Stock Code: 5512

Rich Development Co., Ltd.

Individual Financial Statements and Independent Auditors' Report

For the Years Ended December 31, 2023 and 2022

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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. Assets Liabilities as of December 31, 2023 and 2022, the income statements of total, the statements of changes in Equity and the statements of cash flows for the years then ended, and the notes to Parent Company Only Financial Statement, including a summary of significant accounting policies.

In our opinion, the accompanying Parent Company Only Financial Statement was prepared, in all material respects, in accordance with Regulations Governing the Preparation of Financial Reports by Securities Issuers., and is sufficient to express the financial position of Rich Development Construction Co., Ltd. as of December 31, 2023 and 2022, and the financial performance and cash flows for the years then ended in accordance with fair.

Basis for opinions

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

Key audit matters

Key audit matters is the matter that, in our professional judgment, was of most significance in our audit of Rich Development Construction Co., Ltd. 2023 Parent Company Only Financial Statement. These matters were addressed in the context of our audit of Parent Company Only Financial Statement as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the Key audit matters to be communicated in our report.

1. Inventories Evaluation

Please refer to Note 4 (7) Inventories of Parent Company Only Financial Statement for the accounting policy of Inventories; Please refer to Note 5 for assumptions and estimation uncertainty related to the valuation of Inventories; Please refer to Note 6 (4) Inventories for details.

Key audit matters Description:

Rich Development Construction Co., Ltd.' s Inventories is an important Assets, which accounts for about 59% of Total assets. Rich Development Construction Co., Ltd. Inventories net realizable value is based on management' s estimate of future selling prices and construction costs, and is easily affected by political and economic conditions. If the assessment of net realizable value is not fair, it will cause false expression in the financial statements. Therefore, the test of Inventories evaluation is one of the important evaluation items for the accountant to perform the audit of Rich Development Construction Co., Ltd. consolidated financial report.

Audit Procedures:

Obtained the valuation information of Rich Development Construction Co., Ltd. Inventories net realizable value and checked, on a sample basis, the sales contracts of the above information, with reference to the latest real estate price registration announced by the Ministry of the Interior or obtained the nearby transaction price, and converted the average selling price into the net realizable value of the house for sale Inventories net realizable value for reassessment; For the net realizable value of land and buildings under construction of Land held for construction site, we obtained and sampled the investment return analysis of the Company, compared the investment return analysis data with market conditions, and obtained external appraisal reports when necessary to assess whether the net realizable value of Inventories is stated in fair.

Responsibilities of Management and Those Charged with Governance for the Parent Company Only Financial Statement

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

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

Those charged with governance, including the audit committee, are responsible for overseeing Rich Development Construction Co., Ltd.' s financial reporting process.

Auditors' Responsibilities for the Audit of Parent Company Only Financial Statement

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

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

1. Identify and assess the risks of material misstatement of Parent Company Only Financial Statement whether due to fraud or error; Design and implement appropriate countermeasures for the assessed risks; Obtain sufficient and appropriate audit evidence as Basis for opinions. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Rich Development Construction Co., Ltd. internal control.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management' s use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on Rich Development Construction Co., Ltd.' s ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw

attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause Rich Development Construction Co., Ltd. to cease to continue as a going concern.

5. Evaluate the overall presentation, structure and content of Parent Company Only Financial Statement (including the related notes), and whether Parent Company Only Financial Statement presents the related transactions and events in fair.

6. Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on Equity. We are responsible for the direction, supervision and performance of the audit. We remain solely responsible for our audit opinion of Rich Development Construction Co., Ltd..

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of Rich Development Construction Co., Ltd. 2023 Parent Company Only Financial Statement Key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

KPMG

CPA:

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

Rich Development Construction Co., Ltd.

Assets Liabilities

December 31, 2023 and 2022

Unit: NT $thousands

		2023.12.31		2022.12.31	
	Assets	**Amount**	**%**	**Amount**	**%**
	Current assets:				
1100	Cash and cash equivalents (note 6 (1))	$ 584,340	2	301,649	1
1110	Financial assets at fair value through profit or loss－current (note 6(2))	34,623	-	21,748	-
1150	Notes receivable, net (Notes 6 (16) and 7)	1,023	-	63	-
1170	Accounts receivable, net (Notes 6 (16) and 7)	9,955	-	2,584	-
1220	Current tax assets	3,749	-	3,103	-
1320	Inventories (for construction business) (Notes 6 (4), 7 and 8)	14,098,615	59	14,955,910	61
1476	Other financial assets－current (notes 6 (3), 7, 8 and 9)	1,139,166	5	907,856	4
1479	Other current assets, others	26,500	-	24,054	-
1480	Current incremental costs of obtaining a contract	26,074	-	39,716	-
		15,924,045	66	16,256,683	66
	Non-current assets:				
1510	Non-current financial assets at fair value through profit or loss (note 6 (2))	17,386	-	17,522	-
1517	Non-current financial assets at fair value through other comprehensive income (note 6 (3))	111,042	-	155,617	1
1550	Investments accounted for using equity method (note 6 (5))	6,208,739	27	6,251,923	25
1600	Property, plant and equipment (note 6 (6))	670	-	1,467	-
1755	Right-of-use assets	1,667	-	5,249	-
1760	Investment property, net (notes 6 (7), 7 and 8)	1,329,070	5	1,357,397	6
1780	Intangible assets	243	-	414	-
1840	Deferred tax assets (note 6 (13))	32,775	-	31,623	-
1980	Other non-current financial assets (Note 8)	555,379	2	557,129	2
		8,256,971	34	8,378,341	34
	Assets Total	**$ 24,181,016**	**100**	**24,635,024**	**100**

Rich Development Construction Co., Ltd.

