsin-Tzu No. 1113020583 on March 21, 2022, and the litigation has now been terminated.

In addition, the Consolidated Company submitted a termination contract to the Taipei City Government in accordance with the contract. The Taipei City Government replied that the Consolidated Company submitted this case to the 4th Coordinating Committee for the coordination of the fourth coordination committee of the Beitou Line Airbus cable BOT case. After repeated discussions with the Coordination Committee, on March 8, 2022, the Coordination Committee made a conclusion of proposing mutual termination of the contract. The Taipei City Government has sent a letter on April 20, 2022 confirming the termination of the contract on April 2, 2022. At present, the Consolidated Company submitted a request for the compensation amount of $250,327 thousand for the termination of the contract to commercial arbitration on June 24, 2022. The Consolidated Company has received a commercial arbitration judgment on May 15, 2023. According to the judgment letter, the Taipei City Government shall pay the Consolidated Company compensation of $224,074 thousand, interest of $9,638 thousand and arbitration fees of $1,303 thousand (accounted for Other income). In 2023, the Group recognized a loss of $250,327 thousand (accounted for as Other gains and losses) and $9,638 thousand (accounted for as Other gains and losses) from the difference in arbitration of termination compensation and the balance of $1,274 thousand after the reversal of arbitration fees in the current period, which was transferred to Other income. The aforementioned amounts were received and settled on February 2, 2024.

6. In September 2022, due to the delay in the progress of No. 28 and 30 Dihua Street, the Group proposed litigation to the counterparty. The total contract price of the case was NT $57,183 thousand, and the price paid was NT $40,751 thousand, which was recognized as Prepayment for land purchases. It is expected that the compensation to be paid to it is the price paid plus the liquidated damages totaling NT $69,343 thousand. After the assessment by the lawyer, the Group has already held a considerable amount of guarantee, so the amount should not be impaired.

7. In 2022, the Group purchased the land in Shuiyuan Section, Xizhi District from natural person, Xie suring for the transfer of the building capacity in Chongde Section, Xizhi. Since the land has been listed as a protected land by the New Taipei City Government, it is impossible to transfer the capacity. Therefore, on January 3, 2024, the Group filed a lawsuit with the Taipei District Court to return the paid land purchase price of NT $23,183 thousand, pending the court’ s hearing.

10. SIGNIFICANT DISASTER LOSS: None.

11. SIGNIFICANT EVENTS AFTER THE REPORTING PERIOD

On March 14, 2024, the board of directors of the Group passed a resolution of Resolution to dispose of Land Lot No. 1209 in Ligang, Pingtung County. The total contract price was $326,058 thousand. In addition, the Group plans to sign sales contracts with non-related parties for 5 parcels of land including Lot 1215 in Ligang Tizai-zai, Pingtung County and 6 parcels of land including Lot 84, Yonglong Section, Yanpu Township, within the total contract price of NT $300,000 thousand.

12. Other

Employee benefits, Depreciations, depletion and Amortization expense are summarized as follows:

Function / Nature	2023			2022		
	Operating costs	Operating expenses	total	Operating costs	Operating expenses	total
Employee benefits expense						
Wages and salaries	579,286	216,493	795,779	511,914	198,479	710,393
Labor and health insurance	61,732	17,596	79,328	56,681	16,995	73,676
Pension expense	28,335	8,986	37,321	26,538	8,799	35,337

Other Employee benefits expense	33,956	12,746	46,702	28,959	13,721	42,680
Depreciation expense	291,357	18,669	310,026	236,615	21,010	257,625
Amortization expense	129,981	26,557	156,538	130,672	31,807	162,479

13. Note disclosures

(1) Information on significant transactions

The following is the information on significant transactions required by Regulations Governing the Preparation of Financial Reports by Securities Issuers. for the Group for the year ended December 31, 2023:

1. Loans to others:

Unit: NT $thousands

No.	Loaning of funds company	Loans Target	Transactions Subject	Yes No PR Related party	Most Recent High Amount	Ending Balance Balance	Actual Outgoing amount	Interest rate Range	Funds Loans Nature	Business Future amount	With short-term financing Funding must be repaid Main reasons	Provision Allowance for bad debts Amount	Collateral Company Name	Lending to individual borrowers Limit	Loan of funds Total Limit
1	Ho Ching Enterprises Co., Ltd.	Forest Water Environmental Eng'g Co., Ltd.	Other receivables	Yes	300,000	300,000	-	2.4%	2	-	Working capital	-		756,514	1,513,027
1	Ho Ching Enterprises Co., Ltd.	Eminence Water Corporation	Other receivables	Yes	100,000	100,000	100,000	2.45%	2	-	Working capital	-		756,514	1,513,027
2	The	Lea Ching	Other	Yes	60,000	60,000	60,000	4%	2	-		-		62,245	124,490

	Westin Yilan Resort	Enterprise Co., Ltd.	receivables								Operating turnover				

Note 1: In accordance with Ho Ching Enterprises Co., Ltd. "Procedures for Lending Funds to Other Parties":

(1) The total amount of loans to companies or firms with business transactions shall not exceed 40 percent of the net value of the Company, and the amount of individual loans shall not exceed the amount of business transactions between the two parties in the most recent year.
Maximum loan amount to others: 3,782,568×40% = 1,513,027 thousand.

(2) The total amount of loans to companies or merchants that are in need of short-term financing shall not exceed 40 percent of the net value of the Company, and the individual loan amount shall not exceed 20 percent of the net value of the Company.
Maximum loan amount to others: $3,782,568 thousand×40% ~ $1,513,027 thousand
Individual limit on loans to others:×20% ~ NT $756,514 thousand.

Note 2: In accordance with The Westin Yilan Resort "Procedures for Lending Funds to Other Parties":

(1) For loans to companies or businesses that require short-term financing, the total amount shall not exceed 20 percent of the net value of the Company, and the amount of individual loans shall not exceed 10 percent of the net value of the Company.

×20% ~ NT $124,490 thousand

Limit of financing amount to others: $622,451 thousand×10%\ 62,245 thousand

Note 3: Nature of financing

(1) Business counterparty is 1.

(2) Necessary for short-term financing 2

Note 4: It has been written off when preparing the consolidated financial report.

2. Guarantees and endorsements for other parties:

Unit: NT $thousands

Preparation No.	Endorsements and guarantees The Company Company name	Guaranteed Party Company name	Guaranteed Party Relationship	Single enterprise Endorsements and guarantees Certificate limit	Highest Endorsements and guarantees Balance	Ending balance Guarantees Balance	Actual Outgoing amount	Secured by properties Endorsement/Guarantee Amount of guarantee	Cumulative endorsement guarantee Percentage of the latest financial statements Net worth ratio	Endorsements and guarantees Highest Limit	Parent company Endorsement/Guarantee Given on Behalf of Subsidiaries	Subsidiary Endorsement/Guarantee Given on Behalf of Parent	to Mainland China Regional endorsement and guarantee
0	The Company	Tung Shan Lin Development Co., Ltd.	2	54,557,668	900,000	665,055	665,055	-	4.88%	81,836,502	Y	N None	N None
1	Forest Water Environm	Grain Forest Green	2	1,157,313	407,000	375,278	375,278	-	6.49%	2,893,284	Y	N None	N None

	ental Engineering Co., Ltd.	Energy Co., Ltd.											
1	Forest Water Environmental Engineering Co., Ltd.	Eminence Water Corporation	2	1,157,313	100,000	100,000	-	-	1.73%	2,893,284	Y	N None	N None

Note 1: 0 represents the Company

Note 2: Relationship between the endorser/guarantor and the party being endorsed/guaranteed is classified into the following seven categories:

(1) Companies with business transactions.

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

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

(4) companies in which the company directly and indirectly holds more than 90 percent 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 security 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 Procedures for Endorsements and Guarantees stipulate the total amount of guarantees and the limit for endorsement of a single enterprise as follows: The total amount of endorsements/guarantees made by the Company shall not exceed (excluding) six times the net value of the Company, and the amount of endorsements/guarantees made for a single enterprise shall not exceed four times the net value of the Company. Where the business relationship is to engage in endorsements/guarantees, the maximum amount shall not exceed the aforementioned limit, and the total amount of transactions with the Company in the most recent year. Net worth shall be based on the financial statements audited or reviewed by the most recent CPAs.

Note 4: Regulations Governing the Making of Endorsements/Guarantees by Forest Water Environmental Engineering Co., Ltd. sets the total amount of guarantees and the limit for endorsement of a single enterprise as follows:

(1) The total amount of external guarantee shall not exceed 50 percent of the net value of Forest Water Environmental Engineering Co., Ltd.

(2) The endorsement/guarantee amount for a single enterprise shall not exceed 20 percent of the current net value of Forest Water Environmental Engineering Co., Ltd.

3. Marketable securities held (excluding investments in subsidiaries, associates and joint ventures Equity):

Unit: NT $thousands

Held company	Securities Type and Name	Marketable securities Relationship with the issuer	Account	Ending Balance				Highest during the period Shareholding or Contribution	Remark
				Shares	Carrying Amount	Shareholding Ratio	Fair value		
The Company	Trade-related networks	-	Current financial assets at fair value through profit or loss	85,535	5,723	0.06%	5,723	0.06%	

The Company	Far EASTONE Telecommunications Co., Ltd.	-	Current financial assets at fair value through profit or loss	153,109	12,218	- %	12,218	- %	
The Company	BE M & H	-	Current financial assets at fair value through profit or loss	60,192,000	15,845	0.99%	15,845	0.99%	

Held company	Securities Type and Name	Marketable securities Relationship with the issuer	Account	Ending Balance				Highest during the period Shareholding or capital contribution	Remark
				Shares	Carrying Amount	Shareholding Ratio	Fair value		
The Company	Beijing Sports and Entertainment Industry Group Limited	-	Current financial assets at fair value through profit or loss	1,972,500	837	0.14%	837	0.14%	
The Company	AgateJt Healthcare Fund L.P.-	-	Non-current financial assets at fair value through profit or loss	-	17,386	- %	17,386	- %	
The Company	Lee Cheng Development Co., Ltd.	The chairman is a first-degree relative of the Company’ s director	Non-current financial assets at fair value through other comprehensive income	200,000	749	7.69%	749	7.69%	
The Company	Dahung Advanced Technology Co., Ltd.	-	Non-current financial assets at fair value through other comprehensive income	1,745,772	-	0.45%	-	0.45%	
The Company	Equity of Hongling Heavy Industries Co., Ltd.	-	Non-current financial assets at fair value through other comprehensive income	1,875,000	20,906	6.44%	20,906	6.44%	

Held company	Securities Type and Name	Marketable securities Relationship with the issuer	Account	Ending Balance				Highest during the period Shareholding or capital contribution	Remark
				Shares	Carrying Amount	Shareholding Ratio	Fair value		
The Company	Millenmin Ventures Inc.	-	Non-current financial assets at fair value through other comprehensive income	2,479,000	-	5.89%	-	5.89%	
The Company	Lee Ling Technology Co., Ltd.	-	Non-current financial assets at fair value through other comprehensive income	4,000,000	4,040	6.67%	4,040	6.67%	

Held company	Securities Type and Name	Marketable securities Relationship with the issuer	Account	Ending Balance				Highest during the period Shareholding or capital contribution	Remark
				Shares	Carrying Amount	Shareholding Ratio	Fair value		
The Company	Taiya Wind Energy Co., Ltd.	-	Non-current financial assets at fair value through other comprehensive income	2,382,000	85,347	1.68%	85,347	- %	
Li He Investment Co., Ltd.	Rich Development Construction Co., Ltd.	Parent company of the Company	Current financial assets at fair value through profit or loss	6,304,815	61,346	0.85%	61,346	0.85%	
Li He Investment Co., Ltd.	Li Peng Enterprise Co., Ltd.	The chairman of the company is the second immediate family of the chairman of the Company	Current financial assets at fair value through profit or loss	3,720,820	29,506	0.41%	29,506	0.41%	Note1
Li He Investment Co., Ltd.	Lealea Enterprise Co., Ltd.	The chairman of the company is the second immediate family of the chairman of the Company	Current financial assets at fair value through profit or loss	3,702,547	38,321	0.37%	38,321	0.37%	Note 2
Li He Investment Co., Ltd.	Lealea Technology Co., Ltd.	The chairman of the company is the second immediate family of the	Non-current financial assets at fair value through other comprehensive	3,875,148	148,263	7.20%	148,263	7.20%	

Held company	Securities Type and Name	Marketable securities Relationship with the issuer	Account	Ending Balance				Highest during the period Shareholding or capital contribution	Remark
				Shares	Carrying Amount	Shareholding Ratio	Fair value		
		chairman of the Company	income						
Li He Investment Co., Ltd.	Hwa Zhin Venture Capital Co., Ltd.	-	Non-current financial assets at fair value through other comprehensive income	5,435	-	1.09%	-	1.09%	
Li He Investment Co., Ltd.	Shin Kong Mitsukoshi Department Store Co., Ltd.	-	Non-current financial assets at fair value through other comprehensive income	274,079	12,388	0.02%	12,388	0.02%	
Li He Investment Co., Ltd.	Information Technology Total Services Co., Ltd.	-	Non-current financial assets at fair value through other comprehensive income	33,750	1,672	0.12%	1,672	0.12%	

Held company	Securities Type and Name	Marketable securities Relationship with the issuer	Account	Ending Balance				Highest during the period Shareholding or capital contribution	Remark
				Shares	Carrying Amount	Shareholding Ratio	Fair value		
Li He Investment Co., Ltd.	Wavin.com Inc.	-	Non-current financial assets at fair value through other comprehensive income	6,250	-	0.12%	-	0.12%	
Li He Investment Co., Ltd.	Lee Cheng Development Co., Ltd.	The chairman is a first-degree relative of the Company’s director	Non-current financial assets at fair value through other comprehensive income	200,000	749	7.69%	749	7.69%	
Li He Investment Co., Ltd.	Asia Renewable Energy (Cayman) Ltd.	-	Non-current financial assets at fair value through other comprehensive income	1,257,500	17,203	1.23%	17,203	1.23%	
Li He Investment Co., Ltd.	Tianli Offshore Wind Power Technology Co., Ltd.	-	Non-current financial assets at fair value through other comprehensive income	562,977	27,777	0.80%	27,777	0.80%	
Hejing Enterprise Co., Ltd.	Leader Construction Co., Ltd. -preference shares	The director of the company is a director of the company	Non-current financial assets at amortized cost	10,000,000	100,000	- %	100,000	- %	

Held company	Securities Type and Name	Marketable securities Relationship with the issuer	Account	Ending Balance				Highest during the period Shareholding or capital contribution	Remark
				Shares	Carrying Amount	Shareholding Ratio	Fair value		
Hejing Enterprise Co., Ltd.	Lealea Enterprise Co., Ltd.	The chairman of the company is the second immediate family of the chairman of the Company	Current financial assets at fair value through profit or loss	166,400	1,723	0.02%	1,723	0.02%	
Hejing Enterprise Co., Ltd.	Tien Fang Energy Technology Co., Ltd.	-	Current financial assets at fair value through profit or loss	37,317	972	0.12%	972	0.12%	

Held company	Securities Type and Name	Marketable securities Relationship with the issuer	Account	Ending Balance				Highest during the period Shareholding or capital contribution	Remark
				Shares	Carrying Amount	Shareholding Ratio	Fair value		
Blossom Increase Limited	Asia Renewable Energy (Cayman) Ltd.	-	Non-current financial assets at fair value through other comprehensive income	2,710,398	37,078	2.66%	37,078	2.66%	
Blossom Increase Limited	Tianli Offshore Wind Power Technology Co., Ltd.	-	Non-current financial assets at fair value through other comprehensive income	1,232,500	60,812	1.76%	60,812	1.76%	
Forest Water Environmental Engineering Co., Ltd.	Millenmin Ventures Inc.	-	Non-current financial assets at fair value through other comprehensive income	1,648,000	-	3.91%	-	3.91%	
Forest Water Environmental Engineering Co., Ltd.	Taiya Wind Energy Co., Ltd.	-	Non-current financial assets at fair value through other comprehensive income	1,693,000	60,660	1.19%	60,660	1.19%	
Advantage Environmental Protection Co., Ltd.	Mega Diamond Money Market Funds	-	Current financial assets at fair value through profit or loss	3,947,689	50,923	- %	50,923	- %	

Held company	Securities Type and Name	Marketable securities Relationship with the issuer	Account	Ending Balance				Highest during the period Shareholding or capital contribution	Remark
				Shares	Carrying Amount	Shareholding Ratio	Fair value		
Advantage Environmental Protection Co., Ltd.	Tien Fang Energy Technology Co., Ltd.	-	Current financial assets at fair value through profit or loss	489,000	12,738	1.52%	12,738	1.52%	
Tung Shan Lin Development Co., Ltd.	Funds	-	Current financial assets at fair value through profit or loss	3,334,156	50,861	- %	50,861	- %	
Tung Shan Lin Development Co., Ltd.	Capital Money Market Funds	-	Current financial assets at fair value through profit or loss	4,292,113	71,193	- %	71,193	- %	

Held company	Securities Type and Name	Marketable securities Relationship with the issuer	Account	Ending Balance				Highest during the period Shareholding or capital contribution	Remark
				Shares	Carrying Amount	Shareholding Ratio	Fair value		
Green Forest Development Co., Ltd.	Mega Diamond Money Market Funds	-	Current financial assets at fair value through profit or loss	7,022,141	90,582	- %	90,582	- %	
Advantage Environmental Protection Co., Ltd.	Yung-Fu Co., Ltd.	-	Non-current financial assets at fair value through other comprehensive income	535,415	10,393	0.76%	10,393	0.76%	
Modern Rich Investment Limited	Tianli Offshore Wind Power Technology Co., Ltd.	-	Non-current financial assets at fair value through other comprehensive income	1,280,000	63,155	1.83%	63,155	1.83%	
Modern Rich Investment Limited	Asia Renewable Energy (Cayman) Ltd.	-	Non-current financial assets at fair value through other comprehensive income	2,820,278	38,581	2.77%	38,581	2.77%	
LEALEA TRAVEL DEVELOPMENT CO., LTD.	Stock: Tien Sheng Yi Power Co., Ltd.-	-	Non-current financial assets at fair value through other comprehensive income	3,746,740	36,699	5.00%	36,699	5.00%	

Held company	Securities Type and Name	Marketable securities Relationship with the issuer	Account	Ending Balance				Highest during the period Shareholding or capital contribution	Remark
				Shares	Carrying Amount	Shareholding Ratio	Fair value		
LEALEA TRAVEL DEVELOPMENT CO., LTD.	Howsler Foods Co., Ltd.-	The chairman of the company is a director of the company	Non-current financial assets at fair value through other comprehensive income	257,153	-	15.00%	-	15.00%	

Note 1: 1,400,000 shares were pledged as collateral.

Note 2: 2,800,000 shares were pledged as collateral.

4. Marketable securities acquired or disposed of at costs or prices of at least NT $300,000,000 or 20 percent of the paid-in capital:

Unit: Thousand shares/NT $thousand

Buying and selling company	Securities Type and Company Name	Account Subject	Transactions Target	Relationship	Beginning Balance		Purchases		Sales					Ending Balance	
					Shares	Amount	Shares	Amount	Shares	Price	Carrying Cost	Disposals Profit or loss	Evaluation Profit or loss	Shares	Amount
Ho Ching Enterprises Co., Ltd.	Forest Water Environmental Eng'g Co., Ltd.	Investments accounted for using equity method	Related parties	SUBSIDIARIES	94,875	3,486,500	10,345	300,005	-	-	-	-	-	105,220	3,869,505

5. Acquisition of individual real estate at costs of at least NT $300,000,000 or 20 percent of the paid-in capital:

Unit: NT $thousands

Acquisition of real estate company	Property Company Name		Transactions Amount	Payment Payment condition	Transaction object	Relationship	If the counter-party is a related party, disclose the previous transfer information				Price determination Reference Basis	Acquisition Item measurement and Utilization	Other Contract Items
							Owner	Relationship with the issuer Relationship	Transfers Date	Amount			

The Company	Seven parcels of land and their above-ground buildings located in the 4th Subsection, Bihu Section, Neihu District, Taipei City	2023.09.07 (Board of Directors)	561,390	561,390	Chairman of the Company	Related parties	Note	Note	Note	Note	Appraisal report	Land held for construction site	-

Note: More than five years, not applicable.

6. Disposal of individual real estate at prices of at least NT $300,000,000 or 20 percent of the paid-in capital: None.

7. Total purchases from or sales to related parties amounting to at least NT $100,000,000 or 20 percent of the paid-in capital:

Unit: NT $thousands

Purchase/Sale company	Transaction object Company Name	Relationship	Transaction details				Transactions with terms different from others		Notes and accounts receivable (payable)		Remark
			Purchase/Sale	Amount	Percentage of total (sales) ratio	Credit granting Period	Unit price	Credit period	Balance	% of total (Payment) Notes and accounts Payment ratio	
The Company	Leader Construction Co., Ltd.	Other Related party	Purchases	449,421	66.89%	Same as general transactions	-	-	(83,071)	5.68%	
Forest Water Environmental Engineering Co., Ltd.	Green Forest Development Co., Ltd.	Subsidiary	Sales	181,403	7.94%	Monthly pricing	-	-	32,739	3.20%	

Note: Except for the related parties of Other, the transactions have been eliminated when preparing the consolidated financial statements.

8. Receivables from related parties amounting to at least NT $100,000,000 or 20 percent of the paid-in capital: None.

9. Financial instruments and derivative transactions: None.

10. Business relationships and significant intercompany transactions:

Unit: NT $thousands

No.	Name of transaction party	Transaction object	Transaction Individuals Relationship	Transaction details			
				Subject	Amount	Transaction terms	Percentage of the consolidated total Operating revenue or total Assets
1	Forest Water Environmental Engineering Co., Ltd.	Tung Shan Lin Development Co., Ltd.	3	Sales revenue	86,134	After the related parties request payment from the owner, notify the Company to collect the payment within 10 days after the invoice is issued	1.12%
1	Forest Water Environmental Engineering Co., Ltd.	Green Forest Development Co., Ltd.	3	Sales revenue	181,403	〃	2.35%
1	Forest Water Environmental Engineering Co., Ltd.	Tung Shan Lin Development Co., Ltd.	3	Notes receivable and accounts	25,164	〃	0.06%
1	Forest Water Environmental Engineering Co., Ltd.	Green Forest Development Co., Ltd.	3	Notes receivable and accounts	32,739	〃	0.08%

Note 1: Parties to the intercompany transactions are identified and numbered as follows:

0 represents the parent company.

2. Subsidiaries are numbered in order starting from ‘1’.

Note 2: The type of relationship with the trader is marked as follows:

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

Note 3: It has been written off when preparing the consolidated financial report.

(2) Information on investees:

The information on investees of the consolidated company in 2023 is as follows:

Unit: thousand NTD/foreign currency

The Company	Forest Water Environmental Engineering Co., Ltd.	Taiwan	Environmental protection construction	78,798	76,241	1,774,291	1.13%	65,251	1.17%	39,751	536	
The Company	Lea Ching Enterprise Co., Ltd.	Taiwan	General hotel management	820,200	820,200	82,020,000	54.67%	694,858	54.67%	(189,218)	(103,450)	
The Company	Grain Forest Green Energy Co., Ltd.	Taiwan	Waste disposal and renewable energy self-use power generation equipment business	136,500	136,500	13,650,000	30.00%	67,700	30.00%	(13,167)	(3,950)	
The Company	Advantage Environmental Protection Co., Ltd.	Taiwan	Waste disposal and other businesses	274,568	274,568	2,957,240	43.49%	301,676	43.49%	104,743	37,485	
The Company	Ya Ni Development Co., Ltd.	Taiwan	General hotel management	63,240	63,240	6,200,000	32.46%	64,834	32.46%	3,615	1,173	Associates
The Company	ˇ Long Energy Co., Ltd.	Taiwan	Self-usage power generation equipment utilizing renewable	9,000	9,000	900,000	30.00%	2,823	30.00%	(2,399)	(720)	Associates

			energy business									
The Company	Eminence Water Corporation	Taiwan	Water treatment engineering and reclaimed water treatment	10,000	-	1,000,000	10.00%	9,881	10.00%	(1,195)	(119)	
Li He Investment Co., Ltd.	Blossom Increase Limited	Samoa	Overseas investment holding company	154,479	154,479	5,445,000	100.00%	97,959	100.00%	(47)	(47)	
Li He Investment Co., Ltd.	Li Shan Lin Leisure Co., Ltd.	Taiwan	Construction and operation of an Airbus cable car	32,144	32,144	3,240,728	3.98%	10,597	3.98%	(20,094)	(799)	
Li He Investment Co., Ltd.	LEALEA HOTEL CO., LTD.	Taiwan	General hotel management	33,000	33,000	3,300,000	3.98%	21,088	3.98%	(83,580)	(3,323)	

Li He Investment Co., Ltd.	Hejing Enterprise Co., Ltd.	Taiwan	Waste cleaning, waste treatment, environmental inspection services Waste sewage treatment	3,414	3,414	144,695	0.14%	5,468	0.14%	30,380	44	
Li He Investment Co., Ltd.	LEALEA TRAVEL DEVELOPMENT CO., LTD.	Taiwan	General hotel management	-	48,547	-	- %	-	4.18%	(50,949)	(1,217)	
Li He Investment Co., Ltd.	Forest Water Environmental Engineering Co., Ltd.	Taiwan	Environmental protection construction	-	4,371	-	- %	-	0.06%	39,751	(6)	
Hejing Enterprise Co., Ltd.	Forest Water Environmental Engineering Co., Ltd.	Taiwan	Environmental protection construction	3,187,545	2,887,540	105,220,007	66.87%	3,869,505	66.87%	39,751	25,801	
Hejing Enterprise Co., Ltd.	Richone Holdings Ltd.	Samoa	Financial investments	14,070	17,955	487,600	30.10%	16,224	30.10%	2,349	707	Associates
LEALEA HOTEL CO., LTD.	Yilan Lili Development Co., Ltd.	Taiwan	General hotel management	335,000	335,000	33,500,000	36.41%	118,795	36.41%	(58,770)	(21,400)	

LEALEA HOTEL CO., LTD.	Lea Ching Enterprise Co., Ltd.	Taiwan	General hotel management	580,000	580,000	58,000,000	38.66%	399,367	38.66%	(189,218)	(73,154)	
Forest Water Environmental Engineering Co., Ltd.	Tung Shan Lin Development Co., Ltd.	R.O.C.	Water treatment engineering, piping engineering, and waste (sewage) water treatment	1,773,984	1,773,984	223,013,980	100.00%	3,092,412	100.00%	177,641	177,641	

Forest Water Environmental Engineering Co., Ltd.	Green Forest Development Co., Ltd.	R.O.C.	Water treatment engineering, piping engineering, and waste (sewage) water treatment	1,797,842	1,797,842	218,403,619	70.00%	2,854,208	70.00%	295,666	206,966	
Forest Water Environmental Engineering Co., Ltd.	Yuan Shan Lin Development Co., Ltd.	R.O.C.	Water treatment engineering, piping engineering, and waste (sewage) water treatment	200,000	190,000	20,000,000	100.00%	73,969	100.00%	(39,178)	(39,178)	
Forest Water Environmental Engineering Co., Ltd.	Easy Development Co., Ltd.	R.O.C.	Waste disposal and other businesses	139,990	139,990	11,000,000	100.00%	5,611	100.00%	(3,976)	(3,976)	
Forest Water Environmental Engineering Co., Ltd.	Heshan Forest Green Energy Co., Ltd.	R.O.C.	Renewable energy generation business	318,500	318,500	31,850,000	70.00%	157,968	70.00%	(13,167)	(9,217)	
Forest Water Environmental Engineering Co., Ltd.	Oriental Forest Environmental Technology Co., Ltd.	R.O.C.	Environmental hygiene and pollution prevention	35,000	35,000	3,500,000	70.00%	12,893	70.00%	(7,099)	(4,970)	

Forest Water Environmental Engineering Co., Ltd.	Advantage Environmental Protection Co., Ltd.	R.O.C.	Waste disposal and other businesses	318,248	318,248	3,427,710	50.41%	349,685	50.41%	104,743	42,632	
Forest Water Environmental Engineering Co., Ltd.	Liling Environmental Protection Co., Ltd.	R.O.C.	Waste disposal and other businesses	500	500	50,000	100.00%	456	100.00%	1	1	
Forest Water Environmental Engineering Co., Ltd.	Lealea Environmental Co., Ltd.	R.O.C.	Waste disposal and other businesses	215,549 (Note 1)	206,049 (Note 1)	5,092,000	95.00%	112,593	95.00%	(26,279)	(30,008)	

Forest Water Environmental Engineering Co., Ltd.	Eminence Water Corporation	Taiwan	Water treatment engineering and reclaimed water treatment	70,000	-	7,000,000	70.00%	69,164	70.00%	(1,195)	(836)	
Forest Water Environmental Engineering Co., Ltd.	Modern Rich Investment Limited	Samoa	Investment in various production and financial businesses	258,795 (USD 5,610,000) (RMB 20,000,000)	260,443 (USD 5,610,000) (Note 1) (RMB 20,000,000)	8,568,730	100.00%	213,645	100.00%	5,491	5,491	
Oriental Forest Environmental Technology Co., Ltd.	Bigwing Investment Limited	Samoa	Investment in various production and financial businesses	-	16,276 (Note 1) (USD 530,000)	-	- %	-	- %	(325)	(325)	
Bigwing Investment Limited	Forest Water Environmental Eng'g Co., Ltd.	Samoa	Investment in various production and financial businesses	(Note1)	15,662 (Note 1) (USD 510,000)	-	- %	-	- %	(277)	(277)	
Modern Rich Investment Limited	Faith Honest International Investment	Samoa	Investment in various production	86,694	88,314	2,963,730	100.00%	111,363	100.00%	5,533	5,533	

	Limited		and financial businesses	(USD 5,000) Note 1) (RMB 20,000,000)	(USD 5,000) Note 1) (RMB 20,000,000)							

Faith Honest International Investment Limited	Loyal Sheen International Limited	British Virgin Islands	Investment in various production and financial businesses	86,540 (RMB 20,000,000)	88,160 (RMB 20,000,000)	40	40.00%	111,343	40.00%	17,040	5,533	Associates
LEALEA TRAVEL DEVELOPMENT CO., LTD.	Lealea Eagle Travel Service Co., Ltd.	Taiwan	Travel service	6,600	6,600	660,000	100.00%	2,537	100.00%	48	48	
LEALEA TRAVEL DEVELOPMENT CO., LTD.	Lealea Mingchih Resort Co., Ltd.	Taiwan	Hotel business management, etc.	40,800	40,800	4,080,000	51.00%	10,288	51.00%	(32,596)	(16,624)	

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

Note 2: All the transactions were eliminated in the consolidated financial statements except for the associate.

