Stock Code: 5512

Rich Development Co., Ltd. and Subsidiaries
Consolidated Financial Statements and Independent Auditors' Report

For the Years Ended December 31, 2023 and 2022

Address: 8F, No 99, Chi Lin Rd, Taipei City
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Independent Auditors' 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 (8) Inventories to the consolidated financial statements for the accounting policy of Inventories evaluation; Please refer to note 5 (2) 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 (3) for accounting estimates and assumption uncertainty of impairment assessment of Property, plant and equipment and Intangible assets. Please refer to note 6 (8) Property, plant and equipment and note 6 (3) 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:

CHANG, SHU-YING
PAN, CHUN-MING

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

March 15, 2024

Notice to Readers

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

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

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 (1))	$ 2,617,536	6	2,240,114	6
1110	Financial assets at fair value through profit or loss- Current (notes 6 (2) and 8)	381,442	1	402,429	1
1141	Contract Assets－current (Notes 6 (20) and 9)	693,347	2	1,271,274	3
1150	Notes receivable, net (Notes 6 (4), (20) and 7)	3,214	-	5,021	-
1170	Accounts receivable, net (Notes 6 (4), (11), (20) and 7)	1,610,236	4	1,501,364	4
1220	Current tax assets	17,094	-	15,835	-
1320	Inventories (applicable to construction industry) (Notes 6 (5), 7, 8 and 9)	14,128,050	35	14,985,344	37
1476	Other financial assets－current (notes 6 (3), 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 of fulfilling a contract-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 (2))	17,386	-	17,522	-
1517	Non-current financial assets at fair value through other comprehensive income (note 6 (3))	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 (6))	195,224	-	207,180	1
1600	Property, plant and equipment (notes 6 (8), 7 and 8)	6,606,041	17	5,890,241	14
1755	Right-of-use assets	196,743	-	282,743	1
1760	Investment property, net (notes 6 (9) and 8)	651,206	2	661,926	2
1780	Intangible Assets (Notes 6 (10) 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 (2) 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 (8), (21) 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 (26) 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 (2) 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 (26) 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 (7) 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 (5), (10), (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 (10), (21) 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 (22)):				
7100	Interest revenue (Note 9 (2))	34,924	-	11,563	-
7010	Other income	22,360	-	22,585	-
7020	Other gains and losses (notes 6 (6), 6 (10), 6 (15) 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 (6))	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 (6) 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.

(2) 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.

(3) 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.

(9) 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.

(21) 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.

(22) 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%**

(23) 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.

(24) 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.

(25) 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%**

(26) 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

(1) 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	The chairman of the company is the second

Association	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 Southern Taiwan Science Park Administration, National Science and Technology Commission	Nanzi Reclaimed Water Plant BTO Contract for the operation and management of high-end treatment facilities, water distribution tanks and distribution pipelines for reclaimed water in Nanzi	December 2023 to December 2044 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	霆 Long Energy Co., Ltd.	Taiwan	Self-usage power generation equipment utilizing	9,000	9,000	900,000	30.00%	2,823	30.00%	(2,399)	(720)	Associates

			renewable 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**