Assets Liabilities Table (continued)

December 31, 2023 and 2022

Unit: NT $thousands

		2023.12.31		2022.12.31	
	Liabilities and Equity	**Amount**	**%**	**Amount**	**%**
	Current liabilities:				
2100	Short-term borrowings (note 6 (8))	$ 5,976,291	26	7,165,011	30
2110	Short-term notes and bills payable (note 6 (9))	696,000	3	1,133,000	5
2130	Liabilities － current (notes 6 (16) and 7)	482,191	2	501,965	2
2150	Notes payable (Note 7)	33,042	-	39,720	-
2170	Accounts payable (Note 7)	189,729	1	21,693	-
2200	Other payables (Notes 17 and 7)	77,901	-	65,333	-
2280	Liabilities-current (note 7)	1,306	-	4,523	-
2322	Long-term borrowings, current portion (note 6 (10))	328,818	1	58,818	-
2399	Other current liabilities, others	66,782	-	41,483	-
		7,852,060	33	9,031,546	37
	Non-current liabilities:				
2530	Bonds payable (note 6 (11))	1,997,977	8	1,996,904	8
2540	Long-term borrowings (note 6 (10))	603,991	2	309,809	1
2580	Non-current lease Liabilities (note 7)	390	-	911	-
2640	Net defined benefit Liabilities-non-current	25,681	-	25,957	-
2645	Guarantee deposits received (Note 7)	61,500	-	60,821	-
		2,689,539	10	2,394,402	9
	Liabilities Total	10,541,599	43	11,425,948	46
	Equity (note 6 (14)):				
3110	Ordinary share	7,439,927	31	7,439,927	30
3200	Capital surplus	683,303	3	666,777	3
3310	Legal reserve	1,315,448	5	1,309,440	5
3320	Special reserve	305,661	1	176,084	1
3350	Unappropriated retained earnings	4,067,661	17	3,976,793	16
3400	Other equity interest	(74,388)	-	(261,750)	(1)
3500	Treasury shares	(98,195)	-	(98,195)	-
	Equity Total	13,639,417	57	13,209,076	54
	Total Liabilities and Equity	**$ 24,181,016**	**100**	**24,635,024**	**100**

Rich Development Construction Co., Ltd.

total Income Statement

January 1 to December 31, 2023 and 2022

Unit: NT $thousands

		2023		2022	
		Amount	%	Amount	%
4000	**Operating revenue (Notes 6 (16) and 7)**	$ 3,202,482	100	1,667,675	100
5000	**Operating costs (notes 6 (4), (12) and 7)**	2,503,885	78	1,267,558	76
	Gross profit from operations	698,597	22	400,117	24
	Operating expenses (Notes 6 (12), (17) and 7):				
6100	Selling expenses	112,256	4	62,591	4
6200	Administrative expenses	129,805	4	115,573	7
		242,061	8	178,164	11
	PROFIT FROM OPERATIONS	456,536	14	221,953	13
	Non-operating income and expenses (note 6 (18)):				
7100	Interest revenue	8,852	-	1,700	-
7010	Other income (Note 7)	10,189	-	11,785	1
7020	Other gains and losses	272	-	1,128	-
7050	Finance costs (Note 7)	(108,884)	(3)	(53,828)	(3)
7070	Share of profit of associates accounted for using Equity (note 6 (5))	(75,170)	(2)	(106,954)	(6)
		(164,741)	(5)	(146,169)	(8)
7900	**Net profit before tax**	291,795	9	75,784	5
7950	**Less: Tax expense (note 6 (13))**	51,196	2	32,699	2
	Net Profit	240,599	7	43,085	3
8300	**Other comprehensive income: (Notes 6 (5) and (14))**				
8310	**Item that will not be reclassified to profit or loss**				
8311	Remeasurement of defined benefit plans	147	-	4,130	-
8316	Unrealized gains (losses) from investments in Other comprehensive income based on Fair value’s Equity	85,445	3	(72,732)	(4)
8330	Share of subsidiaries, associates and joint ventures accounted for using Equity method Other comprehensive income that will not be reclassified to profit or loss	88,167	3	(39,291)	(2)
8349	Less: Adjustments relating to Item that will not be reclassified to profit or loss	-	-	-	-
	Item that will not be reclassified to profit or loss total	173,759	6	(107,893)	(6)
8360	**Item that may be reclassified subsequently to profit or loss**				
8380	Share of Equity Other comprehensive income-May be reclassified to profit or loss in subsequent periods	(810)	-	925	-
8399	Less: Item related to income tax	-	-	-	-
	To be reclassified to profit or loss in subsequent periods Item total	(810)	-	925	-
8300	**Other comprehensive income**	172,949	6	(106,968)	(6)
8500	**Total comprehensive income**	**$ 413,548**	**13**	**(63,883)**	**(3)**
	Earnings per share (note 6 (15))				
9750	**Basic earnings per share (NT $)**	**$**	**0.33**		**0.06**
9850	**Diluted earnings per share (NT $)**	**$**	**0.33**		**0.06**

Rich Development Construction Co., Ltd.