(3) Information on investments in mainland China

1. Information on reinvestments in Mainland China:

Unit: thousand NTD/thousand RMB/thousand USD

Investee in Mainland China	Main Business	Paid-in capital	Investments	Beginning Balance Cumulative remittance	Remittance or Investment amount recovered	From the end of the period Cumulative remittance	Investee Company	The Company Direct Indirect	Highest during the period Shareholdi	Recognized during the period Investments	Ending Balance Carrying amount	Current period Repatriated

Company name	Item	Capital	Method	from Taiwan Cumulative investment amount	Remitted	Release	from Taiwan Cumulative investment amount	Current profit and loss	investment Ownership (%)	ng or Contribution	Profit or loss	Value	Investment income
Li Zan (Shanghai) Enterprise Management Consulting Co., Ltd.	Investment in various production and financial businesses	48,856 (USD 1,591)	(Note 1)	18,423 (USD 600)	-	3,884 (USD 120)	14,538 (USD 480)	2,447 (RMB 561)	30.10%	30.10% %	737 (RMB 169) (Note 4)	16,050 (RMB 3,710)	-

Investee in Mainland China Company name	Main Business Item	Paid-in capital Capital	Investments Method	Cumulative remittance from Taiwan at the beginning of the period Cumulative investment amount	Remittance or recovery of investment amount in the current period Remitted	 Release	Cumulative remittance from Taiwan at the end of the period Cumulative investment amount	Investee Company Current profit and loss	Direct or indirect investment by the Company Ownership (%)	Highest during the period Contribution	Investment recognized in the period Profit or loss	Ending Balance Carrying amount Value	Repatriation by the end of the period Investment income
ENM Bei Kong Hao Yuan Water Company Limited	Water treatment engineering and waste (sewage) water treatment	101,685 (RMB 23,500)	(Note 1)	86,540 (RMB 20,000) (Note 2)	-	-	86,540 (RMB 20,000) (Note 2)	18,557 (RMB 4,249)	40.00%	40.00% %	7,423 (RMB (1,700)) (Note 5)	85,949 (RMB 19,863)	9,440 (RMB 2,180)
Beijing Shanlin Water Environment Technology Co., Ltd.	Soil rehabilitation engineering and related treatment	19,093 (RMB 4,459)	(Note 1)	13,875 (RMB 3,240) (Note 2)	-	2,615 (USD 85)	11,261 (RMB 2,630) (Note 2)	111 (RMB 25)	%	49.00%	54 (RMB (12)) (Note 5)	- (RMB)	-
LEALEA SKY TRAVEL (XIAMEN) CO., LTD.	Travel business operations, etc.	- (CNY)	(Note 3)	390 (CNY 90)	-	146 (CNY 34)	243 (CNY 56)	(21) (CNY (5))	30.00%	30.00%	9 (Note 5)	-	-

Note 1: The investment in Mainland China was made through an existing company in a third region.

Note 2: The above disclosure of NTD thousand is based on the actual investment, and the amount of the original currency is multiplied by the exchange rate at the end of the period.

Investee in Mainland China	Main Business	Paid-in capital	Investments	Cumulative remittance from Taiwan at the beginning of the period	Remittance or recovery of investment amount in the current period		Cumulative remittance from Taiwan at the end of the period	Investee Company	Direct or indirect investment by the Company	Highest during the period	Investment recognized in the period	Ending Balance Carrying amount	Repatriation by the end of the period
Company name	Item	Capital	Method	Cumulative investment amount	Remitted	Release	Cumulative investment amount	Current profit and loss	Ownership (%)	Contribution	Profit or loss	Value	Investment income

Note 3: Direct investment in mainland China, completed liquidation on August 18, 2023, and was approved by Ministry of Economic Affairs Investment Commission, MOEA to cancel the investment on October 18, 2023.

Note 4: The recognition of investment gains and losses is based on the financial statements of the investee company settled by itself and recognized based on the indirect shareholding ratio.

Note 5: The investment income (loss) recognized was based on the indirect shareholding ratio audited by the CPA of the parent company in Taiwan.

2. Limitation on investment in Mainland China:

Company name	Accumulated outflow from Taiwan at the end of the period Amount of investment in Mainland China	Ministry of Economic Affairs Investment Commission, MOEA Investment Amount	According to Ministry of Economic Affairs Investment Commission, MOEA Upper Limit on Investment in Mainland China
Hejing Enterprise Co., Ltd.	14,726 (USD 480)	14,726 (USD 480)	2,269,541 (Note 6)
Forest Water Environmental Eng'g Co., Ltd.	86,540 (RMB 20,000)	86,540 (RMB 20,000)	3,471,940 (Note 7)

Note 6: Limit calculation: Net equity value of the subsidiary×60% = NTD3, NT $782,568 thousand×60% = NTD2, NT $269,541 thousand.

Note 7: Limit calculation: Net equity value of the subsidiary×60% = NTD5, NT $786,567 thousand×60% = NTD3, NT $471,940 thousand.

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

(4) Major shareholders:

Unit: Shares

Name of Major Shareholders / Shares	Shares Held	Shareholding ratio
Lealea Enterprise Co., Ltd.	51,839,894	6.96%
Li Peng Enterprise Co., Ltd.	51,117,852	6.87%

14. SEGMENT INFORMATION

(1) General information

The Group has three reportable segments, which are the Group's strategic divisions, as described below. They offer different products and services and are managed separately because they require different technology and marketing strategies. The Group's chief operating decision maker reviews the internal management report at least quarterly. The following is a summary of the operations of each reportable segment of the Group:

1. Construction segment: Commissioning construction companies to build commercial buildings and the leasing and sale of public housing.

2. Sewage treatment department: water treatment engineering, piping engineering, waste (sewage) water treatment and wholesale of pollution prevention equipment.

3. Tourist hotel segment: International tourist hotel business.

(2) The reconciliation of the Group's operating segment information is as follows:

2023	Land Segment	Environmental engineering and Sewage treatment	Tourist Hotel Department	All Other Departments	Adjustment and eliminations	total
Revenue:						
Revenue from external customers	$ 3,190,841	3,679,679	835,021	-	-	7,705,541
Inter-segment revenue	11,641	267,537	23,466	-	(302,644)	-
Interest revenue	8,852	10,980	11,475	4,255	(638)	34,924
Total revenue	**$ 3,211,334**	**3,958,196**	**869,962**	**4,255**	**(303,282)**	**7,740,465**
Interest expense	$ 71,887	147,418	55,077	481	(2,163)	272,700
Depreciations and amortization	34,123	187,428	245,013	-	-	466,564
Valuation losses on Assets/Liabilities	499	13,310	-	10,046	(7,062)	16,793
Reportable segment profit or loss	**$ 367,418**	**283,795**	**(324,027)**	**33,751**	**(29,208)**	**331,729**

Reportable segment Assets	**$ 17,788,741**	**15,435,445**	**6,443,632**	**612,533**	**-**	**40,280,351**
Reportable segment Liabilities	**$ 10,539,321**	**7,867,167**	**4,159,759**	**346,158**	**-**	**22,912,405**

2022						
Revenue:						
Revenue from external customers	$ 1,656,065	3,922,895	726,226	-	-	6,305,186
Inter-segment revenue	11,610	240,119	10,948	-	(262,677)	-
Interest revenue	1,700	3,984	2,311	3,581	(13)	11,563
Total revenue	**$ 1,669,375**	**4,166,998**	**739,485**	**3,581**	**(262,690)**	**6,316,749**
Interest expense	$ 20,996	125,078	16,101	341	(1,748)	160,768
Depreciations and amortization	35,495	193,521	191,088	-	-	420,104
Valuation losses on Assets/Liabilities	(2,677)	(9,373)	(5,224)	(19,835)	5,610	(31,499)
Reportable segment profit or loss	**$ 181,673**	**(131,310)**	**(96,298)**	**(3,279)**	**(7,918)**	**(57,132)**
Reportable segment Assets	**$ 18,444,365**	**15,380,119**	**5,863,462**	**505,063**	**-**	**40,193,009**
Reportable segment Liabilities	**$ 11,423,679**	**8,427,682**	**3,416,694**	**23,206**	**-**	**23,291,261**

(3) Information on products and services

The Group's revenue from external customers by product and service, please refer to note 6 (20).

(4) Geographical information

The Group's main operations are located in Taiwan. As of December 31, 2023 and 2022, the revenue from external customers is all in Taiwan.

(5) Information about major customers

	2023	2022
Customer A	$ 673,917	726,220
Customer B	552,208	522,050
Customer D	554,461	846,527
Customer E	497,928	234,671
	$ 2,278,514	**2,329,468**

5. Parent Company Only Financial Statement

Independent Auditors' Review Report

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

Audit Opinion

We have audited the financial statements of Rich Development Construction Co., Ltd. Assets Liabilities as of December 31, 2023 and 2022, the income statements of total, the statements of changes in Equity and the statements of cash flows for the years then ended, and the notes to Parent Company Only Financial Statement, including a summary of significant accounting policies.

In our opinion, the accompanying Parent Company Only Financial Statement was prepared, in all material respects, in accordance with Regulations Governing the Preparation of Financial Reports by Securities Issuers., and is sufficient to express the financial position of Rich Development Construction Co., Ltd. as of December 31, 2023 and 2022, and the financial performance and cash flows for the years then ended in accordance with fair.

Basis for opinions

We conducted our audits in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and Auditing Standards. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with International Code of Ethics for Professional Accountants (IESBA Code) and Rich Development Construction Co., Ltd., and we have fulfilled our responsibilities in accordance with Other. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.
Basis for opinions

Key audit matters

Key audit matters is the matter that, in our professional judgment, was of most significance in our audit of Rich Development Construction Co., Ltd. 2023 Parent Company Only Financial Statement. These matters were addressed in the context of our audit of Parent Company Only Financial Statement as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the Key audit matters to be communicated in our report.

1. Inventories Evaluation

Please refer to Note 4 (g) Inventories of Parent Company Only Financial Statement for the accounting policy of Inventories; Please refer to Note 5 for assumptions and estimation uncertainty related to the valuation of Inventories; Please refer to Note 6 (d) Inventories for details.

Key audit matters Description:

Rich Development Construction Co., Ltd.' s Inventories is an important Assets, which accounts for about 59% of Total assets. Rich Development Construction Co., Ltd. Inventories net realizable value is based on management' s estimate of future selling prices and construction costs, and is easily affected by political and economic conditions. If the assessment of net realizable value is not fair, it will cause false expression in the financial statements. Therefore, the test of Inventories evaluation is one of the important evaluation items for the accountant to perform the audit of Rich

Development Construction Co., Ltd. consolidated financial report.

Audit Procedures:

Obtained the valuation information of Rich Development Construction Co., Ltd. Inventories net realizable value and checked, on a sample basis, the sales contracts of the above information, with reference to the latest real estate price registration announced by the Ministry of the Interior or obtained the nearby transaction price, and converted the average selling price into the net realizable value of the house for sale Inventories net realizable value for reassessment; For the net realizable value of land and buildings under construction of Land held for construction site, we obtained and sampled the investment return analysis of the Company, compared the investment return analysis data with market conditions, and obtained external appraisal reports when necessary to assess whether the net realizable value of Inventories is stated in fair.

Responsibilities of Management and Those Charged with Governance for the Parent Company Only Financial Statement

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

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

Those charged with governance, including the audit committee, are responsible for overseeing Rich Development Construction Co., Ltd.' s financial reporting process.

Auditors' Responsibilities for the Audit of Parent Company Only Financial Statement

Our objectives are to obtain reasonable assurance about whether the Parent Company Only Financial Statement as a whole is 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 Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error. 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 Parent Company Only Financial Statement.

As part of an audit in accordance with Auditing Standards, we exercise professional judgment and professional skepticism throughout the audit. We also perform the following tasks:

1. Identify and assess the risks of material misstatement of Parent Company Only Financial Statement whether due to fraud or error; Design and implement appropriate countermeasures for the assessed risks; Obtain sufficient and appropriate audit evidence as Basis for opinions. 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 Rich Development Construction Co., Ltd. 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 Rich Development Construction Co., Ltd.’ s ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors’ report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors’ report. However, future events or conditions may cause Rich Development Construction Co., Ltd. to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of Parent Company Only Financial Statement (including the related notes), and whether Parent Company Only Financial Statement presents the related transactions and events in fair.

6. Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on Equity. We are responsible for the direction, supervision and performance of the audit. We remain solely responsible for our audit opinion of Rich Development Construction Co., Ltd..

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 International Code of Ethics for Professional Accountants (IESBA Code) 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 Rich Development Construction Co., Ltd. 2023 Parent Company Only Financial Statement 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.

KPMG

CPA:

Securities Competent Authority Approval No. : Jin-Guan-Zheng-Liu No. 0940100754 Order No. Financial-Supervisory-Securities-Auditing-1110333933

March 15, 2024

Rich Development Construction Co., Ltd.

Assets Liabilities

December 31, 2023 and 2022

Unit: NT $thousands

		2023.12.31		2022.12.31	
	Assets	**Amount**	**%**	**Amount**	**%**
	Current assets:				
1100	Cash and cash equivalents (note 6 (a))	$ 584,340	2	301,649	1
1110	Current financial assets at fair value through profit or loss (note 6 (b))	34,623	-	21,748	-
1150	Notes receivable, net (Notes 6 (16) and 7)	1,023	-	63	-
1170	Accounts receivable, net (Notes 6 (16) and 7)	9,955	-	2,584	-
1220	Income tax assets for the current period	3,749	-	3,103	-
1320	Inventories (for construction business) (Notes 6 (d), 7 and 8)	14,098,615	59	14,955,910	61
1476	Other current financial assets (notes 6 (c), 7, 8 and 9)	1,139,166	5	907,856	4
1479	Other current assets, others	26,500	-	24,054	-
1480	Current incremental costs of obtaining a contract	26,074	-	39,716	-
		15,924,045	66	16,256,683	66
	Non-current assets:				
1510	Non-current financial assets at fair value through profit or loss (note 6 (b))	17,386	-	17,522	-
1517	Non-current financial assets at fair value through other comprehensive income (note 6 (c))	111,042	-	155,617	1
1550	Investments accounted for using equity method (note 6 (e))	6,208,739	27	6,251,923	25
1600	Property, plant and equipment (note 6 (f))	670	-	1,467	-
1755	Assets	1,667	-	5,249	-
1760	Investment property, net (notes 6 (g), 7 and 8)	1,329,070	5	1,357,397	6
1780	Intangible assets	243	-	414	-
1840	Deferred tax assets (note 6 (13))	32,775	-	31,623	-
1980	Other non-current financial assets (Note 8)	555,379	2	557,129	2
		8,256,971	34	8,378,341	34
	Assets Total	**$ 24,181,016**	**100**	**24,635,024**	**100**

Rich Development Construction Co., Ltd.

Assets Liabilities Table (continued)

December 31, 2023 and 2022

Unit: NT $thousands

		2023.12.31		2022.12.31	
	Liabilities and Equity	**Amount**	**%**	**Amount**	**%**
	Current liabilities:				
2100	Short-term borrowings (note 6 (h))	$ 5,976,291	26	7,165,011	30
2110	Short-term notes and bills payable (note 6 (i))	696,000	3	1,133,000	5
2130	Liabilities － current (notes 6 (16) and 7)	482,191	2	501,965	2
2150	Notes payable (Note 7)	33,042	-	39,720	-
2170	Accounts payable (Note 7)	189,729	1	21,693	-
2200	Other payables (Notes 17 and 7)	77,901	-	65,333	-
2280	Liabilities-current (note 7)	1,306	-	4,523	-
2322	Long-term borrowings, current portion (note 6 (j))	328,818	1	58,818	-
2399	Other current liabilities, others	66,782	-	41,483	-
		7,852,060	33	9,031,546	37
	Non-current liabilities:				
2530	Bonds payable (note 6 (11))	1,997,977	8	1,996,904	8
2540	Long-term borrowings (note 6 (j))	603,991	2	309,809	1
2580	Non-current lease Liabilities (note 7)	390	-	911	-
2640	Net defined benefit Liabilities-non-current	25,681	-	25,957	-
2645	Guarantee deposits received (Note 7)	61,500	-	60,821	-
		2,689,539	10	2,394,402	9
	Liabilities Total	10,541,599	43	11,425,948	46
	Equity (note 6 (14)):				
3110	Ordinary share	7,439,927	31	7,439,927	30
3200	Capital surplus	683,303	3	666,777	3
3310	Legal reserve	1,315,448	5	1,309,440	5
3320	Special reserve	305,661	1	176,084	1
3350	Unappropriated retained earnings	4,067,661	17	3,976,793	16
3400	Other equity interest	(74,388)	-	(261,750)	(1)
3500	Treasury shares	(98,195)	-	(98,195)	-
	Equity Total	13,639,417	57	13,209,076	54
	Total Liabilities and Equity	**$ 24,181,016**	**100**	**24,635,024**	**100**

Rich Development Construction Co., Ltd.

total Income Statement

January 1 to December 31, 2023 and 2022

Unit: NT $thousands

		2023		2022	
		Amount	%	Amount	%
4000	**Operating revenue (Notes 6 (16) and 7)**	$ 3,202,482	100	1,667,675	100
5000	**Operating costs (notes 6 (d), (l) and 7)**	2,503,885	78	1,267,558	76
	Gross profit from operations	698,597	22	400,117	24
	Operating expenses (Notes 6 (12), (17) and 7):				
6100	Selling expenses	112,256	4	62,591	4
6200	Administrative expenses	129,805	4	115,573	7
		242,061	8	178,164	11
	PROFIT FROM OPERATIONS	456,536	14	221,953	13
	Non-operating income and expenses (note 6 (18)):				
7100	Interest revenue	8,852	-	1,700	-
7010	Other income (Note 7)	10,189	-	11,785	1
7020	Other gains and losses	272	-	1,128	-
7050	Finance costs (Note 7)	(108,884)	(3)	(53,828)	(3)
7070	Share of profit of associates accounted for using Equity (note 6 (e))	(75,170)	(2)	(106,954)	(6)
		(164,741)	(5)	(146,169)	(8)
7900	**Net profit before tax**	291,795	9	75,784	5
7950	**Less: Tax expense (note 6 (13))**	51,196	2	32,699	2
	Net Profit	240,599	7	43,085	3
8300	**Other comprehensive income: (Notes 6 (e) and (14))**				
8310	**Item that will not be reclassified to profit or loss**				
8311	Remeasurement of defined benefit plans	147	-	4,130	-
8316	Unrealized gains (losses) from investments in Other comprehensive income based on Fair value’s Equity	85,445	3	(72,732)	(4)
8330	Share of subsidiaries, associates and joint ventures accounted for using Equity method Other comprehensive income that will not be reclassified to profit or loss	88,167	3	(39,291)	(2)
8349	Less: Adjustments relating to Item that will not be reclassified to profit or loss	-	-	-	-
	Item that will not be reclassified to profit or loss total	173,759	6	(107,893)	(6)
8360	**Item that may be reclassified subsequently to profit or loss**				
8380	Share of Equity Other comprehensive income-May be reclassified to profit or loss in subsequent periods	(810)	-	925	-
8399	Less: Item related to income tax	-	-	-	-
	To be reclassified to profit or loss in subsequent periods Item total	(810)	-	925	-
8300	**Other comprehensive income**	172,949	6	(106,968)	(6)
8500	**Total comprehensive income**	**$ 413,548**	**13**	**(63,883)**	**(3)**
	Earnings per share (note 6 (15))				
9750	**Basic earnings per share (NT $)**	**$**	**0.33**		**0.06**
9850	**Diluted earnings per share (NT $)**	**$**	**0.33**		**0.06**

Rich Development Construction Co., Ltd.

Equity STATEMENT OF CHANGES

January 1 to December 31, 2023 and 2022

Unit: NT $thousands

	Common Shares Share capital	Capital surplus	Retained earnings			Other equity interest Item.		Treasury shares	Equity Total
			Statutory earnings Surplus reserve	Special Surplus reserve	Undistributed Surplus	Overseas business units Financial Statements Exchange differences on translation Difference	Through Other total Fair value through profit or loss Assets Unrealized gain (loss)		
Balance at January 1, 2022	$ 7,439,927	667,993	1,277,806	113,043	4,234,583	(1,703)	(136,081)	(98,195)	13,497,373
Net Profit	-	-	-	-	43,085	-	-	-	43,085
Other comprehensive income	-	-	-	-	4,130	925	(112,023)	-	(106,968)
Total comprehensive income	-	-	-	-	47,215	925	(112,023)	-	(63,883)
Appropriation and distribution of retained earnings:									
Legal reserve appropriated	-	-	31,634	-	(31,634)	-	-	-	-
Special reserve appropriated	-	-	-	63,041	(63,041)	-	-	-	-
Cash dividends of ordinary share	-	-	-	-	(223,198)	-	-	-	(223,198)
Changes in equity of associates accounted for using Equity method	-	-	-	-	-	-	-	-	-
Difference between consideration and carrying amount of subsidiaries acquired or disposed	-	(2,007)	-	-	-	-	-	-	(2,007)
Changes in ownership of Equity	-	791	-	-	-	-	-	-	791
Disposal of investments accounted for under Other comprehensive income Fair value-Equity	-	-	-	-	12,868	-	(12,868)	-	-
Balance as of December 31, 2022	7,439,927	666,777	1,309,440	176,084	3,976,793	(778)	(260,972)	(98,195)	13,209,076
Net Profit (loss)	-	-	-	-	240,599	-	-	-	240,599
Other comprehensive income	-	-	-	-	147	(810)	173,612	-	172,949
Total comprehensive income	-	-	-	-	240,746	(810)	173,612	-	413,548
Legal reserve appropriated	-	-	6,008	-	(6,008)	-	-	-	-
Special reserve appropriated	-	-	-	129,577	(129,577)	-	-	-	-
Cash dividends of ordinary share	-	-	-	-	-	-	-	-	-
Changes in equity of associates and joint ventures accounted for using equity method	-	(73)	-	-	-	-	-	-	(73)
Proceeds from disposal of investments accounted for using equity method/Subsidiary	-	-	-	-	-	(70)	-	-	(70)

Difference between consideration and carrying amount of subsidiaries acquired or disposed	-	(546)	-	-	-	7	330	-	(209)
Changes in ownership of Equity	-	17,145	-	-	-	-	-	-	17,145
Disposal of investments accounted for under Other comprehensive income Fair value-Equity	-	-	-	-	(14,293)	-	14,293	-	-
Balance at December 31, 2023	**$ 7,439,927**	**683,303**	**1,315,448**	**305,661**	**4,067,661**	**(1,651)**	**(72,737)**	**(98,195)**	**13,639,417**

Rich Development Construction Co., Ltd.

Statements of Cash Flows

January 1 to December 31, 2023 and 2022

Unit: NT $thousands

	2023	2022
Cash flows from operating activities:		
Profit before tax	$ 291,795	75,784
Adjustments:		
Item		
Depreciation expense	33,952	35,325
Amortization expense	171	171
Net (gain) loss on Fair value Financial Assets and Liabilities	(499)	2,677
Interest expense	71,887	20,996
Interest revenue	(8,852)	(1,700)
Dividend revenue	(214)	(175)
Share of loss of subsidiaries and associates accounted for using Equity	75,170	106,954
Gain on disposal of property, plan and equipment	(762)	-
Gains on lease termination and modification	-	(80)
Item total	170,853	164,168
Changes in operating assets and liabilities:		
Financial assets mandatorily classified as at FVTPL under Fair value	-	(1,337)
Assets		
Notes receivable	(960)	16,439
Accounts receivable	(7,371)	598
Inventories	1,018,718	763,047
Other current assets	(2,446)	(9,444)
Other Finance Assets	(186,991)	9,496
Incremental costs of obtaining a contract	13,642	(21,040)
Total changes in operating assets	834,592	757,759
Changes in operating liabilities:		
Liabilities	(19,774)	144,713
Notes payable	(6,678)	(30,555)
Accounts payable	168,036	(6,515)
Other payables	11,985	(14,684)
Other current liabilities	25,299	(4,032)
Liabilities	(129)	(286)
Total changes in operating liabilities	178,739	88,641
Total changes in operating assets and liabilities	1,013,331	846,400
Total adjustments	1,184,184	1,010,568
Cash inflow generated from operations Inflow	1,475,979	1,086,352
Interest received	8,852	1,700
Dividends received	118,065	108,552
Interest paid	(231,654)	(201,168)
Income taxes paid	(52,994)	(36,714)
Net cash flows from operating activities	1,318,248	958,722

Rich Development Construction Co., Ltd.

Statements of Cash Flows (Continued)

January 1 to December 31, 2023 and 2022

Unit: NT $thousands

	FY23	2022
Cash flows from (used in) investing activities:		
Acquisition of financial assets at fair value through other comprehensive income	(32,872)	-
Proceeds from disposal of financial assets at fair value through other comprehensive income	106,333	-
Proceeds from disposal of property, plant and equipment	762	-
Acquisition of investment properties	(3)	(11,595)
Other Finance Assets	1,750	17,135
Net cash flows from investing activities	75,970	5,540
Cash flows from financing activities:		
(Decrease) increase in Short-term borrowings	(1,188,720)	144,400
Decrease in short-term notes and bills payable	(437,000)	(101,900)
Proceeds from long-term debt	893,000	100,000
Repayments of long-term debt	(328,818)	(642,062)
Increase in guarantee deposits received (Decrease)	679	(11,332)
Repayment of lease principal	(4,981)	(5,138)
Acquisition of ownership interests in subsidiaries	(45,687)	(215,000)
Cash dividends paid	-	(223,198)
Net cash flows used in financing activities	(1,111,527)	(954,230)
Net increase in cash and cash equivalents	282,691	10,032
Cash and cash equivalents at beginning of period	301,649	291,617
Cash and cash equivalents at end of period	**$ 584,340**	**301,649**

Rich Development Construction Co., Ltd.
Parent Company Only Financial Statement
2023 and 2022
(Expressed in Thousands of New Taiwan Dollars, Unless Otherwise Specified)

1. Company History

Rich Development Construction Co., Ltd. (the "Company") was incorporated on July 30, 1992 under the approval of Ministry of Economic Affairs. The address of its registered office is 8th Floor, No. 99 Jilin Road, Taipei City. The Company's main business is to build commercial buildings and public housing for lease and sale; Entrusted by the government's industrial supervisory unit to handle the development, lease, sale and management of industrial zones; Interior decoration business, trading of various building materials and construction machinery, and agency of the preceding product quotation, bidding and distribution business, etc.

2. Date and Procedures of Approval of the Financial Reports

Parent Company Only Financial Statement was approved and published by the Board of Directors on March 15, 2024.

3. APPLICATION OF NEW, AMENDED AND REVISED STANDARDS AND INTERPRETATIONS

(1) Effect of the adoption of new and amended standards and interpretations endorsed by the Financial Supervisory Commission

The Company applied the following new amendments to International Financial Reporting Standards from January 1, 2023, which did not have a significant impact on Parent Company Only Financial Statement.

Amendments to International Accounting Standards "Disclosure of Accounting Policies"
Amendments to International Accounting Standards "Definition of Accounting Estimates"
Amendments to International Accounting Standards "Deferred income tax Related to Assets and Liabilities Arising from a Single Transaction"

The Company applied the following new amendments to International Financial Reporting Standards from May 23, 2023, which did not have a significant impact on Parent Company Only Financial Statement.

Amendment to International Accounting Standards No. 12 "Model Rules for the Two Supports of International Tax Reform"–

(2) Effect of the Financial Supervisory Commission-endorsed International Financial Reporting Standards not yet adopted

The Company assesses that the application of the following new amendments to

International Financial Reporting Standards effective January 1, 2024 will not have a material impact on Parent Company Only Financial Statement.

Amendments to International Accounting Standards No. 1 "Classification of Current or Non-current of Liabilities"

Amendments to International Accounting Standards No. 1 "The amendment to Non-current liabilities with the contract clause"

Amendments to International Accounting Standards and International Financial Reporting Standards "Supplier Financing Arrangements"

Amendments to International Financial Reporting Standards "Leases in Sale and Leaseback Liabilities"

(3) New and amended standards and interpretations not yet endorsed by the Financial Supervisory Commission

The Company does not expect the following new and amended standards, which have yet to be endorsed by the FSC, to have a significant impact on Parent Company Only Financial Statement:

Amendments to International Financial Reporting Standards No. 10 and International Accounting Standards No. twenty-eight "Sale or Contribution of Assets between an Investor and its Associate or Joint Venture"

Amendments to International Financial Reporting Standards "Insurance Contracts" and International Financial Reporting Standards "Insurance Contracts"

Amendments to International Financial Reporting Standards "Initial Application of IFRS 17 and IFRS 9 Comparative Information"

Amendment to International Accounting Standards No. twenty-one "Lack of marketability"

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies presented in this Parent Company Only Financial Statement are summarized below. The following accounting policies were applied consistently throughout the periods presented in the Parent Company Only Financial Statement.

(1) Statement of compliance

Parent Company Only Financial Statement was prepared in accordance with Regulations Governing the Preparation of Financial Reports by Securities Issuers..

(2) Basis of preparation

1. Basis of measurement

Except for the following significant Assets Liabilities Item, the Parent Company Only Financial Statement was prepared on a historical cost basis:

(1) Financial assets at fair value through profit or loss under Fair value Assets;

(2) According to Fair value through Other comprehensive income, use the Fair value financial Assets.

(3) The net defined benefit Liabilities (or Assets) is based on the fair value of the retirement Funds Assets less the present value of the defined benefit obligation.

2. Functional and presentation currency

The functional currency of each Company entity is determined based on the primary economic environment in which the entity operates. Parent Company Only Financial

Statement is presented in New Taiwan Dollars (NTD), which is the Company's functional currency. All financial information presented in New Taiwan Dollar has been rounded to the nearest thousand.

(3) Foreign currencies

1. Foreign currency transactions

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. At the end of each subsequent reporting period (hereinafter referred to as the reporting date), monetary items denominated in foreign currencies Item are translated into the functional currencies using the exchange rate at that date. Fair value non-monetary assets and liabilities denominated in foreign currencies Item are translated into the functional currencies using the exchange rate at the date that the fair value was determined. Non-monetary assets and liabilities denominated in foreign currencies that are measured based on historical cost are translated using the exchange rate at the date of the transaction.

Foreign currency exchange differences arising from conversion are generally recognized in profit or loss, but the following conditions are recognized in Other comprehensive income:

(1) an Equity instrument designated as Other comprehensive income as Fair value;
(2) Hedges of net investments in foreign operations designated as Liabilities to the extent that the hedge is effective; Or
(3) qualifying Cash flow hedges to the extent that the hedge is effective.

2. Foreign operations

Assets and Liabilities of foreign operations, including Goodwill and fair value adjustments arising on acquisition, are translated into the functional currency at the exchange rates at the reporting date. The resulting currency translation differences are recognized in Other comprehensive income.

When a foreign operation is disposed of such that 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 as part of the gain or loss on disposal. When the Group disposes of only part of its interest in a subsidiary that includes a foreign operation while retaining control, the relevant proportion of the cumulative amount is reattributed to Non-controlling interests. When the Company disposes of only part of its investment in an associate or joint venture that includes a foreign operation while retaining significant influence or joint control, the relevant proportion of the cumulative amount is reclassified 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 the foreign operation are recognized in Other comprehensive income.

(4) Classification of current and non-current between Assets and Liabilities

The Company is mainly engaged in the contracting business of construction and civil engineering, and its business cycle is usually longer than one year. The Assets and Liabilities related to construction projects are classified as current and non-current according to the business cycle of 3 to 5 years; The classification criteria for current and non-current of other Assets and Liabilities accounts are as follows:

Assets that meets one of the following conditions is listed as Current assets, and all Other Assets that is not Current assets is listed as Non-current assets:

1. The Company expects to realize the Assets in its normal operating cycle (construction and engineering construction business is usually longer than one year), or intends to sell or consume it;

2. holds the Assets primarily for the purpose of trading;

3. The Group expects to realize the Assets within twelve months after the reporting period; Or

4. The Assets is cash or Cash equivalents, unless the Assets is restricted from being exchanged or used to settle Liabilities for at least 12 months after the reporting period.

Liabilities that meets one of the following conditions is listed as Current liabilities, and all Other Liabilities that is not Current liabilities is listed as Non-current liabilities:

1. It is expected that the Liabilities will be settled in the normal operating cycle of the Company (construction and engineering construction business is usually longer than one year);

2. holds the Liabilities primarily for the purpose of trading;

3. The Liabilities is due to be settled within twelve months after the reporting period; Or

4. Liabilities does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting period. Terms of Liabilities that could, at the option of the counterparty, result in its settlement by the issue of Equity instruments do not affect its classification.

(5) Cash and cash equivalents

Cash comprises Cash on hand and demand deposits. Cash equivalents is a short-term, highly liquid investment that is readily convertible to known amounts of cash and is subject to an insignificant risk of changes in value. Time deposits which meet the above definition and are held for the purpose of meeting short-term cash commitments rather than for investment or Other purposes should be recognized as Cash equivalents.

(6) Financial instruments

Accounts receivable and debt securities issued are initially recognized when they are originated. All Other Financial Assets and Liabilities are initially recognized when the Company becomes a party to the contractual provisions of the instrument. Fair value's Assets (except for Accounts receivable, which does not contain a significant financing component) or Liabilities are initially measured at fair value plus transaction costs that are directly attributable to the acquisition or issue. Accounts receivable, which does not contain a significant financing component, is initially measured at the transaction price.

1. Finance Assets

All regular way purchases or sales of Assets are recognized and derecognized on a trade date basis.

On initial recognition, the Assets was classified as: measured at amortized cost Assets, investments in debt instruments at Fair value through Other comprehensive income, investments in Equity through Other comprehensive income, or Assets through profit or loss. The Company shall reclassify all affected Assets financial assets on the first day of the first reporting period only when it changes its business model for managing its financial assets.

(1) Assets Financial assets measured at amortized cost

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

Assets is held within a business model whose objective is to hold assets to collect contractual cash flows.

Assets' s 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 subsequently measures the cumulative amortization using the effective interest method and adjusted for any loss allowance at the amortized cost. Interest revenue, foreign exchange gains and losses, and Impairment loss are recognized in profit or loss. Any gain or loss on derecognition is recognized in profit or loss.

(2) Through Other comprehensive income under Fair value' s Finance Assets

A debt investment is measured at Fair value through Other comprehensive income if it meets both of the following conditions and is not designated as at FVTPL:

The objective of the Company' s business model is achieved both by collecting contractual cash flows and selling financial assets; and

Assets' s contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition of an investment in an equity instrument under Equity that is not held for trading, the Company may irrevocably elect to present subsequent changes in the

investment’ s fair value in Other comprehensive income. This election is made on an instrument-by-instrument basis.

Debt investments at FVOCI are subsequently accounted for under Fair value. Interest revenue, foreign currency exchange gains and losses and Impairment loss calculated by the effective interest method are recognized in profit or loss, and the remaining 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.

Investors that belong to Equity tools follow Fair value. Dividend revenue is recognized in profit or loss unless it 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.

Equity’ s investment in Dividend revenue is recognized on the date (usually the ex-dividend date) when the Company is entitled to receive dividends.

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

Other comprehensive income and Fair value-related financial instruments that are not measured at amortized cost or Fair value are measured at fair value through profit or loss. On initial recognition, the Company may irrevocably designate a financial asset, which meets the requirements to be measured at amortized cost or at Other comprehensive income with Fair value-based Assets, as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Assets is subsequently accounted for under Fair value and its net gain or loss (including any dividends and Interest revenue) is recognized in profit or loss.

(4) Impairment of Assets

The Company recognizes loss allowances for expected credit losses (ECL) on financial assets measured at amortized cost including Assets (including Cash and cash equivalents, amortized cost Assets, Notes receivable, Accounts receivable, Other receivables, Guarantee deposits paid and Other), Fair value, and Assets investments in debt instruments measured at FVTOCI and contract assets measured at FVTOCI.

The Group measures loss allowances at an amount equal to lifetime expected credit loss (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

Credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) of Other and Cash in banks has not increased significantly since initial recognition.

Loss allowance for Accounts receivable and Assets are always measured at an amount equal to lifetime ECL.

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

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 which is considered to be BBB-or higher per Standard & Poor’ s, Baa3 or higher per Moody’ s or TWA or higher per Taiwan Ratings’ .-

The Company assumes that the credit risk on a financial asset has increased significantly if it is more than 121 days past due in accordance with Assets.

The Company considers a financial Assets to be in default when the financial asset is more

than 271 days past due or the debtor is unlikely to pay its credit obligations to the Company in full.

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 that result 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 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 Assets.

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

significant financial difficulty of the borrower or issuer;

·Default, such as delay or overdue for more than 271 days;

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;

The borrower is likely to file for bankruptcy or conduct financial restructuring of Other; Or

The disappearance of an active market for a security because of financial difficulties.

Loss allowances for financial assets measured at amortized cost of Assets are deducted from the gross carrying amount of Assets. For debt securities at FVOCI, the loss allowance is charge to profit or loss and is recognized in Other comprehensive income in accordance with Fair value, without reducing the carrying amount of Assets.

The gross carrying amount of a financial Assets is written off when the Company has no reasonable expectations of recovering a financial Assets in its entirety or a portion thereof. For individual customers, the Company has a policy of writing off the gross carrying amount when Assets is 271 days past due based on historical experience of recoveries similar to those under Assets. For corporate customers, the Company individually makes an assessment with respect to the timing and amount of write-off based on whether there is a reasonable expectation of recovery. The Company expects no significant recovery from the amount written off. However, the write-off Assets is still enforceable in order to comply with the Company’ s procedures for recovery of amounts due. Based on their experience, the overdue amount will not be recovered from corporate customers after 271 days.

(5) Derecognition of Assets

The Company derecognizes Assets 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 Assets, but retains either all or substantially all of the risks and rewards of the transferred assets. In these cases, the transferred assets are not derecognized. VIVOTEK INC. Notes to the Financial Statements Assets Liabilities

2. Financial Liabilities and Equity instruments

(1) Classification of Liabilities or Equity

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

(2) Equity Transaction

Equity tool refers to any contract that recognizes the company's remaining Equity after deducting all of its Liabilities from Assets. The instrument of Equity issued by the Company is recognized at the proceeds received, net of direct issue costs.

(3) Treasury shares

When buying back the Equity instruments recognized by the Company, the consideration paid (including directly attributable costs) is recognized as a decrease in Equity. Repurchased shares are classified as Treasury shares. When Treasury shares is 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 Capital surplus is not sufficient to be written down).

(4) Finance Liabilities

Liabilities is classified as amortized cost or Fair value through profit and loss. Liabilities 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. Fair value Financial Instruments: Recognition and Measurement Liabilities requires net gains and losses, including any of Interest expense, to be recognized in profit or loss.

Other Financial Liabilities is 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 Liabilities

The Company derecognizes Liabilities when its contractual obligations are discharged or canceled, or expire. The Company also derecognizes Liabilities when its terms are modified and the cash flows of the modified Liabilities are substantially different, in which case a new Liabilities based on the modified terms is recognized at fair value.

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

(6) Offsetting of financial Assets and Liabilities

Assets and Liabilities are presented on a net basis in the table of Assets Liabilities 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 contract liabilities are measured initially at their fair values and, if not

designated as at FVTPL under Fair value and do not arise from a transfer of an asset, are measured subsequently at the higher of: (a) the amount of the loss allowance determined in accordance with International Financial Reporting Standards 9; the amount initially recognized less, where appropriate, the cumulative amount of income recognized in accordance with the revenue recognition policies set out below.

(7) Inventories

The original cost of Inventories is the necessary expenses incurred to bring Inventories to the place where it is available for sale. The cost of real estate development includes the construction cost, Land, cost, borrowing cost and project expense incurred during the development period. Upon completion, Construction in progress was transferred to Buildings and land held for sale, and the proportion of sales to the cost of real estate development was transferred to Operating costs. Subsequently, it is measured at the lower of cost and net realizable value. When the cost of Inventories is higher than the net realizable value, the cost should be reduced to the net realizable value, and the amount of the reduction should be recognized as Cost of sales in the current period. The net realizable value is determined as follows:

1. Land held for construction site: The net realizable value is calculated based on the replacement cost or estimated selling price (based on the current market conditions) less estimated selling expenses.

2. Construction in progress: Net realizable value is the estimated selling price (based on the current market condition) in the ordinary course of business, less the estimated costs of completion and selling expenses, or estimated by recent market value.

3. Buildings and land held for sale: Net realizable value is the estimated selling price (based on the current market condition) in the ordinary course of business, less the estimated costs necessary to make the sale.

(8) Investments in associates

Associates are those entities in which the Company has significant influence, but not control or joint control, over the financial and operating policies.

The Company adopts Equity to account for its investments in associates. Under Equity, an investment in an associate is initially recognized at cost and includes transaction costs. The carrying amount of the investment in associates includes Goodwill identified at the time of the original investment, less any accumulated Impairment loss.

Parent Company Only Financial Statement includes Equity, from the date on which significant influence commences until the date on which significant influence ceases, after adjustments are made to align the accounting policies with those of the Company, the Company recognizes the profit or loss of each investment related company and the amount of Other comprehensive income in proportion to the Company’s accounting policies. When an associate incurs non-profit or loss and changes in Other comprehensive income’s Equity that do not affect the Company’s ownership percentage of the associate, the Company recognizes the changes in Equity that are attributable to the Company’s interest in the associate as

Capital surplus based on its ownership percentage.

Unrealized gains and losses resulting from transactions between the Company and an associate are recognized only to the extent of Equity in the parent company only financial statements.

When the Company’s share of losses of an associate equals or exceeds its interest in an associate, Equity, it discontinues recognizing its share of further losses. After the recognized interest is reduced to zero, additional losses are provided for, and a liability is recognized, only to the extent that the Company has incurred legal or constructive obligations or made payments on behalf of the associate. Liabilities

(9) Investments in subsidiaries

When preparing Parent Company Only Financial Statement, the Company used the Equity method to evaluate investees over which it has control. Under Equity, the current profit and loss of Parent Company Only Financial Statement and the current profit and loss of Other comprehensive income in the financial report prepared on a consolidated basis and the apportionment of Other comprehensive income attributable to Owners of parent company are the same, and Parent Company Only Financial Statement owner Equity is the same as Equity attributable to owners of parent in the financial report prepared on a consolidated basis.

Changes in the Company’s ownership of Equity in a subsidiary that do not result in a loss of control are treated as Equity transactions with owners.

(10) Investment property

Investment property is property held either to earn rental income or for capital appreciation or for both, but not for sale in the ordinary course of business, use in the production or supply of goods or services, or for administrative purposes. Investment property is measured at cost on initial recognition, and subsequently at cost, less accumulated impairment losses under Depreciations. The measurement of Depreciations, the useful life, and the residual value are treated in accordance with Property, plant and equipment.

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

Rental income from investment property is recognized as other revenue on a straight-line basis over the term of the lease. Lease incentives granted are recognized as an integral part of the total rental income, over the term of the lease.

(11) Property, plant and equipment

1. Recognition and measurement

Property, plant and equipment Item is measured at cost (including capitalized borrowing costs) less accumulated Depreciations and any accumulated impairment losses.

If significant components of Property, plant and equipment have different useful lives, they are accounted for as separate Item (major components) of Property, plant and equipment.

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

2. Subsequent cost

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

3. Depreciations

Depreciations is calculated based on the cost of Assets minus the residual value, and the straight-line method is recognized in profit and loss within the estimated useful life of each component.

Depreciations is not recognized for the land.

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

(1) Buildings and structures 10 ~ 50 years

(2) Transportation equipment	3 ~ 5 years
(3) Other Equipment	3 ~ 5 years

The Company reviews Depreciations methods, useful lives and residual values at each reporting date and makes appropriate adjustments when necessary.

4. Reclassification to investment property

A property is reclassified to investment property at its carrying amount when the use of the property changes from owner-occupied to investment property.

(12) Leases

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

1. 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 under Assets, 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.

Assets is subsequently accounted for Depreciations 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 Company regularly assesses whether the right-of-use Assets is impaired and treats any Impairment loss that has occurred, as well as cooperating to adjust the right-of-use Assets when the lease Liabilities is remeasured.

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

Lease payments included in the measurement of Liabilities comprise the following:

(1) fixed payments, including in-substance fixed payments;
(2) variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
(3) amounts expected to be payable under a residual value guarantee; and
(4) payments for purchase or termination options that are reasonably certain to be exercised.

Liabilities subsequently accrues interest using the effective interest method, and the amount is measured when the following occurs:

(1) there is a change in future lease payments arising from the change in an index or rate; or
(2) There is a change in the amount of residual value guarantee expected to be paid;
(3) there is a change of its assessment on whether it will exercise a purchase option; or
(4) there is a change of its assessment on whether it will exercise an extension or termination

option; or

(5) there is any lease modifications in lease subject, scope of the lease or terms of Other.

there is a change of its assessment on whether it will exercise a purchase, extension or termination option; or there is any lease modifications When the lease is remeasured, other than lease modifications, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or in profit and loss if the carrying amount of the right-of-use asset has been reduced to zero.

When the lease liability is remeasured to reflect the partial or full termination of the lease for lease modifications that decrease the scope of the lease, the Group accounts for the remeasurement of the lease liability by decreasing the carrying amount of the right-of-use asset Assets to reflect the partial or full termination of the lease, and recognize in profit or loss any gain or loss relating to the partial or full termination of the lease.

The Company presents right-of-use assets that do not meet the definition of investment properties in Assets and lease liabilities that do not meet the definition of investment properties in Liabilities as a separate line Item in the table of Assets Liabilities.

If an arrangement contains lease and non-lease components, the Company allocates the consideration in the contract to each lease component on the basis of their relative stand-alone prices. However, for the leases of land and buildings in which it is a lessee, the Company has elected not to separate non-lease components and account for the lease and non-lease components as a single lease component.

The Group has elected not to recognize the right-of-use assets and lease liabilities of Assets for short-term leases and leases of low-value assets. The Group recognizes the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

2. Lessor

When the Company acts as a lessor, it determines at lease commencement whether each lease is a finance lease or an operating lease. To classify each lease, the Company makes an overall assessment of whether the lease transfers to the lessee substantially all of the risks and rewards of ownership incidental to ownership of the underlying asset, Assets. If this is the case, then the lease is a finance lease; if not, then the lease is an operating lease. As part of this assessment, the Company considers certain indicators such as whether the lease is for the major part of the economic life of the target Assets.

When the Company is an intermediate lessor, it accounts for its interests in the head lease and the sub-lease separately. It assesses the lease classification of a sub-lease with reference to the right-of-use asset arising from the head lease, Assets. If a head lease is a short-term lease to which the Group applies the exemption described above, then it classifies the sub-lease as an operating lease.

If an arrangement contains lease and non-lease components, the Company applies International Financial Reporting Standards requirements to allocate the consideration in the contract.

The Company recognizes lease payments received under operating leases as Rent income on a straight-line basis over the lease term.

(13) Intangible assets

1. Recognition and measurement

The Company acquired Other Intangible assets with finite useful lives and 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 embodied in the specific Assets to which it relates. All Other expenditure, including expenditure on internally developed Goodwill and brands, is recognized in profit or loss as incurred.

3. Amortization

Amortization Amortization is calculated over the cost of Goodwill, less its residual value, and is recognized in profit or loss on a straight-line basis over the estimated useful lives of Assets, other than Intangible assets, from the date that they are available for use.

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

Computer software: 5 ~ 10 years

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

(14) Impairment of non-financial Assets

At each reporting date, the Company reviews the carrying amounts of its non-financial assets (other than Assets) to determine whether there is any indication of impairment. If any such indication exists, then the recoverable amount of Assets is estimated. Goodwill is tested annually for impairment.

For impairment testing, cash inflows that are largely independent of Other’ s cash inflows from Assets or the Assets group are treated as the smallest identifiable Assets group. Goodwill, acquired in a business combination, is allocated to each cash-generating unit or group of cash-generating units that is expected to benefit from the synergies of the combination.

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

If the recoverable amount of an individual Assets or cash-generating unit is less than the carrying amount, it is recognized as Impairment loss.

Impairment loss is recognized immediately in profit or loss, and first reduces the carrying amount of the cash-generating unit's amortized Goodwill, and then reduces the carrying amount of each Assets in proportion to the carrying amount of each Other in the unit.

Goodwill Impairment loss will not be reversed. Goodwill and non-financial Assets will only be reversed if it does not exceed the carrying amount (less Depreciations or amortization) determined when Assets did not recognize the Impairment loss in the previous year.

(15) After-sales service Liabilities preparation

A provision for warranties 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 for Liabilities 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 Liabilities. The unwinding of the discount is recognized as a finance cost in Interest expense.

After-sales service provision

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

(16) 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 under Item:

(1) Land development and sale of real estate

The Company develops and sells residential properties and usually sales properties in advance during construction or before construction begins. Revenue is recognized when control over the properties has been transferred to the customer. The properties have generally no Other use for the Company due to contractual restrictions. However, an enforceable right to payment does not arise until legal title of a property has passed to the customer. Therefore, revenue is recognized at a point in time when the legal title has passed to the customer.

The revenue is measured at the transaction price agreed under the contract. For sale of readily available house, in most cases, the consideration is due when legal title of a property has been transferred. While deferred payment terms may be agreed in rare circumstances, the deferral never exceeds twelve months. The transaction price is therefore not adjusted for the effects of a significant financing component. For pre-selling properties, the consideration is usually received by installment during the period from contract inception until the transfer of properties to the customer. If the contract includes a significant financing component, the transaction price will be adjusted for the effects of the time value of money during the period, using the specific borrowing rate of the construction project. Receipt of a prepayment from a customer is recognized under Liabilities. When adjusting the effect of the time value of money, the Group recognizes this amount in Interest expense and Liabilities. Accumulated amount of contract Liabilities is recognized as revenue when control over the property has been transferred to the customer.

Certain contracts include multiple deliverables to Item, such as sale of residential properties and a decoration service. The Group accounts for the decoration service as a single performance obligation, and the transaction price is allocated to the decoration service on a relative stand-alone selling price basis. If there is no directly observable price, the stand-alone selling price is estimated based on the expected cost plus a profit. Decoration service revenue is recognized at the time of completion.

(2) Significant financial composition – Advance real estate receipts

The Company’s revenue is measured at the transaction price agreed under the contract. For sale of readily available house, in most cases, the consideration is due when legal title of a property has been transferred. While deferred payment terms may be agreed in rare circumstances, the deferral never exceeds twelve months. The Company evaluates whether the contract commitment consideration is different from the current sales price on the basis of individual contracts and whether the above-mentioned advance consideration includes financial factors. The Company's advance consideration is mainly to provide guarantee for the customer's performance of the contract to reduce the risk and subsidy of the resale price caused by the customer's failure to perform the contract, so it is not a significant financial component to obtain financial financing from the customer. The transaction price is therefore not adjusted for the effects of a significant financing component.

2. Cost of contracts with customers

Incremental costs of obtaining a contract

The Company recognizes as Assets the incremental costs of obtaining a contract with a customer if the Company expects to recover those costs. The incremental costs of obtaining a contract are those costs that the Group incurs to obtain a contract with a customer that it would not have incurred if the contract had not been obtained. Costs to obtain a contract that would

have been incurred regardless of whether the contract was obtained shall be recognized as an expense when incurred, unless those costs are explicitly chargeable to the customer regardless of whether the contract is obtained. The Company recognizes the incremental costs incurred in obtaining customer contracts as Assets if the Company expects to recover those costs through the sale of real estate and is amortized on a systematic basis that is consistent with the transfer of the presold house to the customer.

(17) Employee benefits

1. Defined contribution plan

Obligations for contributions to defined contribution plans are expensed as the related service is provided.

2. Defined benefit plans

The Company's net obligation in respect of defined benefit plans is calculated separately for each the plan by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets.

The calculation of defined benefit obligations is performed annually by a qualified actuary using the projected unit credit method. When the calculation results in a benefit to the Company, the recognized Assets is limited to the present value of economic benefits available in the form of any future refunds 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 Liabilities, which comprise actuarial gains and losses, the return on plan Assets (excluding interest) and the effect of the Assets cap (excluding interest), are recognized immediately in Other comprehensive income and accumulated in Retained earnings. The Company determines the net Liabilities (Assets) net Interest expense (revenue) using the net defined benefit Liabilities (Assets) and discount rate determined at the beginning of the annual reporting period. The net Interest expense and Other expenses defined benefit plans are recognized in profit or loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognized immediately in profit or loss. The Company recognizes gains and losses on the settlement of a defined benefit plan when the settlement occurs.

3. Short-term employee benefits

Short-term employee benefits are expensed as the related service is provided. A liability is recognized for the amount expected to be paid if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

(18) income tax

income tax includes current and deferred income tax. Except for expenses related to business combinations or recognized directly in Equity or Other comprehensive income Item, all current and deferred income tax are recognized in profit or loss.

The Company has determined that interest and penalties related to income tax, including uncertain tax treatment, do not meet the definition of income tax and therefore accounted for them under International Accounting Standards thirty-seven.

Current income tax includes an estimate of the tax payable to income tax or Tax refund receivable based on taxable profit (loss) for the year and any adjustment to the tax payable to income tax or Tax refund receivable in respect of previous years. The amount of current tax

payables or receivables are the best estimate of the tax amount expected to be paid or received that reflects uncertainty related to income taxes, if any. It is measured using tax rates enacted or substantively enacted at the reporting date.

Deferred income tax measures the temporary differences between the carrying amount of Assets and Liabilities on the reporting date and their tax bases. Deferred income tax will not be recognized for the following exceptions:

1. where the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss;

2. temporary differences related to investments in subsidiaries, associates and joint arrangements to the extent that the Company is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and

3. Taxable temporary differences arising from the initial recognition of Goodwill.

income tax is recognized as Deferred tax assets to the extent that it is probable that future taxable profit will be available against which the unused tax losses, unused tax credits, and deductible temporary differences can be utilized. It will be re-evaluated on each reporting day, and the relevant income tax interests will be reduced to the extent that it is not likely to be realized; or to the extent that it becomes probable that sufficient taxable profits will be available to allow the deferred tax asset to be recovered.