Equity STATEMENT OF CHANGES

January 1 to December 31, 2023 and 2022

Unit: NT $thousands

	Common Shares Share capital	Capital surplus	Retained earnings			Other equity interest Item.		Treasury shares	Equity Total
			Statutory earnings Surplus reserve	Special Surplus reserve	Undistributed Surplus	Overseas business units Financial Statements Exchange differences on translation Difference	Through Other total Fair value through profit or loss Assets Unrealized gain (loss)		
Balance at January 1, 2022	$ 7,439,927	667,993	1,277,806	113,043	4,234,583	(1,703)	(136,081)	(98,195)	13,497,373
Net Profit	-	-	-	-	43,085	-	-	-	43,085
Other comprehensive income	-	-	-	-	4,130	925	(112,023)	-	(106,968)
Total comprehensive income	-	-	-	-	47,215	925	(112,023)	-	(63,883)
Appropriation and distribution of retained earnings:									
Legal reserve appropriated	-	-	31,634	-	(31,634)	-	-	-	-
Special reserve appropriated	-	-	-	63,041	(63,041)	-	-	-	-
Cash dividends of ordinary share	-	-	-	-	(223,198)	-	-	-	(223,198)
Changes in equity of associates accounted for using Equity method	-	-	-	-	-	-	-	-	-
Difference between consideration and carrying amount of subsidiaries acquired or disposed	-	(2,007)	-	-	-	-	-	-	(2,007)
Changes in ownership of Equity	-	791	-	-	-	-	-	-	791
Disposal of investments accounted for under Other comprehensive income Fair value-Equity	-	-	-	-	12,868	-	(12,868)	-	-
Balance as of December 31, 2022	7,439,927	666,777	1,309,440	176,084	3,976,793	(778)	(260,972)	(98,195)	13,209,076
Net Profit (loss)	-	-	-	-	240,599	-	-	-	240,599
Other comprehensive income	-	-	-	-	147	(810)	173,612	-	172,949
Total comprehensive income	-	-	-	-	240,746	(810)	173,612	-	413,548
Legal reserve appropriated	-	-	6,008	-	(6,008)	-	-	-	-
Special reserve appropriated	-	-	-	129,577	(129,577)	-	-	-	-
Cash dividends of ordinary share	-	-	-	-	-	-	-	-	-
Changes in equity of associates and joint ventures accounted for using equity method	-	(73)	-	-	-	-	-	-	(73)
Proceeds from disposal of investments accounted for using equity method/Subsidiary	-	-	-	-	-	(70)	-	-	(70)

Difference between consideration and carrying amount of subsidiaries acquired or disposed	-	(546)	-	-	-	7	330	-	(209)
Changes in ownership of Equity	-	17,145	-	-	-	-	-	-	17,145
Disposal of investments accounted for under Other comprehensive income Fair value-Equity	-	-	-	-	(14,293)	-	14,293	-	-
Balance at December 31, 2023	**$ 7,439,927**	**683,303**	**1,315,448**	**305,661**	**4,067,661**	**(1,651)**	**(72,737)**	**(98,195)**	**13,639,417**

Rich Development Construction Co., Ltd.

Statements of Cash Flows

January 1 to December 31, 2023 and 2022

Unit: NT $thousands

	2023	2022
Cash flows from operating activities:		
Profit before tax	$ 291,795	75,784
Adjustments:		
Item		
Depreciation expense	33,952	35,325
Amortization expense	171	171
Net (gain) loss on Fair value Financial Assets and Liabilities	(499)	2,677
Interest expense	71,887	20,996
Interest revenue	(8,852)	(1,700)
Dividend revenue	(214)	(175)
Share of loss of subsidiaries and associates accounted for using Equity	75,170	106,954
Gain on disposal of property, plan and equipment	(762)	-
Gains on lease termination and modification	-	(80)
Item total	170,853	164,168
Changes in operating assets and liabilities:		
Financial assets mandatorily classified as at FVTPL under Fair value	-	(1,337)
Assets		
Notes receivable	(960)	16,439
Accounts receivable	(7,371)	598
Inventories	1,018,718	763,047
Other current assets	(2,446)	(9,444)
Other Finance Assets	(186,991)	9,496
Incremental costs of obtaining a contract	13,642	(21,040)
Total changes in operating assets	834,592	757,759
Changes in operating liabilities:		
Liabilities	(19,774)	144,713
Notes payable	(6,678)	(30,555)
Accounts payable	168,036	(6,515)
Other payables	11,985	(14,684)
Other current liabilities	25,299	(4,032)
Liabilities	(129)	(286)
Total changes in operating liabilities	178,739	88,641
Total changes in operating assets and liabilities	1,013,331	846,400
Total adjustments	1,184,184	1,010,568
Cash inflow generated from operations Inflow	1,475,979	1,086,352
Interest received	8,852	1,700
Dividends received	118,065	108,552
Interest paid	(231,654)	(201,168)
Income taxes paid	(52,994)	(36,714)
Net cash flows from operating activities	1,318,248	958,722

Rich Development Construction Co., Ltd.
Statements of Cash Flows (Continued)
January 1 to December 31, 2023 and 2022

Unit: NT $thousands

	FY23	2022
Cash flows from (used in) investing activities:		
Acquisition of financial assets at fair value through other comprehensive income	(32,872)	-
Proceeds from disposal of financial assets at fair value through other comprehensive income	106,333	-
Proceeds from disposal of property, plant and equipment	762	-
Acquisition of investment properties	(3)	(11,595)
Other Finance Assets	1,750	17,135
Net cash flows from investing activities	75,970	5,540
Cash flows from financing activities:		
(Decrease) increase in Short-term borrowings	(1,188,720)	144,400
Decrease in short-term notes and bills payable	(437,000)	(101,900)
Proceeds from long-term debt	893,000	100,000
Repayments of long-term debt	(328,818)	(642,062)
Increase in guarantee deposits received (Decrease)	679	(11,332)
Repayment of lease principal	(4,981)	(5,138)
Acquisition of ownership interests in subsidiaries	(45,687)	(215,000)
Cash dividends paid	-	(223,198)
Net cash flows used in financing activities	(1,111,527)	(954,230)
Net increase in cash and cash equivalents	282,691	10,032
Cash and cash equivalents at beginning of period	301,649	291,617
Cash and cash equivalents at end of period	**$ 584,340**	**301,649**

Rich Development Construction Co., Ltd.
Parent Company Only Financial Statement
2023 and 2022
(Expressed in Thousands of New Taiwan Dollars, Unless Otherwise Specified)

1. Company History

Rich Development Construction Co., Ltd. (the "Company") was incorporated on July 30, 1992 under the approval of Ministry of Economic Affairs. The address of its registered office is 8th Floor, No. 99 Jilin Road, Taipei City. The Company's main business is to build commercial buildings and public housing for lease and sale; Entrusted by the government's industrial supervisory unit to handle the development, lease, sale and management of industrial zones; Interior decoration business, trading of various building materials and construction machinery, and agency of the preceding product quotation, bidding and distribution business, etc.