Deferred income tax is 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.

The Company offset Deferred tax assets and Deferred tax liabilities only if both of the following conditions are met:

1. Have the legal enforcement power to offset Current tax assets and Current tax liabilities; and

2. Deferred tax assets and Deferred tax liabilities are related to one of the following taxpayers levied by the same Taxes authority on income tax:

(1) the same taxable entity; Or

(2) different taxable entities which intend to settle Deferred tax assets and Assets on a net basis, or to realize Assets and Liabilities at the same time, in each future period in which significant amounts of Deferred tax assets and Deferred tax liabilities are expected to be settled.

(19) EARNINGS PER SHARE

The Company presents the basic and Diluted earnings per share attributable to the holders of the Company’ s common shares, Equity. The calculation of the Company’ s Basic earnings per share is based on the profit and loss attributable to the holders of the Company’ s common stock, Equity, divided by the weighted average number of outstanding Number of ordinary shares in the current period. Diluted earnings per share calculates the profit and loss attributable to the holders of the Company's common share, Equity, and the weighted average number of outstanding shares of Number of ordinary shares, after separately adjusting for the impact of all potential diluted common shares. Dilutive potential ordinary shares comprise convertible bonds and employee stock options.

(20) Segment information

The Company has disclosed segment information in the consolidated financial statements, so Parent Company Only Financial Statement does not disclose segment information.

5. Critical Accounting Judgments and Key Sources of Estimation and Uncertainty

The preparation of Parent Company Only Financial Statement requires management to make judgments, estimates and assumptions that affect the application of the accounting policies and the reported amount of revenues and expenses in Assets and Liabilities. Actual results may differ from these estimates.

The management continues to monitor the accounting estimates and assumptions. The management recognizes any changes in accounting estimates during the period and the impact of those changes in accounting estimates in the following period.

There are no critical judgments in applying the accounting policies that have significant effects

on Parent Company Only Financial Statement.

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment to the carrying amounts of Assets and Liabilities within the next financial year is as follows. Those assumptions and estimation have been updated to reflect the impact of COVID-19 pandemic:

(1) Evaluation of Inventories

As Inventories is required to measure at the lower of cost and net realizable value, the Company estimates the net realizable value of Inventories at the reporting date based on the future market selling prices and construction costs, which are susceptible to political and economic conditions. Therefore, the net realizable value may change significantly. Please refer to note 6 (d) for the valuation of Inventories.

6. Item Description of Significant Accounts

(1) Cash and cash equivalents

	2023.12.31	2022.12.31
Petty cash	$ 111	111
Demand deposits	549,881	245,420
Check deposits	34,328	56,098
Time deposits	20	20
Consolidated Statements of Cash Flows-Cash and cash equivalents	**$ 584,340**	**301,649**

Please refer to Note 6 (19) for the disclosure of interest rate risk and sensitivity analysis of the Company's financial Assets and Liabilities.

(b) Fair value Financial Assets and Liabilities

	2023.12.31	2022.12.31
Financial assets mandatorily measured at fair value through profit or loss Fair value Assets:		
Non-derivative financial instruments Assets		
Listed stocks (current)	$ 34,623	21,748
Funds (non-current)	17,386	17,522
total	**$ 52,009**	**39,270**

1. Please refer to note 6 (18) for the amount of remeasurement at fair value through profit or loss.

2. The Company has disclosed the credit risk and fair value information related to financial instruments in Note 6 (19).

3. No financial Assets pledged as collateral.

(c) Other comprehensive income as Fair value’ s Assets

	2023.12.31	2022.12.31
By using Other comprehensive income as Fair value’ s Equity instrument:		
Listed stocks Asia Pacific Telecom Co., Ltd.-	$ -	9,995
the emerging stock market Tianli Offshore Wind Power Technology Co., Ltd.-	-	18,910
Unlisted stocks Hongling Heavy Industries Co., Ltd.-	20,906	13,838
Lee Ling Technology Co., Ltd.-	4,040	12,280

Lianda Wushigang Resort Co., Ltd.-	-	99,840
Lee Cheng Development Co., Ltd.-	749	754
Taiya Wind Energy Co., Ltd.-	85,347	-
total	**$ 111,042**	**155,617**

1. Investments through Other comprehensive income in Fair value’ s Equity instruments

(1) The Company held these investments in Equity instruments, which are held for long-term strategic purposes and not for trading purposes, have been designated as Fair value through Other comprehensive income.

(2) Due to the change in the investment strategy, the Company sold the shares of Lian Da Wushigang Resort Co., Ltd. and Tianli Offshore Co., Ltd. through Other comprehensive income according to Fair value in 2023. The fair value at the time of disposal was NT $150,650, and the accumulated disposal gain was NT $5,392 thousand. Therefore, the accumulated disposal gain was transferred from Other equity interest to Retained earnings. As of December 31, 2023, the remaining unpaid amount due from Other receivables was $44,319 thousand. On December 15, 2023, as a result of the merger of Far EASTONE Telecommunications Co., Ltd. and Asia Pacific Telecom Co., Ltd., Far EASTONE Telecommunications Co., Ltd. exchanged 9.34% of its equity interest in Asia Pacific for Far EASTONE Telecommunications Co., Ltd. in exchange. The fair value of the equity interest in Asia Pacific Telecom Co., Ltd. was $12,240 thousand, and the accumulated loss on disposal was $(19,685) thousand. Therefore, the accumulated gain on disposal mentioned above was transferred from Other equity interest to Retained earnings. The equity interest in Far EASTONE Telecommunications Co., Ltd. after the conversion was recognized as financial assets at Assets under Fair value.

2. The Company has disclosed the credit risk and fair value information related to financial instruments in Note 6 (19).

3. No financial Assets pledged as collateral.

(4) Inventories

	2023.12.31	2022.12.31
Buildings and land held for sale	$ 2,683,928	1,408,199
Land held for construction site	3,727,312	3,154,028
Construction in progress	7,653,593	10,286,699
Prepayment for land purchases	108,708	190,661
Less: Allowance for valuation loss	(74,926)	(83,677)
	$ 14,098,615	**14,955,910**

1. The details of Operating costs are as follows:

	2023	2022
Buildings and land held for sale sold and transferred	$ 2,475,205	1,146,322
Cost of sale	-	90,667
Cost of rental sales	37,431	36,411
Inventories write-down to net realizable value	(8,751)	(5,842)
	$ 2,503,885	**1,267,558**

As of December 31, 2023 and 2022, Inventories s that are expected to be

realized more than 12 months are NT $12,737,876 thousand and NT $11,975,262 thousand, respectively.

Please refer to Note 6 (18) for the capitalization of interest in 2023 and 2022.

Please refer to Note 8 for details of the collateral provided by Inventories as of December 31, 2023 and 2022.

(5) Investments accounted for using equity method

The details of Investments accounted for using equity method at the reporting date were as follows:

	2023.12.31	2022.12.31
SUBSIDIARIES	$ 6,141,082	6,184,720
Associates	67,657	67,203
	$ 6,208,739	**6,251,923**

1. Subsidiaries

(1) Please refer to the 2023 Consolidated Financial Report for information on the above-mentioned investments in subsidiaries.

(2) In 2023 and 2022, the Company increased its investment in subsidiaries by NT $45,687 thousand and NT $215,000 thousand, respectively, and recognized the impact of changes in the shareholding ratio on the net value of NT $(4,077) thousand and NT $(2,007) thousand, respectively.

2. Associates

The Company's financial information for investments in associates accounted for using the Equity method that are individually insignificant was as follows. The financial information was included in the Company's Parent Company Only Financial Statement:

	2023.12.31	2022.12.31
The carrying amount of Equity that is not individually material	**$ 67,657**	**67,203**

	2023	2022
Attributable to the Group:		
Loss from continuing operations	$ 453	(646)
Total gains and losses of total	**$ 453**	**(646)**

3. Guarantee

As of December 31, 2023 and 2022, the Company's Investments accounted for using equity method was not pledged as collateral.

(6) Property, plant and equipment

The details of changes in the cost of Property, plant and equipment, Depreciations and Impairment loss of the Company in 2023 and 2022 are as follows:

	Transportation equipment	Other equipment	Total
Cost or deemed cost:			

Balance at January 1, 2023	$	7,437	12,853	20,290
Disposals		(1,570)	-	(1,570)
Balance at December 31, 2023	**$**	**5,867**	**12,853**	**18,720**
Balance at January 1, 2022	$	7,437	12,823	20,260
Reclassified		-	30	30
Balance as of December 31, 2022	**$**	**7,437**	**12,853**	**20,290**

	Transportation equipment	Other equipment	Total
Depreciations and Impairment loss:			
Balance at January 1, 2023	$ 6,421	12,402	18,823
Depreciations	420	377	797
Disposals	(1,570)	-	(1,570)
Balance at December 31, 2023	**$ 5,271**	**12,779**	**18,050**
Balance at January 1, 2022	$ 6,001	11,965	17,966
Depreciations	420	407	827
Reclassified	-	30	30
Balance as of December 31, 2022	**$ 6,421**	**12,402**	**18,823**
Carrying amounts:			
December 31, 2023	**$ 596**	**74**	**670**
January 1, 2022	**$ 1,436**	**858**	**2,294**
December 31, 2022	**$ 1,016**	**451**	**1,467**

As of December 31, 2023 and 2022, the Company’s Property, plant and equipment was not pledged as collateral.

(7) Investment property

Investment property includes the Company’s own Assets. The leases of investment properties contain an initial non-cancellable lease term of 1 to 10 years. Some leases provide the lessees with options to extend at the end of the term.

For all investment property leases, the rental income is fixed under the contracts, but some leases require the lessee to disburse Insurance expense. The amount is decided separately every year.

The movements of investment properties were as follows:

	Land and Improvements	Buildings and structures	Unfinished construction	Total
Cost or deemed cost:				
Balance at January 1, 2023	$ 913,217	791,280	10,381	1,714,878
Additions	-	-	3	3
Balance at December 31, 2023	**$ 913,217**	**791,280**	**10,384**	**1,714,881**
Balance at January 1, 2022	$ 901,505	787,830	10,371	1,699,706
Additions	9,856	1,729	10	11,595
Transfer from Inventories	1,856	1,721	-	3,577
Balance as of December 31, 2022	**$ 913,217**	**791,280**	**10,381**	**1,714,878**
Depreciations and Impairment loss:				

		Transportation equipment	Other equipment	Total
Balance at January 1, 2023	$	-	357,481 -	357,481
Depreciations		-	28,330 -	28,330
Balance at December 31, 2023	**$**	**-**	**385,811 -**	**385,811**

	Land and improvements	Buildings and structures	Unfinished construction	Total
Balance at January 1, 2022	$ -	328,109	-	328,109
Depreciations	-	29,372	-	29,372
Balance as of December 31, 2022	**$ -**	**357,481**	**-**	**357,481**
Carrying amounts:				
December 31, 2023	**$ 913,217**	**405,469**	**10,384**	**1,329,070**
January 1, 2022	**$ 901,505**	**459,721**	**10,371**	**1,371,597**
December 31, 2022	**$ 913,217**	**433,799**	**10,381**	**1,357,397**
Fair value:				
December 31, 2023				**$ 2,118,446**
December 31, 2022				**$ 2,073,343**

1. The Company has developed criteria for the determination of whether a Assets is capable of being classified as investment property. Investment properties are properties held to earn rentals and/or for capital appreciation. Therefore, the Company considers whether the main cash flow generated by a property is independent from the Other Assets held by the Company. The Company holds a portion of the property for earning Rent income or capital appreciation and a portion for management purposes. If each part of the investment property can be sold separately, the Company shall account for each part separately. If the portions could not be sold separately, the property is an investment property only if an insignificant portion is held for management purposes.

Investment property comprises a number of commercial properties that are leased to third parties. Please refer to Note 6 (12) for related information (including Rent income and Freight).

The fair value of investment property is based on a valuation by an independent appraiser who holds a recognized and relevant professional qualification and has recent experience in the location and category of the investment property being valued. The fair value measurement for investment property has been categorized as a level 3 fair value based on the inputs to the valuation technique used; Or refer to the real estate transaction price inquiry service network of the Ministry of the Interior and the housing brokerage website, and the transaction price in similar locations and types in the near future is the basis for evaluation.

As of December 31, 2023 and 2022, the investment properties of the Company had been pledged as collateral; please refer to Note 8.

	Land and improvements	Buildings and structures	Unfinished construction	Total

(8) Short-term borrowings

The details of the Company's Short-term borrowings were as follows:

	2023.12.31	2022.12.31
Unsecured Bank loan	$ 72,500	761,500
Guarantee Bank loan	5,903,791	6,403,511
total	**$ 5,976,291**	**7,165,011**
Unused credit lines	**$ 1,280,841**	**1,550,294**
Range of interest rates	**2.56% ~ 3.65%**	**2.38% ~ 3.03%**

Please refer to Note 8 for details of Assets pledged as collateral for Bank loan.

(9) Short-term notes and bills payable

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

	2023.12.31		
	Guarantee or acceptance institute	Range of interest rates	Amount
Commercial paper payable	Mega Bills Finance Company	2.89%	$ 150,000
	Grand Bills Finance Corporation	2.67%	46,000
	China Bills Finance Corporation	2.69%	500,000
total			**$ 696,000**

	2022.12.31		
	Guarantee or acceptance institute	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 Company	3.05%	150,000
total			**$ 1,133,000**

Please refer to Note 8 for details of the collateral of commercial paper payable under Assets.

(10) Long-term borrowings

The details, conditions and terms of the Company’s Long-term borrowings were as follows:

	2023.12.31			
	Currency	Interest Rate (%)	Year of maturity	Amount
Guarantee Bank loan	TWD	2.34% ~ 3.03%	113 ~ 124	$ 932,809
Less: current portion				(328,818)
total				**$ 603,991**
Unused credit lines				**$ 216,111**

	2022.12.31			
	Currency	Interest Rate (%)	Year of maturity	Amount
Guarantee Bank loan	TWD	2.09% ~ 2.78%	112 ~ 124	$ 368,627

Less: current portion	(58,818)
total	**$ 309,809**
Unused credit lines	**$ 200,000**

Please refer to Note 8 for details of Assets pledged as collateral for Bank loan.

(11) Bonds payable

The details of the Company’ s Bonds payable are as follows:

	2023.12.31	2022.12.31
Amount of ordinary corporate bonds issued	$ 2,000,000	2,000,000
Less: Unamortized balance of Discount on bonds payable	(2,023)	(3,096)
Ending balance of Bonds payable	**$ 1,997,977**	**1,996,904**

The main rights and obligations of the guaranteed ordinary corporate bonds issued by the Company in 2020 are as follows:

Item	First secured ordinary corporate bonds in 2020	Second Secured Ordinary Corporate Bond in 2020
Issue Amount	NT $1,000,000 thousand	NT $1,000,000 thousand
Issue Date	2020.10.23	2020.12.14
Issuance period	2020.10.23 ~ 2025.10.23	2020.12.14 ~ 2025.12.14
Coupon rate	0.62%	0.58%
Guarantee agency	Mega International Commercial Bank	Yuanta Commercial Bank
Trustee	Taipei Fubon Commercial Bank	Taipei Fubon Commercial Bank
Repayment method	Principal is repaid at maturity.	

For the years ended December 31, 2023 and 2022, the Company recognized amortization of corporate bonds for Interest expense. Please refer to Note 6 (18) for details.

(12) Operating leases

The Company leases out its investment property. The Company has classified these leases as operating leases, because it does not transfer substantially all of the risks and rewards incidental to the ownership of the assets. Please refer to note 6 (g) sets out information about the operating leases of investment property.

A maturity analysis of lease payments, showing the undiscounted lease payments to be received after the reporting date is as follows:

	2023.12.31	2022.12.31
Less than one year	$ 41,439	54,592
One to two years	29,867	32,839
Two to three years	29,623	22,178
Three to four years	28,929	21,721
Four to five years	23,473	20,767
More than five years	14,995	33,588
Total undiscounted lease payments	**$ 168,326**	**185,685**

Please refer to Note 6 (16) for Rent income generated from investment properties for the years ended December 31, 2023 and 2022. The repair and maintenance expenses incurred for the investment property (listed in "Cost of sales and Operating expenses") are as follows:

	2023	2022
Rent income originated	**$ 1,701**	**113**

(13) income tax

1. Tax expense

The details of the Company’ s Tax expense in 2023 and 2022 are as follows:

	2023	2022
Current tax expense		
Land value increment tax	$ 52,348	27,632
Adjustment for prior periods income tax	-	3,644
	52,348	31,276
Deferred tax expense		
Origination and reversal of temporary differences	(1,152)	1,423
Tax expense	**$ 51,196**	**32,699**

2. The reconciliation of the relationship between Tax expense and the profit before tax of the Company in 2023 and 2022 is as follows:

	2023	2022
Net profit before tax	$ 291,795	75,784
income tax calculated based on the domestic tax rate of the Company's location	$ 58,359	15,157
Tax-exempt income from land transactions	(127,182)	(45,009)
Investment income-Equity	15,034	21,391
Book-tax difference of capitalized interest	(822)	(4,171)
Valuation (gain) loss on Assets and Liabilities	(100)	535
Dividend revenue	(43)	(35)
Land value increment tax	52,348	27,632
Current-year losses for which Deferred tax assets has not been recognized	49,879	14,537
Under (over) provision in prior periods	-	3,644
Gain on disposal of Assets	2,960	-
Other	763	(982)
total	**$ 51,196**	**32,699**

3. Deferred tax assets and Liabilities

Recognized Deferred tax assets and Liabilities

The movements of deferred income tax were as follows:

Unrealized after-sales service Service provision	Unrealized Impairment loss	Unrealized Inventories Loss on market price decline	Other	total

Deferred tax assets:

Balance at January 1, 2023	$	6,986	6,577	16,736	1,324	31,623
Credit (debit) profit or loss		2,928	-	(1,750)	(26)	1,152
Balance at December 31, 2023	**$**	**9,914**	**6,577**	**14,986**	**1,298**	**32,775**

	Unrealized after-sales service provision	Unrealized Impairment loss	Unrealized Inventories Loss on market price decline	Other	total
Balance at January 1, 2022	$ 7,184	6,577	17,904	1,381	33,046
Credit (debit) profit or loss	(198)	-	(1,168)	(57)	(1,423)
Balance as of December 31, 2022	**$ 6,986**	**6,577**	**16,736**	**1,324**	**31,623**

4. Approval of income tax

The settlement declaration case of the Company's profit-making business, income tax, has been approved by the Taxes collection authority until 2021.

(14) Capital and Other equity interest

As of December 31, 2023 and 2022, the Company’s authorized Share capital amounts to $10,100,000 thousand, with a par value of $10 (in dollars) per share. There were both 743,993 thousand shares issued. All issued shares were paid up upon issuance.

1. Capital surplus

The balances with Capital surplus were as follows:

	2023.12.31	2022.12.31
Premium on convertible bonds	$ 12,949	12,949
Treasury stock transactions	3,337	3,337
Difference between consideration and carrying amount of subsidiaries acquired or disposed	435,896	436,442
Changes in equity of associates and joint ventures accounted for under Equity	-	73
Changes in ownership of Equity	231,121	213,976
	$ 683,303	**666,777**

In accordance with Company Act, Capital surplus must first make up for losses before it can issue new shares or cash in proportion to the shareholders' original shares in the realized Capital surplus. The aforementioned realized Capital surplus includes capital surplus resulting from premium on issuance of capital stock and earnings from donated assets received. In accordance with Regulations Governing the Offering and Issuance of Securities by Securities Issuers, Capital surplus may be capitalized and the amount of total may not exceed 10 percent of the paid-in capital each year.

2. Retained earnings

In accordance with the provisions of this Articles of Incorporation, if there is a surplus in the annual final accounts, the tax shall be paid first to make up for the losses of previous years, and the next ten percent shall be Legal reserve, plus the accumulated Unappropriated

	Unrealized after-sales service provision	Unrealized Impairment loss	Unrealized Inventories Loss on market price decline	Other	total

retained earnings after the Unappropriated retained earnings at the beginning of the period, after adjusting the Special reserve listed or reverted in accordance with the law and regulations and deducting the retained appropriate amount of surplus, if there is a balance, the balance may be given priority to distribute the dividends of the special stock in the current year. If there is a balance, it shall be the distributable surplus of the current year, and the board of directors shall draft a proposal and submit it to the shareholders meeting of Resolution for distribution.

The Company is in a volatile industry environment and is in the growth stage of the corporate life cycle and diversified development. Considering the Company's future capital needs, long-term financial planning and shareholders' demand for cash inflows, if the Company's shareholders' meeting Resolution distributes dividends to shareholders, the cash dividend shall not be less than 10 percent of the total dividend, but if the cash dividend per share is less than NT $0.1, it will not be issued, and it will be paid in stock dividends, but the board of directors may change the above ratio according to the economic environment and the Company's operating conditions.

(1) Legal reserve

When a company incurs no loss, it may, at a shareholders' meeting, Resolution, distribute its new shares or cash by Legal reserve, provided that the portion of such reserve exceeds its paid-in capital by twenty-five percent.

(2) Special reserve

The difference between the net debit balance of Other's shareholder Equity and the balance of Special reserve appropriated, that occurred in the current year, is compensated from the current profit and loss and Unappropriated retained earnings in the previous period for Special reserve appropriated. The amount of the deduction from Other shareholders Equity accumulated in the previous period shall not be distributed from Unappropriated retained earnings's compensation Special reserve appropriated in the previous period. Any special reserve appropriated may be reversed to the extent that the net debit balance reverses and thereafter distributed.

Special reserve, which is the difference between the market price and the book value of the parent company's shares held by the subsidiary at the end of the period, shall not distribute the same amount based on the shareholding ratio. If there is a subsequent market price rebound, the amount may be reversed to Special reserve in proportion to the shareholding ratio.

On June 16, 2023, the Company held the regular shareholders' meeting, Resolution Special reserve appropriated for NT $123,966 thousand, and listed Special reserve for the changes in the market price of the parent company's shares held by subsidiaries for NT $5,611 thousand; In addition, on June 11, 2022, Resolution returned Equity deductions of NT $56,736 thousand and Special reserve, which listed the changes in the market price of the parent company's shares held by subsidiaries, of NT $6,305 thousand.

(3) Earnings distribution

On June 16, 2023, the Company adopted the 2022 earnings distribution plan of Resolution at the regular shareholders' meeting. Due to the consideration of market conditions and capital needs of Construction in progress in 2022, no dividends will be distributed to shareholders in 2022. In addition, on June 15, 2022, the Company passed the 2021 earnings distribution plan of Resolution at the regular shareholders' meeting, and the amount of dividends distributed to owners is as follows:

	FY21	
	Amount per share (dollars)	**Amount**
Dividends distributed to ordinary shareholders:		
Cash	$ 0.30	**223,198**

3. Treasury Shares

(1) Treasury shares held by the Company shall not be pledged in accordance with Securities and Exchange Act, and shall not be entitled to shareholders' rights before the transfer.

(2) As of December 31, 2023 and 2022, Power Crane Investment Ltd., a subsidiary of the Company, held the Company's treasury shares as follows:

	2023.12.31	2022.12.31
Shares of the Company held by subsidiaries	$ 6,305	6,305
Acquisition cost	$ 98,392	98,392
Stock market price	$ 61,346	54,284

Note: The amount recognized as treasury shares based on the Company's shareholding ratio is NT $98,195 thousand.

4. Other equity interest (net after tax)

	Foreign operations Translation of financial statements Exchange differences on translation of foreign financial statements	Through Other total Fair value through profit or loss Assets Unrealized profit or loss	total
Balance at January 1, 2023	$ (778)	(260,972)	(261,750)
Unrealized gains (losses) from subsidiaries accounted for using Equity method through Other comprehensive income based on Fair value Finance Assets	-	88,167	88,167
Share of exchange differences of associates and subsidiaries accounted for using Equity	(810)	-	(810)
Unrealized gains (losses) from financial Fair value transactions through Other comprehensive income	-	85,445	85,445
Disposal of investments accounted for under Other comprehensive income Fair value-Equity	-	14,293	14,293
Proceeds from disposal of investments accounted for using equity method	(70)	-	(70)
Difference between consideration and carrying amount of subsidiaries acquired or disposed	7	330	337
Balance at December 31, 2023	**$ (1,651)**	**(72,737)**	**(74,388)**
Balance at January 1, 2022	$ (1,703)	(136,081)	(137,784)
Unrealized gains (losses) from subsidiaries accounted for using Equity method through Other comprehensive income based on Fair value Finance Assets	-	(39,291)	(39,291)
Share of exchange differences of associates and subsidiaries accounted for using Equity	925	-	925
Unrealized gains (losses) from financial Fair value transactions through Other comprehensive income	-	(72,732)	(72,732)
Disposal of investments accounted for under Other comprehensive income Fair value-Equity	-	(12,868)	(12,868)
Balance as of December 31, 2022	**$ (778)**	**(260,972)**	**(261,750)**

(15) EARNINGS PER SHARE

1. Basic earnings per share

For the years ended December 31, 2023 and 2022, the calculation of Basic earnings per share was based on the profit attributable to the ordinary stockholders of the Company, Equity, and the weighted-average number of ordinary shares outstanding, calculated as follows:

(1) Profit attributable to ordinary shareholders of the Company, Equity

2023	**2022**

Profit attributable to ordinary shareholders of Equity	**$ 240,599**	**43,085**

(2) Weighted average number of ordinary shares

	2023	**2022**
Issued ordinary shares at January 1	743,993	743,993
Effect of treasury stock	(6,305)	(6,305)
Weighted-average number of ordinary shares at December 31	**737,688**	**737,688**
Earnings per share (NT $)	**$ 0.33**	**0.06**

2. Diluted earnings per share

For the years ended December 31, 2023 and 2022, Diluted earnings per share calculates the profit attributable to ordinary shareholders of the Company, Equity, based on the weighted average number of ordinary shares outstanding after adjustment for the effects of all dilutive potential ordinary shares. The calculation is as follows:

(1) Profit attributable to ordinary shareholders of the Company, Equity (diluted)

		2023	2022
Attributable to the Company Net Profit	$	240,599	43,085
Effect of conversion of convertible bonds		(651)	-
Profit attributable to ordinary shareholders of Equity (diluted)	**$**	**239,948**	**43,085**

(2) Weighted-average number of ordinary shares (diluted)

	2023	2022
Weighted-average number of ordinary shares (basic)	737,688	737,688
Effect of employee stock bonus	163	71
Weighted-average number of ordinary shares (diluted) at December 31	**737,851**	**737,759**
Earnings per share (NT $)	**$ 0.33**	**0.06**

(16) Revenue from contracts with customers

1. Disaggregation of revenue

		2023	2022
Primary geographical markets:			
Taiwan	**$**	**3,202,482**	**1,667,675**
Major products/services lines:			
Rent income (Note)	$	59,718	59,522
Revenue from real estate sales		3,142,764	1,607,489
Other operating revenue		-	664
	$	**3,202,482**	**1,667,675**
Timing of revenue recognition:			
Gradually transferred services over time	$	59,718	59,522
Goods transferred at a point in time		3,142,764	1,607,489
Services transferred at a point in time		-	664
	$	**3,202,482**	**1,667,675**

Note: Rent income is subject to International Financial Reporting Standards No. 16.

2. Contract balances

		2023.12.31	2022.12.31	2022.1.1
Notes receivable	$	1,023	63	16,502
Accounts receivable		9,955	2,584	3,182
Less: Allowance for impairment loss		-	-	-
total	**$**	**10,978**	**2,647**	**19,684**
Liabilities Advance real estate receipts-	**$**	**482,191**	**501,965**	**357,252**
Amount expected to be settled after more than 12 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 receivable and Accounts receivable. To measure the expected credit losses, these Notes receivable and Accounts receivable have been grouped based on shared credit risk characteristics and the days past due, as well as incorporated forward looking information, including macroeconomic and relevant industry information. The expected credit losses of the Company’s Notes receivable and Accounts receivable are analyzed as follows:

	2023.12.31		
	Notes receivable and Carrying Amount	**Expected weighted average Credit loss rate**	**Allowance duration Expected credit losses**
Not past due	**$ 10,978**	-	**-**

	2022.12.31		
	Notes receivable and Carrying Amount	**Expected weighted average Credit loss rate**	**Allowance duration Expected credit losses**
Not past due	**$ 2,647**	-	**-**

3. The change in contract Liabilities is mainly due to the difference between the time when the Company transfers goods or services to customers to meet the

performance obligations and the time when customers pay. There is no significant change in Other in 2023 and 2022.

(17) Employees' compensation and remuneration of directors

In accordance with the provisions of this Articles of Incorporation, if there is a profit in the year, no less than 0.5% shall be allocated for employee compensation, which shall be paid in stocks or cash by the board of directors Resolution. The issuance targets include employees of controlled or affiliated companies that meet certain conditions. The conditions and distribution methods are authorized to the board of directors or its authorized persons to decide; The Company shall allocate no more than 3% of the above-mentioned profit amount as directors' remuneration by the board of directors Resolution. The distribution of remuneration to employees and directors shall be reported to the shareholders' meeting. However, when the Company still has accumulated losses, it shall reserve the amount to make up in advance, and then allocate the remuneration of employees and directors in proportion to the preceding paragraph.

For the years ended December 31, 2023 and 2022, employees' compensation was accrued at $1,513 thousand and $219 thousand, respectively, and directors' remuneration was accrued at $9,078 thousand and $1,315 thousand, respectively. These amounts were estimated based on the net profit before tax, excluding employees' compensation and directors' remuneration, multiplied by the percentage of employees' compensation and directors' remuneration distributed under Articles of Incorporation, and were presented as Operating expenses for each period. If the actual amounts differ from the estimated amounts, the differences shall be accounted as changes in accounting estimates and recognized as profit or loss in the following year.

For the year ended December 31, 2022, employees' compensation and directors' remuneration were accrued at $219 thousand and $1,315 thousand, respectively, and the actual distribution were $386 thousand and $2,319 thousand, respectively, which were underestimated at $167 thousand and $1,004 thousand, respectively. For the year ended December 31, 2021, employees' compensation and directors' remuneration were estimated at NT $2,686 thousand and NT $16,118 thousand, respectively, and the actual amounts distributed were over-estimated at NT $869 thousand and over-estimated at NT $5,218 thousand, respectively. Related information can be found in Market Observation Post System.

(18) Non-operating income and expenses

1. Interest revenue

The details of the Company's Interest revenue in 2023 and 2022 are as follows:

	2023	2022
Interest income from bank deposits	$ 8,581	1,700
Other interest income	271	-
	$ 8,852	**1,700**

2. Other income

The details of the Company's Other income in 2023 and 2022 are as follows:

	2023	2022
Dividend revenue	$ 214	175
Remuneration of directors and supervisors of subsidiaries	-	2,501
Guarantee Fee income	8,931	9,000
Other income	1,044	109
	$ 10,189	**11,785**

3. Other gains and losses

The details of the Company's Other gains and losses in 2023 and 2022 are as follows:

	2023	2022
Net gain (loss) on financial assets at Fair value and Assets	$ 499	(2,677)
Lease termination benefits	-	80
Gains on disposals of property, plant and equipment	762	-
Exchange gains and losses	(86)	3,725
Miscellaneous disbursements	(903)	-
	$ 272	**1,128**

4. Finance costs

The details of the Company' s Finance costs in 2023 and 2022 are as follows:

	2023	2022
Interest expense		
Bank loan	$ 219,983	189,557
Amortization of convertible bonds discount	1,073	1,074
Interest on ordinary corporate bonds	12,000	12,000
Interest on lease Liabilities	104	191
Capitalized borrowing costs	(161,423)	(181,905)
Other Interest expense	150	79
Finance costs	36,997	32,832
	$ 108,884	**53,828**
Capitalized interest rate	**2.23% ~ 2.38%**	**1.61% ~ 2.16%**

(19) Financial instruments

1. Credit risk

(1) Maximum credit risk exposure

The carrying amount of Assets and Assets represents the maximum amount exposed to credit risk.

(2) Concentration of credit risk

The concentration of credit risk was limited due to the fact that the customer base was large and unrelated.

(3) Credit risk of receivables and debt securities

For credit risk exposure of Notes receivable and Accounts receivable, please refer to note 6 (16).

Other Assets includes Other receivables and investment in government bonds, corporate bonds and time deposits.

All of these financial assets are considered to have low risk, and thus, the impairment provision recognized during the period was limited to 12 months expected losses. Regarding how the financial instruments are considered to have low credit risk, please refer to note 4 (f).

2. Liquidity risk

The following table shows the contractual maturities of Liabilities, including estimated interest payments and excluding the impact of netting agreements.

	Carrying Amount	Contract Cash flow	Within 1 year	12 years	25 years	Over 5 years
December 31, 2023						
Non-derivative						

financial instruments Liabilities						
Floating interest rate liabilities	$ 6,909,100	7,193,811	3,548,598	799,337	2,841,315	4,561
Fixed interest rate liabilities	2,693,977	2,720,650	710,125	2,010,525	-	-
Liabilities	362,171	362,171	362,171	-	-	-
Leases Liabilities	1,696	1,729	1,337	392	-	-
	$ 9,966,944	**10,278,361**	**4,622,231**	**2,810,254**	**2,841,315**	**4,561**

	Carrying Amount	Contractual cash flows	Within 1 year	12 years	25 years	Over 5 years
December 31, 2022						
Non-derivative financial instruments						
Liabilities						
Floating interest rate liabilities	$ 7,533,638	7,854,200	4,362,876	820,885	2,663,355	7,084
Fixed interest rate liabilities	3,129,904	3,167,558	1,145,000	12,033	2,010,525	-
Liabilities	187,567	187,567	187,567	-	-	-
Leases 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**

The Company does not expect the cash flows included in the maturity analysis to occur significantly earlier or at significantly different amounts.

3. Interest rate risk analysis

Please refer to the notes on liquidity risk management and interest rate exposure of the Company's financial Assets and financial 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. For floating rate Liabilities, the analysis is based on the assumption that the amount of Liabilities outstanding on the reporting date is outstanding throughout the year. The rate of change is expressed as the interest rate increases or decreases by 1% when reporting to management internally, which also represents the Company management's assessment of the reasonably possible interest rate change.

If the interest rate increases or decreases by 1% basis point, and all Other variables remain unchanged, the company's net profit in 2023 and 2022 will decrease or increase by NT $42,695 thousand and NT $52,215 thousand, mainly due to the company's variable interest rate borrowings and deposits.

4. Other price risk

If the price of the securities of Equity changes at the reporting date (the analysis is based on the same basis for both periods, and assuming that the factors of change in Other remain unchanged), the impact on the profit or loss before tax and the profit or loss of total Item is as follows:

Carrying Amount	Contractual cash flows	Within 1 year	12 years	25 years	Over 5 years

	2023		2022	
Price of securities at reporting date	**Other comprehensive income Before tax**	**Profit before tax**	**Other comprehensive income Before tax**	**Profit before tax**
Increasing 10%	**$ 11,104**	**5,201**	**15,562**	**3,927**
Down by 10%	**$ (11,104)**	**(5,201)**	**(15,562)**	**(3,927)**

5. Fair value information

(1) Valuation process of fair value of financial instruments

The Company’ s accounting policies and disclosures include the adoption of Fair value and Assets and Liabilities. The Company has established an internal control system for Fair value. These include establishing a valuation team to be responsible for reviewing all significant Fair value (including Level 3 fair value) and reporting directly to the chief financial officer. The valuation group periodically reviews significant unobservable inputs and adjustments. If third-party information, such as broker quotes or pricing services, is used to measure fair value, the valuation group would assess the evidence obtained from the third parties to support the conclusion that such valuations meet the requirements of International Financial Reporting Standards , and the level in the fair value hierarchy in which such valuations should be classified.

The Company strives to use market observable inputs when measuring its Assets and Liabilities. Different levels of the fair value hierarchy to be used in determining the fair value of financial instruments are as follows:

Level 1: quoted prices (unadjusted) in active markets for identical Assets or Liabilities.

Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices) Assets or Liabilities.

Level 3: inputs for Assets or Liabilities that are not based on observable market data (unobservable inputs).

(2) Categories and fair value of financial instruments

The Fair value Assets and Liabilities, which were recognized in profit or loss by the Company, and Fair value Assets, which were recognized in Other comprehensive income on a recurring basis. The carrying amount and fair value of the Group's financial instruments, including the information on fair value hierarchy were as follows; however, except as described in the following paragraphs, for financial instruments not measured at fair value with the carrying amount reasonably close to the fair value under Assets and Liabilities, disclosure of fair value information is not required:

	2023.12.31				
		Fair value			
	Carrying Amount	Level 1	Level 2	Level 3	total
Financial assets at fair value through profit or loss Fair value Assets					
Non-derivative financial assets mandatorily measured at fair value through profit or loss Fair value Assets (including current and non-current)	$ 52,009	34,623	-	17,386	52,009
Measured at Other comprehensive income as Fair value's Assets					
Based on unquoted Fair value Equity instruments	111,042	-	-	111,042	111,042
total	**$ 163,051**	**34,623**	**-**	**128,428**	**163,051**

	2022.12.31				
		Fair value			
	Carrying Amount	Level 1	Level 2	Level 3	total
Financial assets at fair value through profit or loss Fair value Assets					

Non-derivative financial assets mandatorily measured at fair value through profit or loss Fair value Assets (including current and non-current)	$ 39,269	21,747	-	17,522	39,269
Measured at Other comprehensive income as Fair value’ s Assets					
Domestic listed companies and the emerging stock market	28,905	9,995	18,910	-	28,905
Based on unquoted Fair value Equity instruments	126,712	-	-	126,712	126,712
Sub-total	155,617	9,995	18,910	126,712	155,617
total	**$ 194,886**	**31,742**	**18,910**	**144,234**	**194,886**

(3) Valuation techniques for financial instruments not measured at fair value under Fair value

The Company's valuation techniques and assumptions used for financial instruments not under Fair value are as follows:

Financial assets at amortized cost Assets and Liabilities

If there is quoted price generated by transactions, the recent transaction price and quoted price data is used as the basis for fair value measurement. If no market value is available for reference, the evaluation method is used for estimation. However, if no quoted prices are available, the discounted cash flows are used to estimate fair values.

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

(4.1) Non-derivative financial instruments

Financial instruments traded in active markets are based on quoted market prices. 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.

A financial instrument is regarded as being quoted in an active market if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency and those prices represent actual and regularly occurring market transactions on an arm's-length basis. If a financial instrument does not accord with the definition aforementioned, then it is considered to be without quoted price in active market. In general, market with low trading volume or high bid-ask spreads is an indication of a non-active market.

If the financial instruments held by the Company are in an active market (listed stocks, beneficiary certificates, etc. are financial Assets with standard terms and conditions and traded in an active market), their fair values are determined with reference to market quoted prices.

If the financial instruments held by the Company are in no active market, the fair value of the financial instruments based on category and attributes are Equity instruments with no open quotation, and the fair value is estimated using the market method. The main assumptions are based on the market value and financial information of the comparable companies of the investee. This estimate has been adjusted for the discount effect of the circulation of Equity.

(5) Transfers between Level 1 and Level 2: None.

(6) Reconciliation of Level 3 fair values

	Fair value — unquoted debt	**Other comprehensive income Fair value —**

	instruments	unquoted Equity instruments
January 1, 2023	$ 17,522	126,712
Total gains and losses		
Recognized in profit or loss	(136)	-
Recognized in Other comprehensive income	-	70,777
Purchases	-	32,872
Disposals	-	(119,319)
December 31, 2023	**$ 17,386**	**111,042**

	Fair value — unquoted debt instruments	Other comprehensive income Fair value — unquoted Equity instruments
January 1, 2022	$ 15,357	188,060
Total gains and losses		
Recognized in profit or loss	828	-
Recognized in Other comprehensive income	-	(61,348)
Purchases	1,337	-
December 31, 2022	**$ 17,522**	**126,712**

The aforementioned total gains and losses were recognized in "Other gains and losses" and "unrealized losses on valuation of Fair value-Financial Assets through Other comprehensive income." Among them, those related to Assets still held on December 31, 2023 and 2022 are as follows:

	2023	2022
Recognized in profit or loss (listed in "Other gains and losses")	$ (136)	828
Recognition under Other comprehensive income (reported as "Unrealized gain (loss) on valuation of Fair value Financial Assets through Other comprehensive income)	51,298	(61,348)

(7) Quantitative information of Fair value with significant unobservable inputs (Level 3)

The Company's Fair value classified as Level 3 mainly includes Fair value's private equity investment in Funds through profit or loss and Other comprehensive income's financial Assets-debt instrument investment in Fair value and Equity's securities investment.

Most of the fair value measurements categorized within Level 3 use the single and significant unobservable input.

Quantified information of significant unobservable inputs was as follows:

Item	Valuation technique	Significant unobservable inputs Significant unobservable input	Significant unobservable inputs Inputs and fair value Relationship of value
Other comprehensive income Fair value-Financial Instruments with Assets-Investments in Equity	Market approach and Assets approach	Discount for lack of marketability (17.89% ~ 30% and 13.51% ~ 30%, respectively, on December 31, 2023 and 2022)	The higher the liquidity discount, the lower the fair value.
		Volatility (19.81% ~ 22.40%, 17.06% ~ 25.6%, respectively,	The higher the

		Fair value — unquoted debt instruments	**Other comprehensive income Fair value — unquoted Equity instruments**
Instruments with no active market		on December 31, 2023 and 2022)	volatility, the higher the fair value
Financial assets at fair value through profit or loss Fair value Assets-Debt investments with no active market	Assets	Discount for lack of marketability (10% on December 31, 2023 and 2022)	The higher the liquidity discount, the lower the fair value.

(8) Sensitivity analysis of Level 3 fair value under Fair value

The Company's Fair value of financial instruments is reasonable, but the use of different evaluation models or evaluation parameters may result in different evaluation results. For fair value measurements in Level 3, changing one or more of the assumptions to reflect reasonably possible alternative assumptions would have the following effects:

		Upward or downward changes	Fair value changes Reaction to Current profit and loss		Fair value changes Reaction to Other comprehensive income	
	Inputs	Change	Favorable changes	Unfavorable	Favorable changes	Unfavorable
December 31, 2023						
Financial assets at fair value through profit or loss Fair value Assets						
Debt investments with no active market	Discount for lack of marketability	+ 1%	-	(193)	-	-
	Discount for lack of marketability	1%	193	-	-	-
Measured at Other comprehensive income as Fair value's Assets						
Investments in Equity instruments with no active market	Liquidity discount and volatility	+ 1%	-	-	-	(1,567)
	Liquidity discount and volatility	1%	-	-	1,550	-
December 31, 2022						
Financial assets at fair value through profit or loss Fair value Assets						
Debt investments with no active market	Discount for lack of marketability	+ 1%	-	(195)	-	-
	Discount for lack of marketability	1%	195	-	-	-
Measured at Other comprehensive income as Fair value's Assets						
Investments in Equity instruments with no active market	Liquidity discount and volatility	+ 1%	-	-	-	(1,714)
	Liquidity discount and volatility	1%	-	-	1,834	-

The favorable and unfavorable effects represent the changes in fair value, and fair value is based on a variety of unobservable inputs calculated using a valuation technique. The analysis above only reflects the effects of changes in a single input, and it does not include the interrelationships with another input.

(20) Financial risk management

1. Summary

The Company have exposures to the following risks from its financial instruments:

(1) Credit risk

(2) Liquidity risk

(3) Market risk

The following likewise discusses the Company’ s objectives, policies and processes for measuring and managing the above mentioned risks. For detailed information, please refer to the related notes to the financial statements.

2. Risk management structure

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

The Company Audit Committee oversees 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. The Company Audit Committee is assisted in its oversight role by Internal Audit. Internal Audit undertakes both regular and ad hoc reviews of risk management controls and procedures, 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 investments in debt securities.

(1) Accounts receivable and Other receivables

Since the Company's main business is pre-sale of real estate, has a large customer base and sales areas are scattered, and there is no significant concentration of transactions with a single customer, and Accounts receivable's credit risk is not significantly concentrated. The Company’ s construction projects are in accordance with the Company’ s operating procedures for outsourcing projects, and the contracting and construction technology meet the requirements and have a good reputation as construction companies, so they can fully control the construction quality and progress.

The Company set the allowance for bad debt account to reflect the estimated losses for Accounts receivable and Other receivables and investments. The allowance for bad debt account consists of specific losses relating to individually significant exposure and the unrecognized losses arising from Assets group. The collective component is based on historical payment experience of similar financial instruments in accordance with Assets.

(2) Investments

The credit risk exposure in Cash in banks, fixed income investments and Other are 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. However, the Company continues to evaluate changes in the economic environment and create a valuation profit and loss account for the pledged investments held.

(3) Guarantees

The Company’ s policy is to provide financial guarantees only to wholly owned subsidiaries. As of December 31, 2023 and 2022, the Company did not provide any external endorsement guarantee.

4. Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial assets and financial liabilities that are settled by delivering cash or Other Assets Liabilities. The Company's approach to managing liquidity is to ensure, as far as possible, that it always has sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

The Company calculates the capital required for the cost of each development project one by one, the sales period that can be collected from customers and the construction financing that can be supported by banks, and properly plans the timing of capital income and expenditure to ensure that there is sufficient liquidity to pay the Liabilities due. Since a portion of the funds required for the development and construction of the construction project can be obtained from the bank, and customers can also obtain housing loans from the bank to pay a majority of the price at the time of delivery of the house, the Company will not face the risk of significant losses or damage to its reputation.

5. Market risk

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

Interest rate risk

The Company’ s exposure to changes in interest rates is mainly attributable to its Bank loan. Borrowings bearing floating interest rates will generate cash flow risk for the Company, and borrowings bearing fixed interest rates will generate fair value risk for the Company. The Company evaluates that the operating environment in which the interest rate is stable in recent years, and there is no significant interest rate risk.

(twenty-one) Capital management

The Company’ s objectives for managing capital to safeguard the capacity to continue to operate, to continue to provide a return on shareholders, to maintain the interest of Other’ s related parties, and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Company may adjust the dividend payment to the shareholders, reduce the capital for redistribution to shareholders, issue new shares, or sell Assets to settle Liabilities.

The Company and other entities in the same industry use the Liabilities capital ratio to manage capital. This ratio is the total net Liabilities divided by the total capital. Liabilities is the Total liabilities shown in Assets Liabilities minus Cash and cash equivalents. The total capital consists of all components of Equity (i.e. Share capital, Capital surplus, Retained earnings and Other equity interest) plus net Liabilities.

The Company's capital management strategy in 2023 is consistent with that in 2022. Liabilities capital ratio is maintained to ensure financing at a reasonable cost. The capital ratios of Liabilities as of December 31, 2023 and 2022 were as follows:

		2023.12.31	**2022.12.31**
Total liabilities	$	10,541,599	11,425,948
Less: Cash and cash equivalents		(584,340)	(301,649)
Liabilities		9,957,259	11,124,299
Total equity		13,639,417	13,209,076
Adjusted capital	**$**	**23,596,676**	**24,333,375**

Liabilities capital ratio	**42.20%**	**45.72%**

(twenty-two) Non-cash investing and financing activities

For the years ended December 31, 2023 and 2022, the Company's non-cash financing activities were as follows:

The reconciliation of Liabilities from financing activities is as follows:

	2023.1.1	**Cash flow**	**Non-cash changes**	**2023.12.31**
Leases Liabilities	**$ 5,434**	**(4,981)**	**1,243**	**1,696**

(Note1)

	2022.1.1	Cash flow	Non-cash changes	2022.12.31
Leases Liabilities	$ 8,012	(5,138)	2,560 (Note 2)	5,434

Note 1: It is an increase of NT $1,243 thousand in the current period.

Note 2: It is due to the increase of NT $557 thousand in rent adjustment and NT $2,003 thousand in current period.

7. RELATED PARTY TRANSACTIONS

(a) Names and relationship with related parties

The followings are entities that have had transactions with related party during the periods covered in Parent Company Only Financial Statement:

Name of related parties	Relationship with the Group
Power Crane Investment Ltd. (“Lihe Investment”)	The Company's subsidiary
Green Forest Development Enterprise Co., Ltd (Greenhill)	The Company's subsidiary
Orient Forest Development Enterprise Co., Ltd. (Tung Shan Lin)	The Company's subsidiary
Forest Water Environmental Eng'g Co., Ltd. (Forest Water)	The Company's subsidiary
Rich Forest Leisure Development Co., Ltd. (Li Shan Lin)	The Company's subsidiary
The Westin Yilan Resort (LEALEA Hotel)	The Company's subsidiary
Yilan Lealea Development Ltd. (Yilan Lili)	The Company's subsidiary
Ho Ching Enterprises Co., Ltd. (Hejing Enterprise)	The Company's subsidiary
Lea Ching Enterprise Co., Ltd. (Li-Jing Enterprise)	The Company's subsidiary
Blossom Increase Limited	The Company's subsidiary
Re-Use Environmental Co., Ltd. (hereinafter referred to as "Competitive Advantage")	The Company's subsidiary
Grain Forest Green Energy Co., Ltd. (Hereinafter referred to as Heshan Forest)	The Company's subsidiary
Lealea Hotels & Resorts Co., Ltd. (hereinafter referred to as Lealea Tourism)	The Company's subsidiary
Lealea Mingchih Resort Co., Ltd.	The Company's subsidiary
Lealea Eagle Travel Service Co., Ltd.	The Company's subsidiary
Guo, Shuzhen	Chairman of the Company
Liwei International Development Co., Ltd.	The chairman is the chairman of the Company
Zhantang Cultural and Creative Co., Ltd.	The chairman is the chairman of the Company
Chi Mao International Co., Ltd.	The chairman is the chairman of the Company
Chimei International Enterprise Co., Ltd.	The chairman is the chairman of the Company
Taiwan Green Power Corporation	The director of the company is a director of the company
Lianda Wushigang Resort Company Limited	The director of the company is the chairman of the company (Note 2)

Li Peng Enterprise Co., Ltd. (Li Peng Enterprise)	The chairman of the company is the second immediate family of the chairman of the Company
Lealea Technology Inc.	The chairman of the company is the second immediate family of the chairman of the Company
Lealea Enterprise Co., Ltd. (hereinafter referred to as "Lealea Enterprise")	The chairman of the company is the second immediate family of the chairman of the Company
Giant Industry Co., Ltd.	The chairman of the company is a director of the Company
Ju Shan Lin Information Technology Co., Ltd.	The chairman of the company is a director of the Company

Name of related parties	Relationship with the Group
Techdesign Consulting Co., Ltd.	The chairman of the company is a director of the Company
Penghu Green Power Co., Ltd.	The chairman of the company is a director of the Company
Yilan County, private Li Li Lohas Elderly Long-Term Care Center	The chairman of the company is a director of the Company
Musheng Yunduo Interior Decoration Design Co., Ltd.	The chairman of the company is a director of the Company
Howsler Foods Co., Ltd.	The chairman of the company is a director of the Company
Guo, Musheng Cultural and Educational Center Funds	The chairman is the chairman of the Company
Jia Rui Development Co., Ltd.	The chairman of the company is a director of the Company
Lealea Evergreen Long-Term Care Association Corporation	The chairman of the company is a director of the Company
About Design Interior Decoration Co., Ltd.	The chairman of the company is a director of the Company
Ching Shan Lin Corporation	The chairman of the company is a director of the Company
Hongling Heavy Industries Co., Ltd.	The director of the company is within the second degree of kinship of the chairman of the Company Relatives
Li Yu Education Co., Ltd.	The director of the company is a director of the company
Leader Construction Co., Ltd. (hereinafter referred to as Lituo Construction)	The director of the company is a director of the company
Baiqiao Food Co., Ltd.	The director of the company is a director of the company
Tianfang Energy Technology Co., Ltd.	The director of the company is a director of the company
I-Li Hotel Co., Ltd.	The supervisor of the company is the director of the company
Liyang Mechanical and Electrical Engineering Co., Ltd. (hereinafter referred to as Liyang Mechanical and Electrical)	Related party in substance
Li Fang Development Co., Ltd. (Li Fang Development)	The director of the company is the second immediate family of the director of the company
Ching Yi Development Co., Ltd. (Ching-Yi Development)	Related party in substance
Li Gang Industrial Co., Ltd. (Li Gang Industrial)	Related party in substance
Li Yang Electromechanical Development Co., Ltd. (Li Yang Electromechanical)	Related party in substance
⌵ Dragon Enterprise Co., Ltd.	Related party in substance
Yilan County Li Social Welfare and Charity Funds Association	The chairman of the company is the second immediate family of the chairman of the Company
Li Shan Lin Kenting Zheyuan Co., Ltd.	Related party in substance
Li Qiang Industrial Co., Ltd.	Related party in substance

Rich Development Construction Co., Ltd. Parent Company Only Financial Statement note (continued)

Name of related parties	Relationship with the Group
Li Win Enterprise Co., Ltd.	Related party in substance
QINGJING HAIJING CO., LTD.	Related party in substance (Note 1)
Ability Energy Technology Co., Ltd.	Related party in substance
Shun Yu Investment Co., Ltd.	The chairman of the company is the second immediate family of the chairman of the Company
San Cube Agriculture Co., Ltd.	Related party in substance
Diyuan Farm Co., Ltd.	Related party in substance
Shinfox Agriculture Co., Ltd.	Related party in substance
YAGEO Development Co., Ltd.	Related party in substance

Name of related parties	Relationship with the Group
Zengfang Nongshi Co., Ltd.	Related party in substance
YANG Jiang	Related party in substance
Yang Jun	Related party in substance
Star Energy Corporation	Related party in substance
Sheng-Er Energy Co., Ltd.	Related party in substance
DASHAN ENERGY TECHNOLOGY CO., LTD.	Related party in substance
De Ba Energy Corporation	Related party in substance
Ru Jiu Energy Co., Ltd.	Related party in substance
Chuan Shih Energy Co., Ltd.	Related party in substance

Note 1: After the resignation of directors in September 2022, they are no longer related parties of the Company.

Note 2: After the resignation of directors in December 2023, they are no longer related parties of the Company.

(2) Significant transactions with related parties

1. Sale of real estate

The Company’s contractual commitments and receipts in advance to related parties are as follows:

	Pre-sale of buildings and land Purchase and sales contract (tax included)		Revenue from sale of real estate		Liabilities	
	2023.12.31	2022.12.31	2023	2022	2023.12.31	2022.12.31
Shun Yu Investment Co., Ltd.	$ 130,153	130,153	130,153	-	-	39,600
Yang Jiang, Yang Jun	-	-	-	28,472	-	-
	$ 130,153	**130,153**	**130,153**	**28,472**	**-**	**39,600**

There were no significant differences in the transaction prices and collection terms between the Company and non-related parties of Other.

2. Purchases from related parties

(1) The amounts of purchases from related parties of Other and the outstanding balances were as follows:

Contract amount		Purchases (Current pricing)	
2023.12.31	2022.12.31	2023	2022

Name of related parties			Relationship with the Group		
Lituo Construction	$	2,498,442	1,832,152	449,421	163,406
Liyang Mechanical and Electrical		121,358	119,048	10,763	25,655
Li Gang Industrial		35,197	37,186	-	(202)
	$	**2,654,997**	**1,988,386**	**460,184**	**188,859**

The price of the construction contracted by the Company to related parties is based on the construction budget plus a reasonable Administrative expenses and profit, which is determined by mutual comparison and negotiation, and the payment is made in accordance with the terms of the contract.

(2) In December 2023, the Company purchased a land from Guo, Shuzhen to build a commercial office building for sale or lease at a total price of NT $561,390 thousand, which was recorded under Inventories as of December 31, 2023. The aforementioned acquisition price is based on the real estate appraisal report. Please refer to Note 13 (a) .5.

3. Receivables from related parties

The receivables from related parties were as follows:

Item	Type of related party	2023.12.31	2022.12.31
Notes receivable	Other Related party	$ 1,023	63
Accounts receivable	Other Related party	5	11
Other receivables	Tung Shan Lin	9,377	9,450
	Other Related party	150	63
		$ 10,555	**9,587**

4. Payables to related parties

The payables to related parties were as follows:

Item	Type of related party	2023.12.31	2022.12.31
Notes payable	Lituo Construction	$ 14,343	20,716
	Liyang Mechanical and Electrical	-	4,444
	Liyang Mechanical and Electrical	619	-
	Other Related party	805	-
Accounts payable	Liyang Mechanical and Electrical	18,007	11,612
	Shun Yu Investment	6,405	-
	Lituo Construction	68,728	-
	Other Related party	175	2,272
Other payables	Other Related party	100	92
		$ 109,182	**39,136**

5. Other Assets

(1) For the year ended December 31, 2022, the Company purchased Other related party,

Lealea Enterprise Co., Ltd., and leased Assets amounting to $6,917 thousand, which was recognized as investment property.