2. Date and Procedures of Approval of the Financial Reports

Parent Company Only Financial Statement was approved and published by the Board of Directors on March 15, 2024.

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

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

The Company applied the following new amendments to International Financial Reporting Standards from January 1, 2023, which did not have a significant impact on Parent Company Only Financial Statement.

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

The Company applied the following new amendments to International Financial Reporting Standards from May 23, 2023, which did not have a significant impact on Parent Company Only Financial Statement.

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

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

The Company assesses that the application of the following new amendments to

International Financial Reporting Standards effective January 1, 2024 will not have a material impact on Parent Company Only Financial Statement.

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

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

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

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

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

The Company does not expect the following new and amended standards, which have yet to be endorsed by the FSC, to have a significant impact on Parent Company Only Financial Statement:

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

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

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

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

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies presented in this Parent Company Only Financial Statement are summarized below. The following accounting policies were applied consistently throughout the periods presented in the Parent Company Only Financial Statement.

(1) Statement of compliance

Parent Company Only Financial Statement was prepared in accordance with Regulations Governing the Preparation of Financial Reports by Securities Issuers..

(2) Basis of preparation

1. Basis of measurement

Except for the following significant Assets Liabilities Item, the Parent Company Only Financial Statement was prepared on a historical cost basis:

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

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

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

2. Functional and presentation currency

The functional currency of each Company entity is determined based on the primary economic environment in which the entity operates. Parent Company Only Financial

Statement is presented in New Taiwan Dollars (NTD), which is the Company's functional currency. All financial information presented in New Taiwan Dollar has been rounded to the nearest thousand.

(3) Foreign currencies

1. Foreign currency transactions

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. At the end of each subsequent reporting period (hereinafter referred to as the reporting date), monetary items denominated in foreign currencies Item are translated into the functional currencies using the exchange rate at that date. Fair value non-monetary assets and liabilities denominated in foreign currencies Item are translated into the functional currencies using the exchange rate at the date that the fair value was determined. Non-monetary assets and liabilities denominated in foreign currencies that are measured based on historical cost are translated using the exchange rate at the date of the transaction.

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

(1) an Equity instrument designated as Other comprehensive income as Fair value;
(2) Hedges of net investments in foreign operations designated as Liabilities to the extent that the hedge is effective; Or
(3) qualifying Cash flow hedges to the extent that the hedge is effective.

2. Foreign operations

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

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

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

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

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

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

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

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

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

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

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

1. It is expected that the Liabilities will be settled in the normal operating cycle of the Company (construction and engineering construction business is usually longer than one year);

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

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

4. Liabilities does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting period. Terms of Liabilities that could, at the option of the counterparty, result in its settlement by the issue of Equity instruments do not affect its classification.

(5) Cash and cash equivalents

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

(6) Financial instruments

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

1. Finance Assets

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

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

(1) Assets Financial assets measured at amortized cost

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

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

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

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

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

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

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

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

On initial recognition of an investment in an equity instrument under Equity that is not held for trading, the Company may irrevocably elect to present subsequent changes in the

investment’ s fair value in Other comprehensive income. This election is made on an instrument-by-instrument basis.

Debt investments at FVOCI are subsequently accounted for under Fair value. Interest revenue, foreign currency exchange gains and losses and Impairment loss calculated by the effective interest method are recognized in profit or loss, and the remaining net gains and losses are recognized in Other comprehensive income. On derecognition, gains and losses accumulated in Other comprehensive income are reclassified to profit or loss.

Investors that belong to Equity tools follow Fair value. Dividend revenue is recognized in profit or loss unless it clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognized in Other comprehensive income and are never reclassified to profit or loss.

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

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

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

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

(4) Impairment of Assets

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

The Group measures loss allowances at an amount equal to lifetime expected credit loss (ECL), except for the following which are measured as 12-month ECL:

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

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

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

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

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

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

The Company considers a financial Assets to be in default when the financial asset is more

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

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

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

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

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

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

significant financial difficulty of the borrower or issuer;

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

the lender of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession that the lender would not otherwise consider;

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

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

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

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

(5) Derecognition of Assets

The Company derecognizes Assets when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of

the risks and rewards of ownership and it does not retain control of the financial asset.

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

2. Financial Liabilities and Equity instruments

(1) Classification of Liabilities or Equity

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

(2) Equity Transaction

Equity tool refers to any contract that recognizes the company's remaining Equity after deducting all of its Liabilities from Assets. The instrument of Equity issued by the Company is recognized at the proceeds received, net of direct issue costs.

(3) Treasury shares

When buying back the Equity instruments recognized by the Company, the consideration paid (including directly attributable costs) is recognized as a decrease in Equity. Repurchased shares are classified as Treasury shares. When Treasury shares is sold or reissued subsequently, the amount received is recognized as an increase in Equity, and the resulting surplus or deficit on the transaction is recognized in Capital surplus or Retained earnings (if Capital surplus is not sufficient to be written down).