6. Endorsements and guarantees

As of December 31, 2023 and 2022, the amount of endorsements/guarantees provided by the Company for the subsidiary, Tung Shan Lin Financing, was NT $665,055 thousand and NT $900,000 thousand, respectively. In addition, Fee income recognized NT $8,931 thousand and NT $9,000 thousand (accounted for as Other income) for 2023 and 2022, respectively.

7. LEASE

(1) Lease:

The Company leased office buildings, parking spaces and hotels to affiliates and related parties of Other, and entered into a 1 ～6-year lease contract with reference to the rental rates in the neighboring areas. As of December 31, 2023 and 2022, Rent income’ s deposits for leases were NT $19,465 thousand and NT $20,237 thousand, respectively, and as of December 31, 2023 and 2022, guarantee deposits received for leases were NT $2,952 thousand and NT $3,578 thousand, respectively.

(2) Lease:

The Company leased office buildings and parking spaces from Other and entered into a 1-5-year lease contract with reference to the rental rates of offices and parking spaces in the neighboring areas. For the years ended December 31, 2023 and 2022, the interest expenses recognized were NT $45 thousand and NT $126 thousand, respectively. As of December 31, 2023 and 2022, the balance of Liabilities was nil and NT $3,519 thousand, respectively.

8. Other

(1) For the year ended December 31, 2022, the Company commissioned Liqiang Industry and Other to sell buildings and land, and the sales commission paid at the rate of 1% ~ 3% as agreed in the agreement was $9,483 thousand and $935 thousand, respectively. As of December 31, 2022, the contract acquisition cost of Ching Yi Development, a related party of Other, was NT $9,523 thousand.

(2) Unrecognized contractual commitments of the Company as of December 31, 2023 and 2022 for the construction project of Construction in progress to Other related parties are detailed in Note 9 (1).

(3) For the years ended December 31, 2023 and 2022, the Company paid Other NT $891 thousand and NT $913 thousand, respectively, for setting maintenance of software leases (accounted for as Operating costs and Operating expenses).

(4) For the years ended December 31, 2023 and 2022, the Company paid NT $6,510 thousand and NT $6,921 thousand to Entertainment expense, management fees, miscellaneous fees and employee travel expenses, respectively, due to operational needs.

(5) For the years ended December 31, 2023 and 2022, Donation expense paid $5,000 thousand and $2,630 thousand, respectively, to Other

(3) Key management personnel transactions

Key management personnel compensation

	2023	2022
Short-term employee benefits	**$ 34,076**	**21,490**

8. PLEDGED Assets

The carrying amounts of Assets pledged by the Company were as follows:

Assets	Pledge guarantee subject	2023.12.31	2022.12.31
Inventories	Commercial paper and Bank loan	$ 13,595,232	14,406,451
Other current financial assets	Trust Account	469,720	208,694
Other non-current financial assets	Bonds payable	552,670	552,670
Investment property, net	Bank loan	1,044,931	1,071,319
		$ 15,662,553	**16,239,134**

9. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNIZED COMMITMENTS

Liabilities

(1) Significant unrecognized contractual commitments:

1. The Company's unrecognized contractual commitments are as follows:

		2023.12.31	2022.12.31
Contract signed			
Sale of premises and capacity	$	665,461	1,859,468
Purchase of Land held for construction site		151,740	370,318
Construction in progress Contract		1,745,504	1,988,386
Received or priced price			
Sale of premises and capacity	$	482,191	501,965
Purchase of Land held for construction site		108,708	190,661
Construction in progress Contract		377,944	827,252

2. The details of the joint construction contracts or joint investment and construction contracts signed by the Company on December 31, 2023 and 2022 are as follows:

Project name	Nature of joint construction	Joint construction deposit (Accounted for as Other current financial assets) 2023.12.31	2022.12.31
Rich Tien Mu	Co-built shared house	$ -	15,464
Zhongshan North Section 6	〃	11,000	11,000
Huanshan Project	〃	Note	111,020
Yongan Section, Yonghe District	〃	86,100	85,370
Xizhi Chongde Section	〃	430,000	430,000
Da Ye Road Project	〃	35,000	35,000
Section 1, Zhongcheng Road	〃	3,310	1,680
Wan Chai Zhen Commercial Area	〃	31,793	-
Fuyang Street Project	〃	17,932	-
		$ 615,135	**689,534**

Note: It is the deposit placed by the Company in the joint construction contract and joint investment and construction contract signed with Other's related party, Guo, Shuzhen, and subsequently terminated the joint construction

agreement in December 2023 to purchase the land for self-construction. The aforementioned deposit has been fully recovered.

(2) Contingencies Liabilities:

1. As of December 31, 2023 and 2022, the guaranteed notes submitted by the Company due to the needs of construction business were both NT $78,097 thousand.

2. Please refer to Note 13 for details of the Company’ s endorsements and guarantees as at December 31, 2023 and 2022.

3. In September 2022, the Company proposed litigation to the counterparty due to the delay in the progress of the transfer of No. 28 and No. 30 Dihua Street. The total contract price of the case was NT $11,437 thousand, and the price paid was NT $11,350 thousand, which was accounted for as Prepayment for land purchases. It is expected that the amount of compensation to be claimed is the amount of the paid price plus the liquidated damages totaling NT $17,069 thousand. After the assessment by the lawyer, the Company has held a considerable amount of guarantee, so the amount should not be impaired.

4. In 2022, the Company purchased the land in Shuiyuan Section of Xizhi District from natural person, Xie suring for the transfer of the building capacity of Chongde Section of Xizhi District of the Company. Since the land has been listed as a protected land by the New Taipei City Government, it is impossible to transfer the capacity. Therefore, on January 3, 2024, the Company filed a lawsuit with the Taipei District Court for the return of the paid land purchase price of NT $23,183 thousand, pending the court’ s hearing.

10. SIGNIFICANT DISASTER LOSS: None.

11. Significant subsequent events: None.

12. Other

(1) Employee benefits, Depreciations, depletion and Amortization expense functions are summarized as follows:

Function / Nature	2023			2022		
	Operating costs	Operating expenses	total	Operating costs	Operating expenses	total
Employee benefits expense						
Wages and salaries	13,906	35,194	49,100	13,309	37,139	50,448
Labor and health insurance	1,105	2,779	3,884	1,089	2,946	4,035
Pension expense	575	2,153	2,728	564	2,027	2,591
Director Remuneration	-	27,394	27,394	-	14,529	14,529
Other Employee benefits expense	353	2,604	2,957	315	1,816	2,131
Depreciation expense	28,331	5,621	33,952	29,373	5,952	35,325
Amortization expense	-	171	171	-	171	171

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

	2023	2022
Number of employees	54	54
Number of directors who were not employees	7	7
Average employee benefits	$ 1,248	1,260
Average employee salary expenses	$ 1,045	1,073
Adjustment of average employee salary expenses	(2.61)%	

The Company’ s salary and remuneration policy (including directors, supervisors, managerial officers and employees) is as follows:

1. If the Company makes a profit in the year, it shall set aside not less than 0.5 percent as the remuneration for employees and not more than 3 percent as the remuneration for directors. However, if the Company still has accumulated losses, it shall reserve the amount to make up for the losses in advance, and then allocate the remuneration for employees and directors according to the proportion mentioned in the preceding paragraph.

2. The salary standards for new employees are based on the total of the position and experience of the employee with reference to the information of the employment market on a regular basis every year.

3. Annual bonuses and salary adjustments are based on the Company's overall operating performance and individual performance appraisal results as the basis for annual bonus distribution and salary adjustments.

13. Note disclosures

(1) Information on significant transactions

The following is the information on significant transactions required by Regulations Governing the Preparation of Financial Reports by Securities Issuers. for the Company in 2023:

1. Loans to others:

Unit: NT $thousands

No.	Loaning of funds company	Loans Target	Transactions Subject	Yes No PR Related party	Most Recent High Amount	Ending Balance Balance	Actual Outgoing amount	Interest rate Range	Funds Loans Nature	Business Future amount	With short-term financing Funding must be repaid Main reasons	Provision Allowance for bad debts Amount	Collateral Company Name	Lending to individual borrowers Limit	Loan of funds Total Limit
1	Ho Ching Enterprises Co., Ltd.	Forest Water Environmental Eng'g Co., Ltd.	Other receivables	Yes	300,000	300,000	-	2.4%	2	-	Working capital	-		756,514	1,513,027
1	Ho Ching Enterprises Co., Ltd.	Eminence Water Corporation	Other receivables	Yes	100,000	100,000	100,000	2.45%	2	-	Working capital	-		756,514	1,513,027
2	The Westin Yilan Resort	Lea Ching Enterprise Co., Ltd.	Other receivables	Yes	60,000	60,000	60,000	4%	2	-	Operating turnover	-		62,245	124,490

Note 1: In accordance with Ho Ching Enterprises Co., Ltd. "Procedures for Lending Funds to Other Parties":

(1) The total amount of loans to companies or firms with business transactions shall not

exceed 40 percent of the net value of the Company, and the amount of individual loans shall not exceed the amount of business transactions between the two parties in the most recent year.

Maximum loan amount to others: 3,782,568×40% = 1,513,027 thousand.

(2) The total amount of loans to companies or merchants that are in need of short-term financing shall not exceed 40 percent of the net value of the Company, and the individual loan amount shall not exceed 20 percent of the net value of the Company.

Maximum loan amount to others: $3,782,568 thousandx40% ~ $1,513,027 thousand

Individual limit on loans to others:x20% ~ NT $756,514 thousand.

Note 2: In accordance with The Westin Yilan Resort "Procedures for Lending Funds to Other Parties":

(1) For loans to companies or businesses that require short-term financing, the total amount shall not exceed 20 percent of the net value of the Company, and the amount of individual loans shall not exceed 10 percent of the net value of the Company.

Maximum limit on financing provided to others: $622,451 thousandx20%\ 124,490

Individual limit on loans to others: $622,451 thousandx10% ~ $62,245

Note 3: Nature of financing

(1) Business counterparty is 1.

(2) Necessary for short-term financing 2

Rich Development Construction Co., Ltd. Parent Company Only Financial Statement note (continued)

2. Guarantees and endorsements for other parties:

Unit: NT $thousands

Preparation No.	Endorsements and guarantees The Company Company name	Guaranteed Party	Relationship	Single enterprise	Endorsements and guarantees Balance		Actual Outgoing amount	Secured by properties Endorsement/Guarantee Amount of guarantee		Endorsements and guarantees Highest Limit	Parent company Endorsement/Guarantee Given on Behalf of Subsidiarie	Subsidiary Endorsement/Guarantee Given on Behalf of Parent	to Mainland China Regional endorsement and guarantee
0	The Company	Tung Shan Lin Developme	2	54,557,668	900,000	665,055	665,055	-	4.88%	81,836,502	Y	N None	N None
1	Forest Water Environmental Engineering Co., Ltd.	Grain Forest Green Energy Co., Ltd.	2	1,157,313	407,000	375,278	375,278	-	6.49%	2,893,284	Y	N None	N None
1	Forest Water Environmental Engineering Co., Ltd.	Eminence Water Corporation	2	1,157,313	100,000	100,000	-	-	1.73%	2,893,284	Y	N None	N None

Note 1: 0 represents the Company

Note 2: Relationship between the endorser/guarantor and the party being endorsed/guaranteed is classified into the following seven categories:

(1) Companies with business transactions.

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

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

(4) companies in which the company directly and indirectly holds more than 90 percent 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 security 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 Procedures for Endorsements and Guarantees stipulate the total amount of guarantees and the limit for endorsement of a single enterprise as follows:

The total amount of endorsements/guarantees made by the Company shall not exceed (excluding) six times the net value of the Company, and the amount of endorsements/guarantees made for a single enterprise shall not exceed four times the net value of the Company. Where the business relationship is

to engage in endorsements/guarantees, the maximum amount shall not exceed the aforementioned limit, and the total amount of transactions with the Company in the most recent year. Net worth shall be based on the financial statements audited or reviewed by the most recent CPAs.

Note 4: Regulations Governing the Making of Endorsements/Guarantees by Forest Water Environmental Engineering Co., Ltd. sets the total amount of guarantees and the limit for endorsement of a single enterprise as follows:

(1) The total amount of external guarantee shall not exceed 50 percent of the net value of Forest Water Environmental Engineering Co., Ltd.

(2) The endorsement/guarantee amount for a single enterprise shall not exceed 20 percent of the current net value of Forest Water Environmental Engineering Co., Ltd.

3. Marketable securities held (excluding investments in subsidiaries, associates and joint ventures Equity):

Unit: NT $thousands

Held company	Securities Type and Name	Marketable securities Relationship with the issuer	Account	Ending Balance				Remark
				Shares	Carrying Amount	Shareholding Ratio	Fair value	
The Company	Trade-related networks	-	Current financial assets at fair value through profit or loss	85,535	5,723	0.06 %	5,723	
The Company	Far EASTONE Telecommunications Co., Ltd.	-	Current financial assets at fair value through profit or loss	153,109	12,218	- %	12,218	
The Company	BE M & H	-	Current financial assets at fair value through profit or loss	60,192,000	15,845	0.99 %	15,845	
The Company	Beijing Sports and Entertainment Industry Group Limited	-	Current financial assets at fair value through profit or loss	1,972,500	837	0.14 %	837	
The Company	AgateJt Healthcare Fund L.P.-	-	Non-current financial assets at fair value through profit or loss	-	17,386	- %	17,386	
The Company	Lee Cheng Development Co., Ltd.	The chairman is a first-degree relative of the Company’ s director	Non-current financial assets at fair value through other comprehensive income	200,000	749	7.69 %	749	

Rich Development Construction Co., Ltd. Parent Company Only Financial Statement note (continued)

Held company	Securities Type and Name	Marketable securities Relationship with the issuer	Account	Ending Balance				Remark
				Shares	Carrying Amount	Shareholding Ratio	Fair value	
The Company	Dahung Advanced Technology Co., Ltd.	-	Non-current financial assets at fair value through other comprehensive income	1,745,772	-	0.45 %	-	
The Company	Hongling Heavy Industries Co., Ltd.	-	Non-current financial assets at fair value through other comprehensive income	1,875,000	20,906	6.44 %	20,906	
The Company	Millenmin Ventures Inc.	-	Non-current financial assets at fair value through other comprehensive income	2,479,000	-	5.89 %	-	
The Company	Lee Ling Technology Co., Ltd.	-	Non-current financial assets at fair value through other comprehensive income	4,000,000	4,040	6.67 %	4,040	
The Company	Taiya Wind Energy Co., Ltd.	-	Non-current financial assets at fair value through other comprehensive income	2,382,000	85,347	1.68 %	85,347	
Li He Investment Co., Ltd.	Rich Development Construction Co., Ltd.	Parent company of the Company	Current financial assets at fair value through profit or loss	6,304,815	61,346	0.85 %	61,346	
Li He Investment Co., Ltd.	Li Peng Enterprise Co., Ltd.	The chairman of the company is the second immediate family of the chairman of the Company	Current financial assets at fair value through profit or loss	3,720,820	29,506	0.41 %	29,506	Note1
Li He Investment Co., Ltd.	Lealea Enterprise Co., Ltd.	The chairman of the company is the second immediate family of the chairman of the Company	Current financial assets at fair value through profit or loss	3,702,547	38,321	0.37 %	38,321	Note 2
Li He Investment Co., Ltd.	Lealea Technology Co., Ltd.	The chairman of the company is the second immediate family of the chairman of the Company	Non-current financial assets at fair value through other comprehensive income	3,875,148	148,263	7.20 %	148,263	
Li He Investment Co., Ltd.	Hwa Zhin Venture Capital Co., Ltd.	-	Non-current financial assets at fair value through other comprehensive income	5,435	-	1.09 %	-	
Li He Investment Co., Ltd.	Shin Kong Mitsukoshi Department Store Co., Ltd.	-	Non-current financial assets at fair value through other comprehensive income	274,079	12,388	0.02 %	12,388	
Li He Investment Co., Ltd.	Information Technology Total Services Co., Ltd.	-	Non-current financial assets at fair value through other comprehensive income	33,750	1,672	0.12 %	1,672	
Li He Investment Co., Ltd.	Wavin.com Inc.	-	Non-current financial assets at fair value through other comprehensive	6,250	-	0.12 %	-	

Rich Development Construction Co., Ltd. Parent Company Only Financial Statement note (continued)

Held company	Securities Type and Name	Marketable securities Relationship with the issuer	Account	Ending Balance				Remark
				Shares	Carrying Amount	Shareholding Ratio	Fair value	
			income					
Li He Investment Co., Ltd.	Lee Cheng Development Co., Ltd.	The chairman is a first-degree relative of the Company’ s director	Non-current financial assets at fair value through other comprehensive income	200,000	749	7.69 %	749	
Li He Investment Co., Ltd.	Asia Renewable Energy (Cayman) Ltd.	-	Non-current financial assets at fair value through other comprehensive income	1,257,500	17,203	1.23 %	17,203	
Li He Investment Co., Ltd.	Tianli Offshore Wind Power Technology Co., Ltd.	-	Non-current financial assets at fair value through other comprehensive income	562,977	27,777	0.80 %	27,777	
Hejing Enterprise Co., Ltd.	Leader Construction Co., Ltd.	The director of the company is a director of the company	Non-current financial assets at amortized cost	10,000,000	100,000	- %	100,000	
Hejing Enterprise Co., Ltd.	Lealea Enterprise Co., Ltd.	The chairman of the company is the second immediate family of the chairman of the Company	Current financial assets at fair value through profit or loss	166,400	1,723	0.02 %	1,723	
Hejing Enterprise Co., Ltd.	Tien Fang Energy Technology Co., Ltd.	-	Current financial assets at fair value through profit or loss	37,317	972	0.12 %	972	
Blossom Increase Limited	Asia Renewable Energy (Cayman) Ltd	-	Non-current financial assets at fair value through other comprehensive income	2,710,398	37,078	2.66 %	37,078	
Blossom Increase Limited	Tianli Offshore Wind Power Technology Co., Ltd.	-	Non-current financial assets at fair value through other comprehensive income	1,232,500	60,812	1.76 %	60,812	
Forest Water Environmental Engineering Co., Ltd.	Millenmin Ventures Inc.	-	Non-current financial assets at fair value through other comprehensive income	1,648,000	-	3.91 %	-	
Forest Water Environmental Engineering Co., Ltd.	Taiya Wind Energy Co., Ltd.	-	Non-current financial assets at fair value through other comprehensive income	1,693,000	60,660	1.19 %	60,660	

Rich Development Construction Co., Ltd. Parent Company Only Financial Statement note (continued)

Held company	Securities Type and Name	Marketable securities Relationship with the issuer	Account	Ending Balance				Remark
				Shares	Carrying Amount	Shareholding Ratio	Fair value	
Advantage Environmental Protection Co., Ltd.	Mega Diamond Money Market Funds	-	Current financial assets at fair value through profit or loss	3,947,689	50,923	- %	50,923	
Advantage Environmental Protection Co., Ltd.	Tien Fang Energy Technology Co., Ltd.	-	Current financial assets at fair value through profit or loss	489,000	12,738	1.52 %	12,738	
Tung Shan Lin Development Co., Ltd.	Funds	-	Current financial assets at fair value through profit or loss	3,334,156	50,861	- %	50,861	
Tung Shan Lin Development Co., Ltd.	Capital Money Market Funds	-	Current financial assets at fair value through profit or loss	4,292,113	71,193	- %	71,193	
Green Forest Development Co., Ltd.	Mega Diamond Money Market Funds	-	Current financial assets at fair value through profit or loss	7,022,141	90,582	- %	90,582	
Advantage Environmental Protection Co., Ltd.	Yung-Fu Co., Ltd.	-	Non-current financial assets at fair value through other comprehensive income	535,415	10,393	0.76 %	10,393	
Modern Rich Investment Limited	Tianli Offshore Wind Power Technology Co., Ltd.	-	Non-current financial assets at fair value through other comprehensive income	1,280,000	63,155	1.83 %	63,155	
Modern Rich Investment Limited	Asia Renewable Energy (Cayman) Ltd	-	Non-current financial assets at fair value through other comprehensive income	2,820,278	38,581	2.77 %	38,581	
LEALEA TRAVEL DEVELOPMENT CO., LTD.	Ten Sheng Yi Co., Ltd.-	-	Non-current financial assets at fair value through other comprehensive income	3,746,740	36,699	5.00 %	36,699	
LEALEA TRAVEL DEVELOPMENT CO., LTD.	Howsler Foods Co., Ltd.-	-	Non-current financial assets at fair value through other comprehensive income	257,153	-	15.00 %	-	

Note 1: 1,400,000 shares were pledged as collateral.

Note 2: 2,800,000 shares were pledged as collateral.

4. Marketable securities acquired or disposed of at costs or prices of at least NT $300,000,000 or 20 percent of the paid-in capital:

Unit: Thousand shares/NT $thousand

Buying and selling company	Securities Type and Company Name	Account Subject	Transactions Target	Relationship	Beginning Balance		Purchases		Sales					Ending Balance	
					Shares	Amount	Shares	Amount	Shares	Price	Carrying Cost	Disposals Profit or loss	Evaluation Profit or loss	Shares	Amount
Ho Ching Enterprises Co., Ltd.	Forest Water Environmental Eng'g Co., Ltd.	Investments accounted for using	Related parties	SUBSIDIARIES	94,875	3,486,500	10,345	300,005	-	-	-	-	-	105,220	3,869,505

Rich Development Construction Co., Ltd. Parent Company Only Financial Statement note (continued)

Held company	Securities Type and Name		Marketable securities Relationship with the issuer		Account		Ending Balance Shares		Carrying Amount	Shareholding Ratio	Fair value		Remark
		equity method											

5. Acquisition of individual real estate at costs of at least NT $300,000,000 or 20 percent of the paid-in capital:

Unit: NT $thousands

Company acquiring real estate	Property Company Name	Facts Date of occurrence	Transactions Amount	Payment Payment condition	Transaction object	Relationship	If the counter-party is a related party, disclose the previous transfer information Owner	Relationship with the issuer Relationship	Transfers Date	Amount	Price determination Reference Basis	Acquisition Item measurement and Utilization	Other Contract Items
The Company	Seven parcels of land and their above-ground buildings located in the 4th Subsection, Bihu Section, Neihu District, Taipei City	2023.09.07 (Board of Directors)	561,390	561,390	Chairman of the Company	Related parties	Note	Note	Note	Note	Appraisal report	Land held for construction site	-

Note: More than five years, not applicable.

6. Disposal of individual real estate at prices of at least NT $300,000,000 or 20 percent of the paid-in capital: None.

7. Total purchases from or sales to related parties amounting to at least NT $100,000,000 or 20 percent of the paid-in capital:

Unit: NT $thousands

Purchase/Sale company	Transaction object Company Name	Relationship	Transaction details				Transactions with terms different from others		Notes and accounts receivable (payable)		Remark
			Purchase/Sale	Amount	Percentage of total (sales) ratio	Credit granting Period	Unit price	Credit period	Balance	% of total (Payment) Notes and accounts Payment ratio	
The Company	Leader Construction Co., Ltd.	Other Related party	Purchases	449,421	66.89 %	Same as general transactions	-	-	(83,071)	5.68%	
Forest Water Environmental Engineering Co., Ltd.	Green Forest Development Co., Ltd.	Subsidiary	Sales	181,403	7.94 %	Monthly pricing	-	-	32,739	3.20%	

8. Receivables from related parties amounting to at least NT $100,000,000 or 20 percent of the paid-in capital: None.

9. Financial instruments and derivative transactions: None.

(2) Information on investees:

Information on investees of the Company in 2023 is as follows:

Unit: thousand NTD/foreign currency

Investment company Company Name	Investee Company Company Name	Location Region	Main Item	Original investment amount		Ending balance			Investee Company Current profit and loss	Recognized during the period Investment profit and loss	Remark
				Ending balance	End of last year	Shares	Ratio	Carrying Amount			
The Company	Li He Investment Co., Ltd.	Taiwan	Investment in various production and financial businesses	454,536	454,536	45,447,854	100.00%	429,195	30,824	2,309	
The Company	Green Forest Development Co., Ltd.	Taiwan	Water treatment engineering, piping engineering, and waste (sewage) water treatment	672,000	672,000	93,601,551	30.00%	1,223,231	295,666	88,700	
The Company	Li Shan Lin Leisure Co., Ltd.	Taiwan	Construction and operation of an Airbus cable car	426,911	426,911	42,691,114	52.38%	139,591	(20,094)	(10,526)	
The Company	LEALEA HOTEL CO., LTD.	Taiwan	General hotel management	395,592	395,592	35,053,747	42.23%	224,009	(83,580)	(35,299)	
The Company	Yilan Lili Development Co., Ltd.	Taiwan	General hotel management	585,000	585,000	58,500,000	63.59%	207,448	(58,770)	(37,370)	
The Company	Hejing Enterprise Co., Ltd.	Taiwan	Waste cleaning, waste treatment, environmental inspection services Waste sewage treatment	1,657,619	1,657,619	68,511,940	68.44%	2,588,923	30,380	20,794	
The Company	LEALEA TRAVEL DEVELOPME	Taiwan	General hotel management	297,593	264,464	17,699,230	61.35%	189,320	(50,949)	(34,733)	

Rich Development Construction Co., Ltd. Parent Company Only Financial Statement note (continued)

	NT CO., LTD.										
The Company	Forest Water Environmental Engineering Co., Ltd.	Taiwan	Environmental protection construction	78,798	76,241	1,774,291	1.13%	65,251	39,751	536	
The Company	Lea Ching Enterprise Co., Ltd.	Taiwan	General hotel management	820,200	820,200	82,020,000	54.67%	694,858	(189,218)	(103,450)	
The Company	Grain Forest Green Energy Co., Ltd.	Taiwan	Waste disposal and renewable energy self-use power generation equipment business	136,500	136,500	13,650,000	30.00%	67,700	(13,167)	(3,950)	
The Company	Advantage Environmental Protection Co., Ltd.	Taiwan	Waste disposal and other businesses	274,568	274,568	2,957,240	43.49%	301,676	104,743	37,485	
The Company	Ya Ni Development Co., Ltd.	Taiwan	General hotel management	63,240	63,240	6,200,000	32.46%	64,834	3,615	1,173	Associates
The Company	ㄍ Long Energy Co., Ltd.	Taiwan	Self-usage power generation equipment utilizing renewable energy business	9,000	9,000	900,000	30.00%	2,823	(2,399)	(720)	Associates
The Company	Eminence Water Corporation	Taiwan	Water treatment engineering and reclaimed water treatment	10,000	-	1,000,000	10.00%	9,881	(1,195)	(119)	
Li He Investment Co., Ltd.	Blossom Increase Limited	Samoa	Overseas investment holding company	154,479	154,479	5,445,000	100.00%	97,959	(47)	(47)	
Li He Investment Co., Ltd.	Li Shan Lin Leisure Co., Ltd.	Taiwan	Construction and operation of an Airbus cable car	32,144	32,144	3,240,728	3.98%	10,597	(20,094)	(799)	
Li He Investment Co., Ltd.	LEALEA HOTEL CO., LTD.	Taiwan	General hotel management	33,000	33,000	3,300,000	3.98%	21,088	(83,580)	(3,323)	

Rich Development Construction Co., Ltd. Parent Company Only Financial Statement note (continued)