(4) Finance Liabilities

Liabilities is classified as amortized cost or Fair value through profit and loss. Liabilities is classified as at FVTPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition. Fair value Financial Instruments: Recognition and Measurement Liabilities requires net gains and losses, including any of Interest expense, to be recognized in profit or loss.

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

(5) Derecognition of Liabilities

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

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

(6) Offsetting of financial Assets and Liabilities

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

(7) Financial guarantee contracts

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

Financial guarantee contract liabilities are measured initially at their fair values and, if not

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

(7) Inventories

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

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

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

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

(8) Investments in associates

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

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

Parent Company Only Financial Statement includes Equity, from the date on which significant influence commences until the date on which significant influence ceases, after adjustments are made to align the accounting policies with those of the Company, the Company recognizes the profit or loss of each investment related company and the amount of Other comprehensive income in proportion to the Company’s accounting policies. When an associate incurs non-profit or loss and changes in Other comprehensive income’s Equity that do not affect the Company’s ownership percentage of the associate, the Company recognizes the changes in Equity that are attributable to the Company’s interest in the

associate as Capital surplus based on its ownership percentage.

Unrealized gains and losses resulting from transactions between the Company and an associate are recognized only to the extent of Equity in the parent company only financial statements.

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

(9) Investments in subsidiaries

When preparing Parent Company Only Financial Statement, the Company used the Equity method to evaluate investees over which it has control. Under Equity, the current profit and loss of Parent Company Only Financial Statement and the current profit and loss of Other comprehensive income in the financial report prepared on a consolidated basis and the apportionment of Other comprehensive income attributable to Owners of parent company are the same, and Parent Company Only Financial Statement owner Equity is the same as Equity attributable to owners of parent in the financial report prepared on a consolidated basis.

Changes in the Company’ s ownership of Equity in a subsidiary that do not result in a loss of control are treated as Equity transactions with owners.

(10) Investment property

Investment property is property held either to earn rental income or for capital appreciation or for both, but not for sale in the ordinary course of business, use in the production or supply of goods or services, or for administrative purposes. Investment property is measured at cost on initial recognition, and subsequently at cost, less accumulated impairment losses under Depreciations. The measurement of Depreciations, the useful life, and the residual value are treated in accordance with Property, plant and equipment.

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

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

(11) Property, plant and equipment

1. Recognition and measurement

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

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

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

2. Subsequent cost

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

3. Depreciations

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

Depreciations is not recognized for the land.

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

(1) Buildings and structures 10 ~ 50 years

(2) Transportation equipment	3 ~ 5 years
(3) Other Equipment	3 ~ 5 years

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

4. Reclassification to investment property

A property is reclassified to investment property at its carrying amount when the use of the property changes from owner-occupied to investment property.

(12) Leases

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

1. Lessee

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

Assets is subsequently accounted for Depreciations using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. In addition, the Company regularly assesses whether the right-of-use Assets is impaired and treats any Impairment loss that has occurred, as well as cooperating to adjust the right-of-use Assets when the lease Liabilities is remeasured.

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

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

(1) fixed payments, including in-substance fixed payments;
(2) variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
(3) amounts expected to be payable under a residual value guarantee; and
(4) payments for purchase or termination options that are reasonably certain to be exercised.

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

(1) there is a change in future lease payments arising from the change in an index or rate; or
(2) There is a change in the amount of residual value guarantee expected to be paid;

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

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

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

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

When the lease liability is remeasured to reflect the partial or full termination of the lease for lease modifications that decrease the scope of the lease, the Group accounts for the remeasurement of the lease liability by decreasing the carrying amount of the right-of-use asset Assets to reflect the partial or full termination of the lease, and recognize in profit or loss any gain or loss relating to the partial or full termination of the lease.

The Company presents right-of-use assets that do not meet the definition of investment properties in Assets and lease liabilities that do not meet the definition of investment properties in Liabilities as a separate line Item in the table of Assets Liabilities.

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

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

2. Lessor

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

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

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

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

(13) Intangible assets

1. Recognition and measurement

The Company acquired Other Intangible assets with finite useful lives and measured at cost less accumulated amortization and any accumulated impairment losses.

2. Subsequent expenditure

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

3. Amortization

Amortization Amortization is calculated over the cost of Goodwill, less its residual value, and is recognized in profit or loss on a straight-line basis over the estimated useful lives of Assets, other than Intangible assets, from the date that they are available for use.

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

Computer software: 5 ~ 10 years

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

(14) Impairment of non-financial Assets

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

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

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

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

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

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

(15) After-sales service Liabilities preparation

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

After-sales service provision

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

(16) Revenue recognition

1. Revenue from contracts with customers

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

(1) Land development and sale of real estate

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

The revenue is measured at the transaction price agreed under the contract. For sale of readily available house, in most cases, the consideration is due when legal title of a property has been transferred. While deferred payment terms may be agreed in rare circumstances, the deferral never exceeds twelve months. The transaction price is therefore not adjusted for the effects of a significant financing component. For pre-selling properties, the consideration is usually received by installment during the period from contract inception until the transfer of properties to the customer. If the contract includes a significant financing component, the transaction price will be adjusted for the effects of the time value of money during the period, using the specific borrowing rate of the construction project. Receipt of a prepayment from a customer is recognized under Liabilities. When adjusting the effect of the time value of money, the Group recognizes this amount in Interest expense and Liabilities. Accumulated amount of contract Liabilities is recognized as revenue when control over the property has been transferred to the customer.