Investment company	Investee Company	Location	Main	Original investment amount		Ending balance			Investee Company	Recognized during the period	Remark
Company Name	Company Name	Region	Item	Ending balance	End of last year	Shares	Ratio	Carrying Amount	Current profit and loss	Investment profit and loss	
Li He Investment Co., Ltd.	Hejing Enterprise Co., Ltd.	Taiwan	Waste cleaning, waste treatment, environmental inspection services Waste sewage treatment	3,414	3,414	144,695	0.14%	5,468	30,380	44	
Li He Investment Co., Ltd.	LEALEA TRAVEL DEVELOPMENT CO., LTD.	Taiwan	General hotel management	-	48,547	-	- %	-	(50,949)	(1,217)	
Li He Investment Co., Ltd.	Forest Water Environmental Engineering Co., Ltd.	Taiwan	Environmental protection construction	-	4,371	-	- %	-	39,751	(6)	
Hejing Enterprise Co., Ltd.	Forest Water Environmental Engineering Co., Ltd.	Taiwan	Environmental protection construction	3,187,545	2,887,540	105,220,007	66.87%	3,869,505	39,751	25,801	
Hejing Enterprise Co., Ltd.	Richone Holdings Ltd.	Samoa	Financial investments	14,070	17,955	487,600	30.10%	16,224	2,349	707	Associates
LEALEA HOTEL CO., LTD.	Yilan Lili Development Co., Ltd.	Taiwan	General hotel management	335,000	335,000	33,500,000	36.41%	118,795	(58,770)	(21,400)	
LEALEA HOTEL CO., LTD.	Lea Ching Enterprise Co., Ltd.	Taiwan	General hotel management	580,000	580,000	58,000,000	38.66%	399,367	(189,218)	(73,154)	
Forest Water Environmental Engineering Co., Ltd.	Tung Shan Lin Development Co., Ltd.	R.O.C.	Water treatment engineering, piping engineering, and waste (sewage) water treatment	1,773,984	1,773,984	223,013,980	100.00%	3,092,412	177,641	177,641	
Forest Water Environmental Engineering Co., Ltd.	Green Forest Development Co., Ltd.	R.O.C.	Water treatment engineering, piping engineering, and waste (sewage) water treatment	1,797,842	1,797,842	218,403,619	70.00%	2,854,208	295,666	206,966	
Forest Water Environmental Engineering Co., Ltd.	Yuan Shan Lin Development Co., Ltd.	R.O.C.	Water treatment engineering, piping engineering, and waste (sewage) water treatment	200,000	190,000	20,000,000	100.00%	73,969	(39,178)	(39,178)	
Forest Water Environmental Engineering Co., Ltd.	Easy Development Co., Ltd.	R.O.C.	Waste disposal and other businesses	139,990	139,990	11,000,000	100.00%	5,611	(3,976)	(3,976)	
Forest Water Environmental Engineering Co., Ltd.	Heshan Forest Green Energy Co., Ltd.	R.O.C.	Renewable energy generation business	318,500	318,500	31,850,000	70.00%	157,968	(13,167)	(9,217)	
Forest Water Environmental Engineering Co., Ltd.	Oriental Forest Environmental Technology Co., Ltd.	R.O.C.	Environmental hygiene and pollution prevention	35,000	35,000	3,500,000	70.00%	12,893	(7,099)	(4,970)	
Forest Water Environmental Engineering Co., Ltd.	Advantage Environmental Protection Co., Ltd.	R.O.C.	Waste disposal and other businesses	318,248	318,248	3,427,710	50.41%	349,685	104,743	42,632	
Forest Water Environmental Engineering Co., Ltd.	Liling Environmental Protection Co., Ltd.	R.O.C.	Waste disposal and other businesses	500	500	50,000	100.00%	456	1	1	
Forest Water Environmental Engineering	Lealea Environmental Co., Ltd.	R.O.C.	Waste disposal and other businesses	215,549	206,049	5,092,000	95.00%	112,593	(26,279)	(30,008)	

Rich Development Construction Co., Ltd. Parent Company Only Financial Statement note (continued)

Investment company Company Name	Investee Company Company Name	Location Region	Main Item	Original investment amount		Ending balance			Investee Company Current profit and loss	Recognized during the period Investment profit and loss	Remark
				Ending balance	End of last year	Shares	Ratio	Carrying Amount			
Co., Ltd.											
Forest Water Environmental Engineering Co., Ltd.	Eminence Water Corporation	Taiwan	Water treatment engineering and reclaimed water treatment	70,000	-	7,000,000	70.00	69,164	(1,195)	(836)	
Forest Water Environmental Engineering Co., Ltd.	Modern Rich Investment Limited	Samoa	Investment in various production and financial businesses	258,795 (Note 1) (USD 5,610,000) (RMB 20,000,000)	260,443 (Note 1) (USD 5,610,000) (RMB 20,000,000)	8,568,730	100.00%	213,645	5,491	5,491	
Oriental Forest Environmental Technology Co., Ltd.	Bigwing Investment Limited	Samoa	Investment in various production and financial businesses	-	16,276 (Note 1) (USD 530,000)	-	- %	-	(325)	(325)	
Bigwing Investment Limited	Forest Water Environmental Eng'g Co., Ltd.	Samoa	Investment in various production and financial businesses	-	15,662 (Note 1) (USD 510,000)	-	- %	-	(277)	(277)	
Modern Rich Investment Limited	Faith Honest International Investment Limited	Samoa	Investment in various production and financial businesses	86,694 (Note 1) (USD 5,000) (RMB 20,000,000)	88,314 (Note 1) (USD 5,000) (RMB 20,000,000)	2,963,730	100.00%	111,363	5,533	5,533	
Faith Honest International Investment Limited	Loyal Sheen International Limited	British Virgin Islands	Investment in various production and financial businesses	86,540 (Note 1) (RMB 20,000,000)	88,160 (Note 1) (RMB 20,000,000)	40	40.00%	111,343	17,040	5,533	Associates
LEALEA TRAVEL DEVELOPMENT CO., LTD.	Lealea Eagle Travel Service Co., Ltd.	Taiwan	Travel service	6,600	6,600	660,000	100.00%	2,537	48	48	
LEALEA TRAVEL DEVELOPMENT CO., LTD.	Lealea Mingchih Resort Co., Ltd.	Taiwan	Hotel business management, etc.	40,800	40,800	4,080,000	51.00	10,288	(32,596)	(16,624)	

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

(3) Information on investments in mainland China

1. Information on reinvestments in Mainland China:

Unit: thousand NTD/thousand RMB/thousand USD

Investee in Mainland China	Main Business	Paid-in capital	Investments	Beginning Balance Cumulative remittance from Taiwan	Remittance or Investment amount recovered		From the end of the period Cumulative remittance from Taiwan	Investee Company	The Company Direct Indirect investment	Recognized during the period Investments	Ending Balance Carrying amount	Current period Repatriated
Company name	Item	Capital	Method	Cumulative investment amount	Remitted	Release	Cumulative investment amount	Current profit and loss	Ownership (%)	Profit or loss	Value	Investment income
Li Zan (Shanghai) Enterprise Management Consulting Co., Ltd.	Investment in various production and financial businesses	48,856 (USD 1,591)	(Note 1)	18,423 (USD 600)	-	3,884 (USD 120)	14,538 (USD 480)	2,447 (RMB 561)	30.10%	737 (RMB 169) (Note 4)	16,050 (RMB 3,710)	-
ENM Bei Kong Hao Yuan Water Company Limited	Water treatment engineering and waste (sewage) water treatment	101,685 (RMB 23,500)	(Note 1)	86,540 (RMB 20,000) (Note 2)	-	-	86,540 (RMB 20,000) (Note 2)	18,557 (RMB 4,249)	40.00%	7,423 (RMB (1,700)) (Note 5)	85,949 (RMB 19,863)	9,440 (RMB 2,180)
Beijing Shanlin Water Environment Technology Co., Ltd.	Soil rehabilitation engineering and related treatment	19,093 (RMB 4,459)	(Note 1)	13,875 (RMB 3,240) (Note 2)	-	2,615 (USD 85)	11,261 (RMB 2,630) (Note 2)	111 (RMB 25)	%	54 (RMB (12)) (Note 5)	- (RMB)	-
LEALEA SKY TRAVEL (XIAMEN) CO., LTD.	Travel business operations, etc.	- (CNY)	(Note 3)	390 (CNY 90)	-	146 (CNY 34)	243 (CNY 56)	(21) (CNY (5))	30.00%	9 (Note 5)	-	-

Note 1: The investment in Mainland China was made through an existing company in a third region.

Note 2: The above disclosure of NTD thousand is based on the actual investment amount in original currency amount multiplied by the exchange rate at the end of the period.

Note 3: Direct investment in mainland China, completed liquidation on August 18, 2023, and was approved by Ministry of Economic Affairs Investment Commission, MOEA to cancel the investment on October 18, 2023.

Note 4: The recognition of investment gains and losses is based on the financial statements of the investee company settled by itself and recognized based on the indirect shareholding ratio.

Note 5: The investment income (loss) recognized was based on the indirect shareholding ratio audited by the CPA of the parent company in Taiwan.

2. Limitation on investment in Mainland China:

Rich Development Construction Co., Ltd. Parent Company Only Financial Statement note (continued)

Company name	Accumulated outflow from Taiwan at the end of the period Amount of investment in Mainland China	Ministry of Economic Affairs Investment Commission, MOEA Investment Amount	According to Ministry of Economic Affairs Investment Commission, MOEA Upper Limit on Investment in Mainland China
Hejing Enterprise Co., Ltd.	14,726 (USD 480)	14,726 (USD 480)	2,269,541 (Note 6)
Forest Water Environmental Eng'g Co., Ltd.	86,540 (RMB 20,000)	86,540 (RMB 20,000)	3,471,940 (Note 7)

Note 6: Limit calculation: Net equity value of the subsidiary×60% = NTD3, NT $782,568 thousand ×60% = NTD2, NT $269,541 thousand.

Note 7: Limit calculation: Net equity value of the subsidiary×60% = NTD5, NT $786,567 thousand ×60% = NTD3, NT $471,940 thousand.

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

(4) Major shareholders:

Unit: Shares

Name of Major Shareholders / Shares	Shares Held	Shareholding ratio
Lealea Enterprise Co., Ltd.	51,839,894	6.96%
Li Peng Enterprise Co., Ltd.	51,117,852	6.87%

14. SEGMENT INFORMATION

Please refer to the 2023 Consolidated Financial Report.

6. If the Company and Its Affiliates Encounter Any Financial Difficulties in the Past Year and as of the Date of Publication of the Annual Report, the Impact on the Company's Financial Status Shall Be Listed: None.

Review and analysis of the Company's financial

Review and analysis of the Company's financial

position and finan-cial performance, and risk management

1. FINANCIAL POSITION

Unit: NT $thousands

Item \ Year	2022	2023	Difference	
			Amount	%
Current assets	22,443,571	22,013,049	-430,522	-1.92%
Non-current	798,364	939,082	140,718	17.63%
Property, plant and equipment	5,890,241	6,606,041	715,800	12.15%
Intangible assets	2,351,052	2,250,248	-100,804	-4.29%
Other Assets.	8,709,781	8,471,931	-237,850	-2.73%
Total assets	40,193,009	40,280,351	87,342	0.22%
Current liabilities	14,915,784	14,899,884	-15,900	-0.11%
Long-term	4,399,329	5,089,852	690,523	15.70%
Other Liabilities.	3,976,148	2,922,669	-1,053,479	-26.49%
Total liabilities	23,291,261	22,912,405	-378,856	-1.63%
Share capital	7,439,927	7,439,927	0	0.00%
Capital surplus	666,777	683,303	16,526	2.48%
Retained earnings	5,462,317	5,688,770	226,453	4.15%
Other Item	(261,750)	(74,388)	187,362	-71.58%
Treasury shares	(98,195)	(98,195)	0	0.00%
Non-controlling	3,692,672	3,728,529	35,857	0.97%
total	16,901,748	17,367,946	466,198	2.76%

Item analysis:

1. Other Liabilities: The issuance of convertible corporate bonds by the sewage department was transferred to Current liabilities, resulting in a decrease in Other Liabilities.

2. Other Chuan Yi Item: This is due to an increase in unrealized benefits from Fair value financial Assets through Other comprehensive income compared to the same period last year and Proceeds from disposal of financial assets at fair value through other comprehensive income.

Review and analysis of the Company's financial position and finan-cial performance, and risk management

2. FINANCIAL PERFORMANCE

Unit: NT $thousands

Item \ Year	2022	2023	Amount increase	Change in proportion
Operating revenue, net	6,305,186	7,705,541	1,400,355	22.21%
Operating costs	5,590,302	6,524,864	934,562	16.72%
Gross profit from operations	714,884	1,180,677	465,793	65.16%
Operating expenses	521,991	571,390	49,399	9.46%
Net operating income	192,893	609,287	416,394	215.87%
Non-operating income and expenses	-250,025	-277,558	-27,533	11.01%
Profit (loss) before tax from continuing operations	-57,132	331,729	388,861	-680.64%
income tax (expense)	70,794	172,689	101,895	143.93%
Profit (loss) after tax from continuing operations	-127,926	159,040	286,966	-224.32%

1. Reasons for changes reaching 20% in the most recent two years:
   (1) Net (loss) profit before (after) tax of Operating revenue, Gross profit from operations, Net operating income and continuing business units: Due to the increase in sales volume of the construction department in 2023 compared with last year, resulting in a significant increase in profit compared with last year.
   (2) Tax expense: Due to the increase in profits and land value increment tax for the sale of real estate in the current period, resulting in an increase in Tax expense compared with last year.
2. The expected sales volume and its basis, the possible impact on the Company's future financial business and the corresponding plan:
   The Company's estimated project volume in the most recent year can reach NT $26 billion. This year, we will continue to promote the sales of "Rich Tien Mu", "Rich Family Wealth", "Songjiang Corporate Headquarters Project", "Huanshan Road Project A", and pre-sale "Zhongshan North Road Urban Renewal Project", together with other completed housing and commercial projects. In addition, the Company actively completes the preparation for all the land on hand, and will determine the timing of project promotion depending on the market atmosphere, and evaluate the sales model of new projects by adopting the methods of "sale of completed houses", "sale of side construction" or "pre-sale" in accordance with government policies and the impact of global economic environment on the entire housing market. This year's revenue comes from "Rich Tien Mu", "Rich Family

Wealth”, water resources and hotels and other business areas, which are expected to be stable this year's revenue.

3. CASH FLOWS

(1) Analysis of changes in cash flow in the most recent year

Unit: NT $thousands

Beginning cash balance Balance	Net cash inflow from operating activities	Annual cash flow Outflow (Outflow)	Cash surplus Amount (Inadequacy) (1) + (2) +	Remedy for insufficient cash	
				Investment plan	Financing Plans
2,240,114	1,811,694	(1,434,272)	2,617,536	Nil.	Nil.

Analysis of changes in cash flow in 2023:

1. Net cash flows from operating activities: Mainly due to the sale of real estate by the construction department.
2. Net cash flows used in investing activities: Mainly due to Acquisition of property, plant and equipment.
3. Net cash flows used in financing activities: Mainly due to the repayment of loans.

(2) Improvement plan for insufficient liquidity: Not applicable.

(3) Cash Flow Analysis for the Coming Year

Unit: NT $thousands

Beginning cash balance Balance	Expected to be in the coming year From operating activities	Expected Full Year Cash flow Amount (out)	Estimated cash Remaining (Insufficient) Amount	Estimated cash shortfall Remedial measures	
				Investment plan	Financing plan
2,617,536	905,847	(991,595)	2,531,788	Nil.	Nil.

Analysis of changes in cash flow in 2023

(1) Operating activities: Due to the increase in sales of real estate by the construction department of the Company.

(2) Investment activities: Mainly due to the acquisition of real estate, plant, equipment and other Assets s.

(3) Financing activities: Mainly due to repayment of loans.

2. Remedy for cash deficit and liquidity analysis: Not applicable.

4. Major Capital Expenditure Items: None.

5. Investment Policy in the Last Year, Main Causes for Profits or Losses, Improvement Plans and Investment Plans for the Coming Year

(1) Causes of profit or loss incurred on investments in the last year and any improvements

The investment income (loss) of the Group’ s long-term equity investment evaluated by Equity on December 31, 2023 are as follows:

Unit: NT $thousands

Date		December 31, 2023	
Investment company Company Name	Investee Company Company Name	Investee Company Current profit (loss)	The Company Recognized profit (loss)
The Company	Li He Investment	30,824	2,309
The Company	Greenhill Forest	295,666	88,700
The Company	Li Shan Lin	(20,094)	(10,526)
The Company	LEALEA HOTEL	(83,580)	(35,299)
The Company	Yilan Lili Development	(58,770)	(37,370)
The Company	Hejing Enterprise	30,380	20,794
The Company	LEALEA TRAVEL	(50,949)	(34,733)
The Company	Forest water environment	39,751	536
The Company	Liying Enterprise	(189,218)	(103,450)
The Company	Heshan Forest	(13,167)	(3,950)
The Company	Strength	104,743	37,485
The Company	Artini	3,615	1,173
The Company	LIBOLON Energy	(2,399)	(720)
The Company	Eminence Forest	(1,195)	(119)
Li He Investment	Blossom Increase Ltd.	(47)	(47)
Li He Investment	Li Shan Lin	(20,094)	(799)
Li He Investment	LEALEA HOTEL	(83,580)	(3,323)
Li He Investment	Hejing Enterprise	30,380	44
Li He Investment	LEALEA TRAVEL	(50,949)	(1,217)
Li He Investment	Forest water environment	39,751	(6)
Hejing Enterprise	Forest water environment	39,751	25,801
Hejing Enterprise	Richone Holdings Ltd.	2,349	707
LEALEA HOTEL	Yilan Lili Development	(58,770)	(21,400)
LEALEA HOTEL	Liying Enterprise	(189,218)	(73,154)

Date		December 31, 2023	
Investment company	Investee Company Company Name	Investee Company Current profit	The Company Recognized profit
Forest water environment	Tung Shan Lin	177,641	177,641
Forest water environment	Greenhill Forest	295,666	206,966
Forest water environment	Yuanshan Lin	(39,178)	(39,178)
Forest water environment	Sincere	(3,976)	(3,976)
Forest water environment	Heshan Forest	(13,167)	(9,217)
Forest water environment	Eastern Forest	(7,099)	(4,970)
Forest water environment	Strength	104,743	42,632
Forest water environment	Liling Environmental Protection	1	1
Forest water environment	Lealea Environmental	(26,279)	(30,008)
Forest water environment	Eminence Forest	(1,195)	(836)
Forest water environment	Modern Rich Investment Limited	5,491	5,491
LEALEA TRAVEL	Tianying Travel Agency	48	48
LEALEA TRAVEL	Li-Li-Ming Chi	(32,596)	(16,624)

1. Li He Investment

   It is mainly engaged in the investment of various production and financial businesses. The profit of NT $30,824 thousand in 2023 is mainly due to the investment income affected by the fluctuations in the investment environment.

2. Greenhill Forest

   It is mainly a re-investment business established by signing the BOT project of "Kaohsiung Nanzi District Sewerage System" with the Kaohsiung City Government. The concession period is 35 years, and it has entered the formal operation stage at the beginning of 99. It has begun to receive the construction, operation and maintenance

income in accordance with the contract. In 2023, it will make a profit of NT $295,666 thousand, and will continue to make long-term stable profits in the future.

3. Li Shan Lin

Mainly the reinvestment company established by the Company to contract for the government's BOT project. Due to the suspension of work due to environmental impact assessment factors, the Company proposed to the Taipei City Government to terminate the contract in accordance with the contract. After several discussions with the Coordination Committee, on March 8, 2022, the Coordination Committee made a proposal to terminate the contract between both parties, and on April 2, 2022, a letter was sent to confirm the termination of the contract with the Taipei City Government.

4. Dong Shan Lin

The Company entered into a BOT agreement with Yilan County Government for the construction of “Yilan County Luodong Area Sewerage System”. The concession period is 35 years, and the project has commenced operation in the second half of 98 years. The profit in 2023 amounted to NT $177,641 thousand, and will continue to generate stable profit in the long run.

5. LEALEA HOTEL

The company is mainly engaged in the operation of hotels, and the loss in 2023 is NT $189,218 thousand. The hotel operation is profitable, and the loss is mainly recognized for the Investment losses of Yilan Lili Development and Liying Enterprise, which will continue to expand revenue and profitability.

6. Yilan Lili Development

This is mainly due to the reinvestment company established by the Company in contracting government BOT projects. The loss in 2023 is NT $58,770 thousand, which is mainly due to the stabilization of the epidemic, the opening of the border, and the increase in demand for overseas travel by Chinese people, which will affect the international travel market and will continue to

expand revenue and profitability.

7. Forest Water Environmental Engineering

It is mainly engaged in environmental protection engineering construction business, with a profit of NT $39,751 thousand in 2023, and will continue to have long-term stable profit in the future.

8. Hejing Enterprise

It is mainly waste cleaning, waste cleaning, environmental testing services, and waste water treatment. It is in the stage of establishment, and business activities have not yet begun. The profit in 2023 is an investment income.

9. LEALEA TRAVEL

It is mainly engaged in the operation of hotels. The loss in 2023 is NT $50,949 thousand, which is mainly due to the stabilization of the epidemic and the opening of the country, and the increase in demand for travel abroad by people, which will affect the national tourism market and continue to expand revenue and profit levels.

10. Blossom Increase Ltd.

The Company is an overseas investment holding company. Currently, Item is engaged in the research and development, production, modification, and blade maintenance of wind turbine blade.

11. Liying Enterprise

It is mainly engaged in the operation of hotels, and started trial operation in August 2023. Due to the stabilization of the epidemic and the opening of the country, the demand for overseas tourism has increased, which has affected the domestic tourism market. Therefore, in 2023, it is expected that reasonable profits will be generated after the official operation in the future.

12. Yuanshan Lin

In July 2016, the Company entered into a contract with Ministry of Economic Affairs the Industrial Development Bureau to build, rebuild, construct, operate and transfer the Ministry of Economic Affairs the Industrial Development Bureau Sewerage System in

Guanyin Industrial Park ROT for a 15-year concession period.

13. Eminence Forest

The 70% owned subsidiary of the Company is mainly a transfer investment business established in the BTO project of the “Contract for Construction, Transfer and Operation of Kaohsiung Nanzi Reclaimed Water Plant” signed with the Kaohsiung City Government in December 2023 with a concession period of 1932.

14. Sincere

It is mainly engaged in waste cleaning and other businesses, and is a waste treatment and reuse organization. It is expected to obtain a sludge treatment business Item after the expansion and construction to complete the upstream and downstream integration of the industry and increase benefits.

15. Heshan City

Mainly due to the signing of the ROT case of "the reconstruction and operation transfer of Taichung City Waipu composting plant (Yuneng ecological park)" with the Environmental Protection Bureau of Taichung City Government in August 2019, the Company has entered the operation period in the second half of 2019.

16. Oriental Hill:

In October 2017, the Company established a joint venture “Eastern Forest Environmental Technology Co., Ltd.” with Yexing Environmental Technology Co., Ltd., which is mainly engaged in soil and water related business. In addition, the Company invested in 70% equity of Beijing Shanlin Water Environment Technology Co., Ltd. through its 100% equity of overseas company Bigwing Investment Limited and 100% equity of Forest Water Environmental Eng'g Co., Ltd., and the cancelation of registration has been completed.

17. Advantages:

Advantages are a professional company that produces NT $104,743 thousand in profits in 2023, and is expected to maintain long-term stable profits in the future.

18. Lixing Environmental Protection:

The main business is waste removal and disposal, which is at the stage of preparation and has not yet commenced business activities.

19. Lealea Environmental:

Lealea Environmental is a company engaged in waste removal and disposal.

20. Modern Rich Investment Limited

The subsidiary acquired 40% equity of Anning Bei Kong Hao Yuan Water Co., Ltd. in Mainland China indirectly through the acquisition of Modern Rich Investment Limited, an offshore company, and Faith Honest International Investment Limited, and recognized a profit of NT $5,491 thousand in 2023.

21. Lealea Mingchih Resort Co., Ltd.

It is mainly engaged in the operation of hotels. The loss of NT $32,596 thousand in 2023 is due to the interruption of the road outside of Ming Chi Villa caused by wind and rain, which affects the operation and will continue to expand the revenue and profit level.

22. Lealea Eagle Travel Service Co., Ltd.

Mainly operating travel agency business, including accommodation, LEALEA hall planning, corporate travel, Other total reservation, etc., with a profit of NT $48 thousand in 2023.

(2) Investment plan for the coming year: None.

6. RISK MATTERS

(I) Effects of Changes in Interest Rates, Foreign Exchange Rates and Inflation on Corporate Finance, and Future Response Measures:

1. Effects of Changes in Interest Rates, Foreign Exchange Rates and Inflation on Corporate Finance:

(1) The Company's interest rate risk mainly comes from bank borrowings. The current response strategy is to maintain close contact with banks, and to use financial instruments with a conservative and stable position to reduce the risk of interest rate

changes.

(2) The amount of foreign currency receipts and payments involved in the Company's business is relatively small, so the risk of exchange fluctuations has a limited impact on the Company's operations.

(3) In the past two years, domestic inflation was on the move due to the international Supplies price increase, and although the Company's Cost of construction sales was increased, it was observed that the Company's profit and loss in the past two years was not significantly adversely affected by inflation due to the characteristics of anti-inflation for real estate products.

2. Measures taken by the Company in response to future interest and exchange rate fluctuations and inflation:

Collect daily interest rate, exchange rate and domestic price fluctuations, and keep abreast of the development trend of financial products in the market, so as to take appropriate measures in a timely manner to respond to the possible impact of the Company.

(2) Policies, Main Causes of Gain or Loss and Future Response Measures with Respect to High-risk, High-leveraged Investments, Lending or Endorsement Guarantees, and Derivatives Transactions:

The Company does not engage in high-risk, highly leveraged investments. Loans to other parties, endorsements, guarantees, and derivatives transactions are conducted in accordance with the policies and response measures stipulated in the Company's "Procedures for Acquisition and Disposal of Assets", "Procedures for Lending Funds to Other Parties", "Procedures for Endorsements and Guarantees", and "Procedures for Financial Derivatives Transactions".

(c) Research and development work to be carried out in the future, and further expenditures expected for research and development work: None.

(IV) Effects of and Response to Changes in Policies and Regulations Relating to Corporate Finance and Sales: None.

(e) Effect on the Company's financial operations of developments in

science and technology (including cyber security risks) as well as industrial change, and measures to be taken in response:

Technology

The Company has established a complete network and computer security protection system to control or maintain the Company's operations, accounting and other important corporate functions, but cannot guarantee that its computer system can completely avoid network attacks from any third party to paralyze the system; The Company reviews and evaluates the Company's information security systems and regulations annually to ensure their applicability and effectiveness. However, these cyber attacks invade the Company's internal network system illegally, destruct the Company's operations and damage the Company's Goodwill and other activities; In the event of a serious cyber attack, the Company's system may lose important company data. Cyber attacks may also attempt to steal the Company's trade secrets, Other intellectual property and confidential information, such as proprietary information of customers or Other stakeholders and personal information of employees; It may also cause the Company to bear significant legal responsibilities for the relevant legal cases or regulatory investigations caused by the leakage of information from customers or third parties to which the Company has confidentiality obligations. In addition, the Company has established a remote backup and data backup mechanism to transfer the backup media to remote storage to prevent the Company from quickly resuming operations in the event of an information security incident.

Industry

In the upstream of the real estate market, the main raw materials are land and building materials, and the land acquisition in China has resulted in a high price. In addition, some of the main building materials such as sand, gravel, and steel have limited resources. In recent years, the price of raw materials has increased due to the growth of demand in the global emerging market, and builders Cost of construction sales has been increased.

Countermeasures:

1. Undeveloped land development can be diversified, such as setting of superficies, land trusts, commissioned construction, joint development, new plans for urban and rural construction, national grant construction plans, and acquiring the required reserved land in line with the policy of release of farmland.
2. Introduce integrated construction management system, including engineering budget system, engineering contracting system, business system, accounting system, etc., to control the situation of labor, origin and capital adjustment.

(VI) The Impact of Changes in Corporate Image on Corporate Risk Management, and the Company’s Response Measures:

The Company has always adhered to the corporate governance culture, focusing on the principle of integrity transaction to maintain the Company's excellent image and implement the concept of sustainable management of the Company.

(VII) Expected benefits and possible risks associated with any merger and acquisitions, and mitigation measures being or to be taken: Not applicable.

(8) Expected benefits and possible risks associated with any plant expansion, and mitigation measures being or to be taken: Not applicable.

(IX) Risks Relating to and Response to Excessive Concentration of Purchasing Sources and Excessive Customer Concentration: None.

(X) Effect upon and risk to the company in the event a major quantity of shares belonging to a director, supervisor, or shareholder holding greater than a 10 percent stake in the company has been transferred or has otherwise changed hands, and mitigation measures being or to be taken: None.

(11) Effects of, Risks Relating to and Response to the Changes in Management Rights: Not applicable.

(12) For litigation or non-contentious events, the Company and its directors, supervisors, general managers, person with actual

responsibility in the Company, and major shareholders holding more than 10 percent of the Company's shares, shall be disclosed. If there has been any substantial impact upon shareholders Equity or prices for the Company's securities as a result of any litigation, dispute, target amount, commencement date of litigation, main parties involved, and current status of the case up to the publication date of this annual report:

1. The Company’ s subsidiary, Li Shan Lin Leisure Development Co., Ltd. (hereinafter referred to as Li Shan Lin), passed the environmental impact assessment (EIA) review conditionally at the 123rd meeting of the Environmental Impact Assessment Committee on December 21, 2012, and then the Taipei High Administrative Court issued a judgment under 2015 Su-Geng-Yi No. 14, which ruled that the conditional EIA review conclusion of the above-mentioned EIA Committee meeting Resolution shall be revoked. The Taipei City Government did not appeal, so the conclusion of the environmental impact assessment was revoked. According to the contract, the Group is not required to conduct environmental impact assessment, so the environmental impact assessment fee has been applied and paid by the Taipei City Government. After the Consolidated Company was rejected in accordance with the contract, on July 20, 2018, the Consolidated Company requested the Taipei City Government to refund the fee of NT $10,358 thousand in accordance with the law. Although the Taipei City Government appealed to the Supreme Court on July 30, 2020, the Consolidated Company had to abandon the litigation in accordance with the second coordination meeting minutes of the fourth session of the Beitou Airbus cable road BOT project received by Fu-Kung-Hsin-Tzu No. 1113020583 on March 21, 2022, and the litigation has now been terminated.

   In addition, Li-Shan-Lin filed a termination contract with the Taipei City Government in accordance with the contract. The Taipei City Government replied to the coordination of the 4th Coordinating Committee of the Company’ s proposal of the

Taipei Metro Line Airbus BOT project. After repeated discussions with the Coordination Committee, the Coordination Committee made a conclusion of proposing mutual termination on March 8, 2022. The Taipei City Government has sent a letter on April 20, 2022 confirming the termination of the contract on April 2, 2022, and now the Company submitted the compensation amount of $250,327 thousand requested for the termination of the contract to commercial arbitration on June 24, 2022. The Company has received the written judgment of commercial arbitration on May 15, 2023. According to the content of the judgment letter, the Taipei City Government shall pay the Company compensation of $224,074 thousand, interest of $9,638 thousand and arbitration fee of $1,303 thousand (accounted for Other income); In 2023, the Group recognized a loss of $250,327 thousand (accounted for as Other gains and losses) and $9,638 thousand (accounted for as Other gains and losses) from the difference in arbitration of termination compensation and the balance of $1,274 thousand after the reversal of arbitration fees in the current period, which was transferred to Other income. The aforementioned amounts were received and settled on February 2, 2024.

2. The subsidiary, Green Shanlin Development Co., Ltd., has successively applied to the Kaohsiung City Government for the payment of the entrusted treatment fee according to the construction and operation contract signed with the Kaohsiung City Government, but since 2012, the Kaohsiung City Government claimed that NT $1.28/m3 of the construction cost required for the subsidiary to handle wastewater per m3. Therefore, the subsidiary filed a lawsuit against litigation. The aforementioned dispute was settled on November 19, 2021, and the Kaohsiung City Government agreed to repay the principal of the construction cost NT $371,136 thousand (tax inclusive) in installments and the deferred interest as of July 2021 NT $100,505 thousand (tax inclusive). According to the settlement

letter, the payment schedule is as follows:

Payment Year	Settlement amount
December 31, 2023	NT $117,910 thousand
December 31, 2024	NT $117,910 thousand
December 31, 2025	NT $117,910 thousand
December 31, 2026	NT $117,910 thousand

3. Because the former responsible person and former factory affairs manager of the subsidiary Lea Environmental Enterprise Co., Ltd. (hereinafter referred to as Lealea Environmental) were suspected of violating the Waste Disposal Act, the Changhua District Prosecutor's Office listed Lealea Environmental Protection as a joint defendant. On December 16, 2021, the prosecutor of the Changhua District Prosecutor's Office postponed the lawsuit for 2 years. During the disposal period, the Consolidated Company must improve the environment and equipment of the original plant in accordance with the improvement plan approved by the Changhua County Environmental Protection Bureau. On April 7, 2023, the Changhua District Prosecutor 'The Company shall pay NT $100 thousand to the treasury within three months from the date of determination of the deferred prosecution and disposal, and the improvement and obtaining of permits for the original deferred prosecution shall not affect the effectiveness of the deferred prosecution. The Group is also required to complete the disposal of illegal waste with the former responsible person in accordance

with the waste disposal plan approved by the Yunlin County Environmental Protection Bureau before December 31, 2022, and has obtained the approval of the Yunlin County Environmental Protection Bureau on January 16, 2023.

(13) Other Major Risks and Countermeasures:

Information security risks

The Company has established a complete network and computer security protection system to control or maintain the Company's operations, accounting and other important corporate functions, but cannot guarantee that its computer system can completely avoid network attacks from any third party to paralyze the system; The Company reviews and evaluates the Company's information security systems and regulations every year to ensure their applicability and effectiveness, but these network attacks invade the Company's internal network system illegally, destruct the Company's operations and damage the Company's Goodwill and other activities; In the event of a serious cyber attack, the Company's system may lose important company data. Cyber attacks may also attempt to steal the Company's trade secrets, Other intellectual property and confidential information, such as proprietary information of customers or Other stakeholders and personal information of employees; It may also cause the Company to bear significant legal responsibilities for the relevant legal cases or regulatory investigations caused by the leakage of information from customers or third parties to which the Company has confidentiality obligations. In 2022 and as of the publication date of the annual report, the Company has not discovered any major cyber-attacks or incidents that have or may have a significant adverse impact on the Company's business and operations, nor has it been involved in any legal cases or regulatory investigations related to this.

In addition, the Company has established a remote backup and data

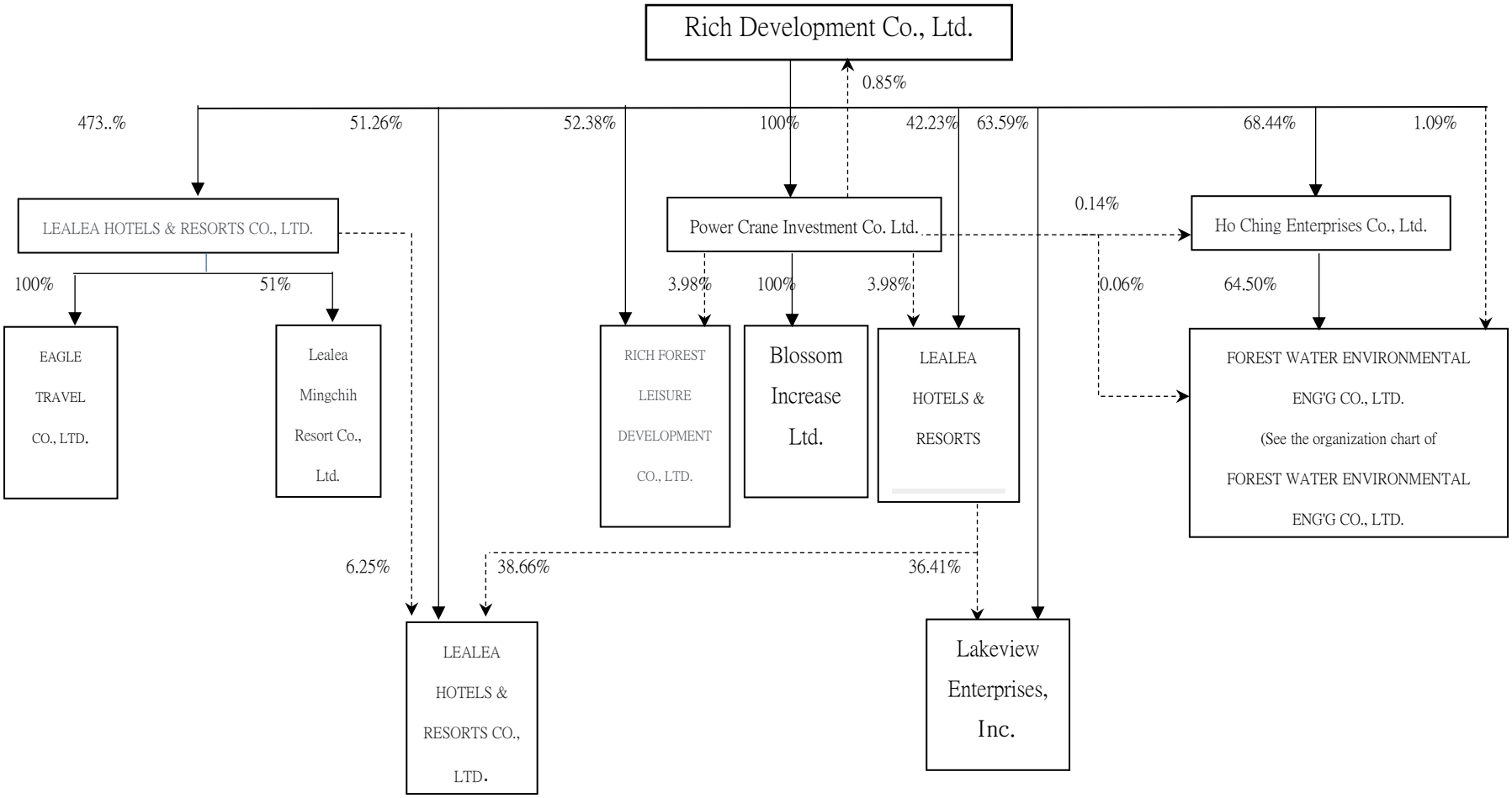
backup mechanism to transfer the backup media to remote storage to prevent the Company from quickly resuming operations in the event of an information security incident.

7. Important issues of Other: None.

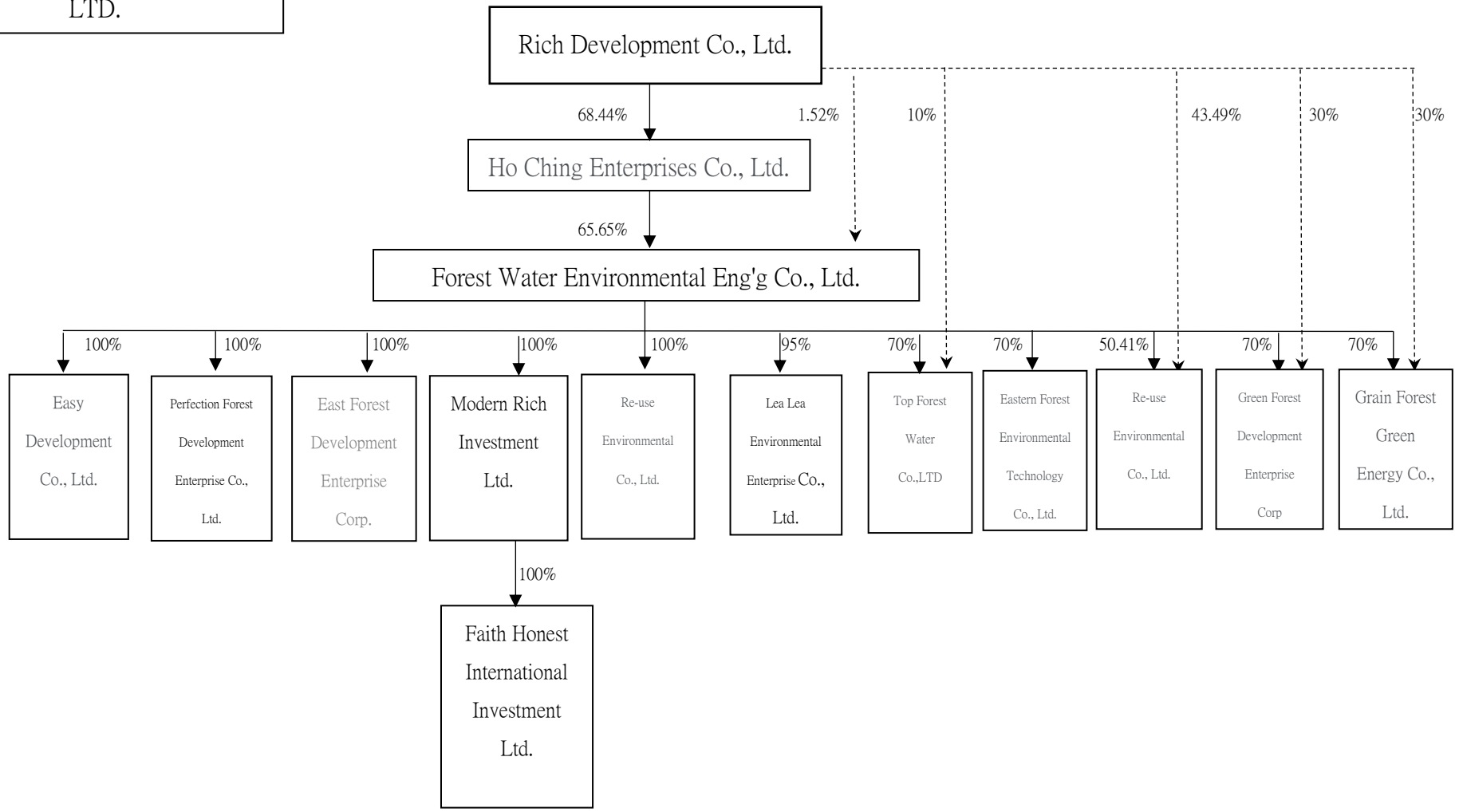
VIII、Special Disclosure

I、Affiliate Related Information

(1) Report of the Consolidated Operations of Affiliated Companies



FOREST WATER ENVIRONMENTAL ENG'G CO., LTD.



2. Mutual shareholding relationship

December 31, 2023 Unit: thousand shares; thousand

Investment company	Investee Company	Investment company Shareholding		Actual investment amount	Holding the Company Equity	
		Shares	Ratio		Shares	Ratio
Rich Development Construction Co., Ltd.	Li-Ho Investment Co., Ltd. (Note)	45,448	100.00%	454,536	6,305	0.85%
	Green Forest Development Co., Ltd.	93,602	30.00%	672,000	0	0
	Li Shan Lin Leisure Co., Ltd.	42,691	52.38%	426,911	0	0
	LEALEA HOTEL CO., LTD.	35,054	42.23%	395,592	0	0
	Yilan Lili Development Co., Ltd.	58,500	63.59%	585,000	0	0
	Hejing Enterprise Co., Ltd.	68,512	68.44%	1,657,619	0	0
	LEALEA TRAVEL DEVELOPMENT CO., LTD.	17,699	61.35%	297,593	0	0
	Forest Water Environmental Engineering Co., Ltd.	1,774	1.13%	78,798	0	0
	Liying Enterprise Co., Ltd.	82,020	54.67%	820,200	0	0
	Heshan Forest Green Energy Co., Ltd.	13,650	30.00%	136,500	0	0
	Advantage Environmental Protection Co., Ltd.	2,957	43.49%	274,568	0	0
	Ya Ni Development Co., Ltd.	6,200	32.46%	63,240	0	0
	LIBOLON Energy Corporation	900	30.00%	9,000	0	0
	Eminence Water Corporation	1,000	10.00%	10,000	0	0
Li He Investment Co., Ltd.	Li Shan Lin Leisure Co., Ltd.	3,241	3.98%	32,144	0	0
	LEALEA HOTEL CO., LTD.	3,300	3.98%	33,000	0	0
	Hejing Enterprise Co., Ltd.	145	0.14%	3,414	0	0
	Blossom Increase Ltd.	5,445	100.00%	154,479	0	0
Hejing Enterprise Co., Ltd.	Forest Water Environmental Engineering Co., Ltd.	105,220	66.87%	3,187,545	0	0
	Richone Holdings Ltd.	488	30.10%	14,070	0	0
LEALEA HOTEL CO., LTD.	Yilan Lili Development Co., Ltd.	33,500	36.41%	335,000	0	0
	Liying Enterprise Co., Ltd.	58,000	38.66%	580,000	0	0
Forest Water Environmental Engineering Co., Ltd.	Green Forest Development Co., Ltd.	218,404	70.00%	1,797,842	0	0
	Tung Shan Lin Development Co., Ltd.	223,014	100.00%	1,773,984	0	0
	Yuan Shan Lin Development Co., Ltd.	20,000	100.00%	200,000	0	0
	E-Cheng Development Co., Ltd.	11,000	100.00%	139,990	0	0

Special items to be included

Investment company	Investee Company	Investment company Shareholding		Actual investment amount	Holding the Company Equity	
		Shares	Ratio		Shares	Ratio
	Heshan Forest Green Energy Co., Ltd.	31,850	70.00%	318,500	0	0
	Oriental Forest Environmental Technology Co., Ltd.	3,500	70.00%	35,000	0	0
	Advantage Environmental Protection Co., Ltd.	3,428	50.41%	318,248	0	0
	Liling Environmental Protection Co., Ltd.	50	100.00%	500	0	0
	Lealea Environmental Co., Ltd.	5,092	95.00%	215,549		
	Eminence Water Corporation	7,000	70.00%	70,000	0	0
	Modern Rich Investment Limited	8,569	100.00%	258,795	0	0
Modern Rich Investment Limited	Faith Honest International Investment Limited	2,964	100.00%	86,694	0	0
LEALEA TRAVEL DEVELOPMENT CO., LTD.	Tien Ying Travel Service Co., Ltd.	660	100.00%	6,600	0	0
	Li-Li-Ming Chi Co., Ltd.	4,080	51.00%	40,800	0	0

Note: The shares of the Company held by Li He Investment Co., Ltd. have been listed as Treasury shares.

3. Basic information of affiliates

December 31, 2023 Unit: NT $thousands

Company name	Date of Incorporation	Address	Paid-in capital Capital	Main Business Or produce Item
Li He Investment Co., Ltd.	1998.11.04	8F, No. 99, Jilin Road, Zhongshan District, Taipei City	454,479	Investment in various production and financial businesses
Green Forest Development (Shares)	2004.09.13	No. 668, Yugang Rd., Nanzi Dist., Kaohsiung City	3,120,052	Water treatment engineering, piping engineering and waste (sewage) water treatment business
Li Shan Lin Leisure Development (Shares)	2005.10.21	8F, No. 99, Jilin Road, Zhongshan District, Taipei City	815,000	Construction and operation of an Airbus cable car
LEALEA HOTEL CO., LTD.	2006.05.22	No. 31, Shuixiu Street, Riyue Village, Yuchi Township, Nantou County	830,000	General hotel management
Yilan Lili Development Co., Ltd.	2012.05.29	No. 268, Section 3, Yongtong Road, Yuanshan Township, Yilan County	920,000	General hotel management
Hejing Enterprise Co., Ltd.	2013.11.01	No. 99, Jilin Road, Zhongshan District, Taipei City Hong Kong	1,001,000	Waste cleaning, waste cleaning, environmental inspection services and waste sewage treatment
Forest Water Environmental Engineering Co., Ltd.	2004.06.10	No. 99, Jilin Road, Zhongshan District, Taipei City Hong Kong	1,573,490	Environmental protection construction
Liying Enterprise Co., Ltd.	2015.09.16	1F, No. 312, Zhongzheng Rd., Riyue Village, Yuchi Township, Nantou County	1,500,200	General hotel management

Special items to be included

Company name	Date of Incorporation	Address	Paid-in capital Capital	Main Business Or produce Item
Blossom Increase Ltd.	2014.09.11	Samoa	USD $5,445	Overseas investment holding company
Tung Shan Lin Development (Shares)	2005.11.21	No. 61, Wuyuan 1st Road, Dongshan Township, Yilan County	2,230,140	Water treatment engineering, piping engineering and waste (sewage) water treatment business
Yuanshan Forest Development (Shares)	2016.07.19	3F, No. 99, Jilin Road, Zhongshan District, Taipei City	200,000	Water treatment engineering, piping engineering and waste (sewage) water treatment business
E-Cheng Development Co., Ltd.	2009.06.03	3F, No. 99, Jilin Road, Zhongshan District, Taipei City	110,000	Waste disposal and other businesses
Heshan Forest Green Energy company limited	2017.08.17	No. 113, Zizi Road, Waipu District, Taichung City	455,000	Renewable energy power generation
Eastern Forest Environmental Technology Co., Ltd.	2017.10.30	No. 99, Jilin Road, Zhongshan District, Taipei City Hong Kong	50,000	Environmental hygiene and sewage treatment
Competitive advantage Environmental protection shares company limited	2017.01.20	No. 11, Zhongxiao Rd., Laixing Village, Ligang Township, Pingtung County	68,000	Waste disposal business
Liling Environmental Protection Co., Ltd.	2018.03.21	No. 11, Zhongxiao Rd., Laixing Village, Ligang Township, Pingtung County	500	Waste disposal business
Lea Environmental	2017.05.0	No. 11, Zhangbin West 1st	53,600	Waste disposal

Company name	Date of Incorporation	Address	Paid-in capital Capital	Main Business Or produce Item
Enterprise Co., Ltd.	2	Road, Xiexi Township, Changhua County		business
Eminence Water Corporation	2023.11.29	No. 668, Yugang Rd., Nanzi Dist., Kaohsiung City	100,000	Water treatment engineering and reclaimed water treatment
Modern Rich Investment Limited	2016.01.20	Samoa	258,795	Investment in various production and financial businesses
Faith Honest International Investment Limited	2016.01.29	Samoa	86,694	Investment in various production and financial businesses
LEALEA TRAVEL DEVELOPMENT CO., LTD.	1990.01.24	3F, No. 162, Songjiang Rd., Zhongshan Dist., Taipei City	288,499	General hotel operations
Lealea Eagle Travel Service Co., Ltd.	2018.04.26	5F, No. 97, Jilin Road, Zhongshan District, Taipei City	6,600	Travel service
Lealea Mingchih Resort Co., Ltd.	2015.02.26	No. 6, Section 4, Taiya Road, Taiping Village, Datong Township, Yilan County	80,000	Hotel operations

4. Shareholders in Common of the Company and Its Subsidiaries with Deemed Control and Subordination: None.
5. The industries covered by the business operated by the affiliates overall:
   (1) Entrusting construction companies to build commercial buildings and public housing for leasing and sales.
   (2) General investment.
   (3) Water treatment engineering, piping engineering, waste (sewage) water treatment, reclaimed water treatment, and

wholesale of pollution prevention equipment.

(4) Construction and operation of the Taipei City Northern Invest System Airbus cable car and station.

(5) General hotel and catering business.

(6) Environmental protection construction business.

(7) Waterland recreational activities management and other businesses.

(8) Waste disposal and other businesses.

(9) Renewable energy power generation business.

(10) Travel agency business.

6. Operational Highlights of Affiliated Companies

December 31, 2023
Unit: NT $thousands

Company name	Capital	Assets	Total liabilities	Net Worth	Operating revenue	Net operating income	Net income (after tax)	Net profit per share (NT $) (after tax)
Controlling company: Rich Development Construction Corporation	7,439,927	24,181,016	10,541,599	13,639,417	3,202,482	456,536	240,599	0.33
Subordinate companies: Li He Investment Corporation	454,479	505,611	15,070	490,541	37,179	30,824	30,824	0.68
Subordinate companies: Green Forest Development Corporation	3,120,052	4,552,096	474,657	4,077,439	657,203	380,195	295,666	0.95
Subordinate companies: Rich Forest Leisure Development Co., Ltd.	815,000	266,761	273	266,488	0	(5,354)	(20,094)	-
Subordinate companies: Tung Shan Lin Development Corporation	2,230,140	4,878,076	1,785,664	3,092,412	467,787	254,460	177,641	0.80
Subordinate companies: The Westin Yilan Resort	830,000	802,972	180,522	622,450	83,588	13,096	(83,580)	-
Subordinate companies:	920,000	1,024,194	697,950	326,244	229,921	(42,534)	(58,770)	-

Special items to be included

Company name	Capital	Assets	Total liabilities	Net Worth	Operating revenue	Net operating income	Net income (after tax)	Net profit per share (NT $) (after tax)
Yilan Lealea Development Ltd.								
Subordinate companies: Forest Water Environmental Eng'g Co., Ltd.	1,573,490	10,663,068	4,876,501	5,786,567	2,284,438	(250,211)	39,751	0.27
Subordinate companies: Ho Ching Enterprises Co., Ltd.	1,001,000	4,113,655	331,087	3,782,568	0	(1,336)	30,380	0.30
Subordinate companies: Blossom Increase Ltd	167,105	97,959	0	97,959	0	(50)	(47)	-
Subordinate companies: Liying Enterprise Co., Ltd.	1,500,200	3,981,618	2,710,677	1,270,941	68,107	(152,714)	(189,218)	-
Subordinate companies: Gaoshan Water (Shares)	100,000	200,118	101,313	98,805	0	(1,192)	(1,195)	Note
Subordinate companies: Perfection Forest Development Enterprise Co., Ltd.	200,000	318,764	244,795	73,969	171,004	(34,275)	(39,178)	Note
Subordinate companies: Easy Development Co., Ltd.	110,000	13,417	7,806	5,611	0	(3,959)	(3,976)	Note
Subordinate companies: Grain Forest Green Energy Co., Ltd.	455,000	523,541	297,873	225,668	44,073	(17,713)	(13,167)	Note
Subordinate companies: Eastern Forest Environmental Technology Co., Ltd.	50,000	18,550	130	18,420	0	(3,768)	(7,099)	Note
Subordinate companies: Re-Use Environmental Co., Ltd.	68,000	418,115	115,864	302,251	324,750	132,642	104,743	15.40

Special items to be included

Company name	Capital	Assets	Total liabilities	Net Worth	Operating revenue	Net operating income	Net income (after tax)	Net profit per share (NT $) (after tax)
Subordinate companies: Lea Environmental Enterprise Co., Ltd.	53,600	137,720	134,200	3,520	0	(23,596)	(26,279)	Note
Subordinate companies: Modern Rich Investment Limited	258,795	213,645	0	213,645	0	(51)	5,491	Note
Subordinate companies: Faith Honest International Investment Limited	86,694	111,363	0	111,363	0	0	5,533	Note
Subordinate companies: Liling Environmental Protection Co., Ltd.	500	456	0	456	0	0	1	Note
Subordinate companies: Lealea Hotels & Resorts Co., Ltd.	288,499	809,029	559,181	249,848	222,965	(25,213)	(50,949)	-
Subordinate companies: Lealea Eagle Travel Service Co., Ltd.	6,600	8,315	5,778	2,537	32,749	47	47	-
Subordinate companies: Lealea Mingchih Resort Co., Ltd.	80,000	204,966	184,794	20,172	224,365	(30,603)	(32,596)	-

(2) Consolidated Financial Statements Declaration of Affiliates

Declaration

The entities that are required to be included in the combined financial statements of Criteria Governing Preparation of Affiliation Reports, Consolidated Business Reports and Consolidated Financial Statements of Affiliated Enterprises as of and for the year ending December 31, 2023 are the same as the entities required to be included in the combined financial statements of Consolidated Financial Statements as of and for the year ending December 31, 2023. International Financial Reporting Standards No. 10 endorsed by the Financial Supervisory Commission. In addition, the information required to be disclosed in the combined financial statements of Consolidated Financial Statements is included in the consolidated financial statements. Consequently, a separate set of combined financial statements of Consolidated Financial Statements is not prepared.

Hereby declare

Company Name: Rich Development Construction Co., Ltd.

Chairman: Guo, Shuzh

Date: March 15, 2024

2. Private Placement Securities in the Most Recent Years: None.

3. The Shares in the Company Held or Disposed of by Subsidiaries in the Most Recent Years:

Unit: NT $thousands; thousand shares; Percentage%

SUBSIDIARIES Company Name	Paid-in capital Capital	Funds Source	The Company Shareholding ratio	Acquisition or Disposition date	Shares acquired Amount	Disposal of shares Amount	Investments Profit or loss	As of the publication date of the annual report Shares and Amount Held	Define Ownership	Endorsement Amount Made for the Subsidiary	Loans provided by the Company Subsidiary Amount
Li He Investment Co., Ltd.	454,479	Founding	100%	Nil.	Nil.	Nil.	Nil.	6,305 thousand shares NT $61,346 thousand	Nil.	Nil.	Nil.

4. Necessary Supplementary Notes to Other: None.

5. Pursuant to Subparagraph 2, Paragraph 3, Article thirty-six of Securities and Exchange Act, Event Having Material Impact on Shareholder Equity or Share Price: None.

Rich Development
Construction Co., Ltd.

Chairman Guo, Shuzhen