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

(2) Significant financial composition – Advance real estate receipts

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

2. Cost of contracts with customers

Incremental costs of obtaining a contract

The Company recognizes as Assets the incremental costs of obtaining a contract with a customer if the Company expects to recover those costs. The incremental costs of obtaining a contract are those costs that the Group incurs to obtain a contract with a customer that it would not have incurred if the contract had not been obtained. Costs to obtain a contract that

would have been incurred regardless of whether the contract was obtained shall be recognized as an expense when incurred, unless those costs are explicitly chargeable to the customer regardless of whether the contract is obtained. The Company recognizes the incremental costs incurred in obtaining customer contracts as Assets if the Company expects to recover those costs through the sale of real estate and is amortized on a systematic basis that is consistent with the transfer of the presold house to the customer.

(17) Employee benefits

1. Defined contribution plan

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

2. Defined benefit plans

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

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

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

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

3. Short-term employee benefits

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

(18) income tax

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

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

Current income tax includes an estimate of the tax payable to income tax or Tax refund receivable based on taxable profit (loss) for the year and any adjustment to the tax payable to income tax or Tax refund receivable in respect of previous years. The amount of current tax

payables or receivables are the best estimate of the tax amount expected to be paid or received that reflects uncertainty related to income taxes, if any. It is measured using tax rates enacted or substantively enacted at the reporting date.

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

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

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

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

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

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

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

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

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

(1) the same taxable entity; Or

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

(19) EARNINGS PER SHARE

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

(20) Segment information

The Company has disclosed segment information in the consolidated financial statements, so Parent Company Only Financial Statement does not disclose segment information.

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

The preparation of Parent Company Only Financial Statement requires management to make judgments, estimates and assumptions that affect the application of the accounting policies and the reported amount of revenues and expenses in Assets and Liabilities. Actual results may differ from these estimates.

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

There are no critical judgments in applying the accounting policies that have significant effects

on Parent Company Only Financial Statement.

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

(1) Evaluation of Inventories

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

6. Item Description of Significant Accounts

(1) Cash and cash equivalents

	2023.12.31	2022.12.31
Petty cash	$ 111	111
Demand deposits	549,881	245,420
Check deposits	34,328	56,098
Time deposits	20	20
Consolidated Statements of Cash Flows-Cash and cash equivalents	**$ 584,340**	**301,649**

Please refer to Note 6 (19) for the disclosure of interest rate risk and sensitivity analysis of the Company's financial Assets and Liabilities.

(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)	$ 34,623	21,748
Funds (non-current)	17,386	17,522
total	**$ 52,009**	**39,270**

1. Please refer to note 6 (18) for the amount of remeasurement at fair value through profit or loss.

2. The Company has disclosed the credit risk and fair value information related to financial instruments in Note 6 (19).

3. No financial Assets pledged as collateral.

(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
the emerging stock market Tianli Offshore Wind Power Technology Co., Ltd.-	-	18,910
Unlisted stocks Hongling Heavy Industries Co., Ltd.-	20,906	13,838
Lee Ling Technology Co., Ltd.-	4,040	12,280

Lianda Wushigang Resort Co., Ltd.-	-	99,840
Lee Cheng Development Co., Ltd.-	749	754
Taiya Wind Energy Co., Ltd.-	85,347	-
total	**$ 111,042**	**155,617**

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

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

(2) Due to the change in the investment strategy, the Company sold the shares of Lian Da Wushigang Resort Co., Ltd. and Tianli Offshore Co., Ltd. through Other comprehensive income according to Fair value in 2023. The fair value at the time of disposal was NT $150,650, and the accumulated disposal gain was NT $5,392 thousand. Therefore, the accumulated disposal gain was transferred from Other equity interest to Retained earnings. As of December 31, 2023, the remaining unpaid amount due from Other receivables was $44,319 thousand. On December 15, 2023, as a result of the merger of Far EASTONE Telecommunications Co., Ltd. and Asia Pacific Telecom Co., Ltd., Far EASTONE Telecommunications Co., Ltd. exchanged 9.34% of its equity interest in Asia Pacific for Far EASTONE Telecommunications Co., Ltd. in exchange. The fair value of the equity interest in Asia Pacific Telecom Co., Ltd. was $12,240 thousand, and the accumulated loss on disposal was $(19,685) thousand. Therefore, the accumulated gain on disposal mentioned above was transferred from Other equity interest to Retained earnings. The equity interest in Far EASTONE Telecommunications Co., Ltd. after the conversion was recognized as financial assets at Assets under Fair value.

2. The Company has disclosed the credit risk and fair value information related to financial instruments in Note 6 (19).

3. No financial Assets pledged as collateral.

(4) Inventories

	2023.12.31	2022.12.31
Buildings and land held for sale	$ 2,683,928	1,408,199
Land held for construction site	3,727,312	3,154,028
Construction in progress	7,653,593	10,286,699
Prepayment for land purchases	108,708	190,661
Less: Allowance for valuation loss	(74,926)	(83,677)
	$ 14,098,615	**14,955,910**

1. The details of Operating costs are as follows:

	2023	2022
Buildings and land held for sale sold and transferred	$ 2,475,205	1,146,322
Cost of sale	-	90,667
Cost of rental sales	37,431	36,411
Inventories write-down to net realizable value	(8,751)	(5,842)
	$ 2,503,885	**1,267,558**

As of December 31, 2023 and 2022, Inventories s that are expected to be

realized more than 12 months are NT $12,737,876 thousand and NT $11,975,262 thousand, respectively.

Please refer to Note 6 (18) for the capitalization of interest in 2023 and 2022.

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

(5) Investments accounted for using equity method

The details of Investments accounted for using equity method at the reporting date were as follows:

	2023.12.31	2022.12.31
SUBSIDIARIES	$ 6,141,082	6,184,720
Associates	67,657	67,203
	$ 6,208,739	**6,251,923**

1. Subsidiaries

(1) Please refer to the 2023 Consolidated Financial Report for information on the above-mentioned investments in subsidiaries.

(2) In 2023 and 2022, the Company increased its investment in subsidiaries by NT $45,687 thousand and NT $215,000 thousand, respectively, and recognized the impact of changes in the shareholding ratio on the net value of NT $(4,077) thousand and NT $(2,007) thousand, respectively.

2. Associates

The Company’s financial information for investments in associates accounted for using the Equity method that are individually insignificant was as follows. The financial information was included in the Company’s Parent Company Only Financial Statement:

	2023.12.31	2022.12.31
The carrying amount of Equity that is not individually material	**$ 67,657**	**67,203**

	2023	2022
Attributable to the Group:		
Loss from continuing operations	$ 453	(646)
Total gains and losses of total	**$ 453**	**(646)**

3. Guarantee

As of December 31, 2023 and 2022, the Company’s Investments accounted for using equity method was not pledged as collateral.

(6) Property, plant and equipment

The details of changes in the cost of Property, plant and equipment, Depreciations and Impairment loss of the Company in 2023 and 2022 are as follows:

	Transportation equipment	Other equipment	Total
Cost or deemed cost:			

Balance at January 1, 2023	$	7,437	12,853	20,290
Disposals		(1,570)	-	(1,570)
Balance at December 31, 2023	**$**	**5,867**	**12,853**	**18,720**
Balance at January 1, 2022	$	7,437	12,823	20,260
Reclassified		-	30	30
Balance as of December 31, 2022	**$**	**7,437**	**12,853**	**20,290**

		Transportation equipment	Other equipment	Total
Depreciations and Impairment loss:				
Balance at January 1, 2023	$	6,421	12,402	18,823
Depreciations		420	377	797
Disposals		(1,570)	-	(1,570)
Balance at December 31, 2023	**$**	**5,271**	**12,779**	**18,050**
Balance at January 1, 2022	$	6,001	11,965	17,966
Depreciations		420	407	827
Reclassified		-	30	30
Balance as of December 31, 2022	**$**	**6,421**	**12,402**	**18,823**
Carrying amounts:				
December 31, 2023	**$**	**596**	**74**	**670**
January 1, 2022	**$**	**1,436**	**858**	**2,294**
December 31, 2022	**$**	**1,016**	**451**	**1,467**

As of December 31, 2023 and 2022, the Company’s Property, plant and equipment was not pledged as collateral.

(7) Investment property

Investment property includes the Company’s own Assets. The leases of investment properties contain an initial non-cancellable lease term of 1 to 10 years. Some leases provide the lessees with options to extend at the end of the term.

For all investment property leases, the rental income is fixed under the contracts, but some leases require the lessee to disburse Insurance expense. The amount is decided separately every year.

The movements of investment properties were as follows:

		Land and Improvements	Buildings and structures	Unfinished construction	Total
Cost or deemed cost:					
Balance at January 1, 2023	$	913,217	791,280	10,381	1,714,878
Additions		-	-	3	3
Balance at December 31, 2023	**$**	**913,217**	**791,280**	**10,384**	**1,714,881**
Balance at January 1, 2022	$	901,505	787,830	10,371	1,699,706
Additions		9,856	1,729	10	11,595
Transfer from Inventories		1,856	1,721	-	3,577
Balance as of December 31, 2022	**$**	**913,217**	**791,280**	**10,381**	**1,714,878**
Depreciations and Impairment loss:					

		Transportation equipment	Other equipment	Total
Balance at January 1, 2023	$	-	357,481	-	357,481
Depreciations		-	28,330	-	28,330
Balance at December 31, 2023	**$**	**-**	**385,811**	**-**	**385,811**

	Land and improvements	Buildings and structures	Unfinished construction	Total
Balance at January 1, 2022	$ -	328,109	-	328,109
Depreciations	-	29,372	-	29,372
Balance as of December 31, 2022	**$ -**	**357,481**	**-**	**357,481**
Carrying amounts:				
December 31, 2023	**$ 913,217**	**405,469**	**10,384**	**1,329,070**
January 1, 2022	**$ 901,505**	**459,721**	**10,371**	**1,371,597**
December 31, 2022	**$ 913,217**	**433,799**	**10,381**	**1,357,397**
Fair value:				
December 31, 2023				**$ 2,118,446**
December 31, 2022				**$ 2,073,343**

1. The Company has developed criteria for the determination of whether a Assets is capable of being classified as investment property. Investment properties are properties held to earn rentals and/or for capital appreciation. Therefore, the Company considers whether the main cash flow generated by a property is independent from the Other Assets held by the Company. The Company holds a portion of the property for earning Rent income or capital appreciation and a portion for management purposes. If each part of the investment property can be sold separately, the Company shall account for each part separately. If the portions could not be sold separately, the property is an investment property only if an insignificant portion is held for management purposes.

Investment property comprises a number of commercial properties that are leased to third parties. Please refer to Note 6 (12) for related information (including Rent income and Freight).

The fair value of investment property is based on a valuation by an independent appraiser who holds a recognized and relevant professional qualification and has recent experience in the location and category of the investment property being valued. The fair value measurement for investment property has been categorized as a level 3 fair value based on the inputs to the valuation technique used; Or refer to the real estate transaction price inquiry service network of the Ministry of the Interior and the housing brokerage website, and the transaction price in similar locations and types in the near future is the basis for evaluation.

As of December 31, 2023 and 2022, the investment properties of the Company had been pledged as collateral; please refer to Note 8.

	Land and improvements	Buildings and structures	Unfinished construction	Total

(8) Short-term borrowings

The details of the Company's Short-term borrowings were as follows:

	2023.12.31	2022.12.31
Unsecured Bank loan	$ 72,500	761,500
Guarantee Bank loan	5,903,791	6,403,511
total	**$ 5,976,291**	**7,165,011**
Unused credit lines	**$ 1,280,841**	**1,550,294**
Range of interest rates	**2.56% ~ 3.65%**	**2.38% ~ 3.03%**

Please refer to Note 8 for details of Assets pledged as collateral for Bank loan.

(9) Short-term notes and bills payable

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

	2023.12.31		
	Guarantee or acceptance institute	**Range of interest rates**	**Amount**
Commercial paper payable	Mega Bills Finance Company	2.89%	$ 150,000
	Grand Bills Finance Corporation	2.67%	46,000
	China Bills Finance Corporation	2.69%	500,000
total			**$ 696,000**

	2022.12.31		
	Guarantee or acceptance institute	**Range of interest rates**	**Amount**
Commercial paper payable	International Bills Finance Corporation	2.76%	$ 429,000
	China Bills Finance Corporation	2.34%	420,000
	Grand Bills Finance Corporation	2.26%	134,000
	Mega Bills Finance Company	3.05%	150,000
total			**$ 1,133,000**

Please refer to Note 8 for details of the collateral of commercial paper payable under Assets.

(10) Long-term borrowings

The details, conditions and terms of the Company’s Long-term borrowings were as follows:

	2023.12.31			
	Currency	**Interest Rate (%)**	**Year of maturity**	**Amount**
Guarantee Bank loan	TWD	2.34% ~ 3.03%	113 ~ 124	$ 932,809
Less: current portion				(328,818)
total				**$ 603,991**
Unused credit lines				**$ 216,111**

	2022.12.31			
	Currency	**Interest Rate (%)**	**Year of maturity**	**Amount**
Guarantee Bank loan	TWD	2.09% ~ 2.78%	112 ~ 124	$ 368,627

Less: current portion	(58,818)
total	**$ 309,809**
Unused credit lines	**$ 200,000**

Please refer to Note 8 for details of Assets pledged as collateral for Bank loan.

(11) Bonds payable

The details of the Company’ s Bonds payable are as follows:

	2023.12.31	2022.12.31
Amount of ordinary corporate bonds issued	$ 2,000,000	2,000,000
Less: Unamortized balance of Discount on bonds payable	(2,023)	(3,096)
Ending balance of Bonds payable	**$ 1,997,977**	**1,996,904**

The main rights and obligations of the guaranteed ordinary corporate bonds issued by the Company in 2020 are as follows:

Item	First secured ordinary corporate bonds in 2020	Second Secured Ordinary Corporate Bond in 2020
Issue Amount	NT $1,000,000 thousand	NT $1,000,000 thousand
Issue Date	2020.10.23	2020.12.14
Issuance period	2020.10.23 ~ 2025.10.23	2020.12.14 ~ 2025.12.14
Coupon rate	0.62%	0.58%
Guarantee agency	Mega International Commercial Bank	Yuanta Commercial Bank
Trustee	Taipei Fubon Commercial Bank	Taipei Fubon Commercial Bank
Repayment method	Principal is repaid at maturity.	

For the years ended December 31, 2023 and 2022, the Company recognized amortization of corporate bonds for Interest expense. Please refer to Note 6 (18) for details.

(12) Operating leases

The Company leases out its investment property. The Company has classified these leases as operating leases, because it does not transfer substantially all of the risks and rewards incidental to the ownership of the assets. Please refer to note 6 (g) sets out information about the operating leases of investment property.

A maturity analysis of lease payments, showing the undiscounted lease payments to be received after the reporting date is as follows:

	2023.12.31	2022.12.31
Less than one year	$ 41,439	54,592
One to two years	29,867	32,839
Two to three years	29,623	22,178
Three to four years	28,929	21,721
Four to five years	23,473	20,767
More than five years	14,995	33,588
Total undiscounted lease payments	**$ 168,326**	**185,685**

Please refer to Note 6 (16) for Rent income generated from investment properties for the years ended December 31, 2023 and 2022. The repair and maintenance expenses incurred for the investment property (listed in "Cost of sales and Operating expenses") are as follows:

	2023	2022
Rent income originated	**$ 1,701**	**113**

(13) income tax

1. Tax expense

The details of the Company’ s Tax expense in 2023 and 2022 are as follows:

	2023	2022
Current tax expense		
Land value increment tax	$ 52,348	27,632
Adjustment for prior periods income tax	-	3,644
	52,348	31,276
Deferred tax expense		
Origination and reversal of temporary differences	(1,152)	1,423
Tax expense	**$ 51,196**	**32,699**

2. The reconciliation of the relationship between Tax expense and the profit before tax of the Company in 2023 and 2022 is as follows:

	2023	2022
Net profit before tax	$ 291,795	75,784
income tax calculated based on the domestic tax rate of the Company's location	$ 58,359	15,157
Tax-exempt income from land transactions	(127,182)	(45,009)
Investment income-Equity	15,034	21,391
Book-tax difference of capitalized interest	(822)	(4,171)
Valuation (gain) loss on Assets and Liabilities	(100)	535
Dividend revenue	(43)	(35)
Land value increment tax	52,348	27,632
Current-year losses for which Deferred tax assets has not been recognized	49,879	14,537
Under (over) provision in prior periods	-	3,644
Gain on disposal of Assets	2,960	-
Other	763	(982)
total	**$ 51,196**	**32,699**

3. Deferred tax assets and Liabilities

Recognized Deferred tax assets and Liabilities

The movements of deferred income tax were as follows:

	Unrealized after-sales service Service provision	Unrealized Impairment loss	Unrealized Inventories Loss on market price decline	Other	total

Deferred tax assets:

Balance at January 1, 2023	$	6,986	6,577	16,736	1,324	31,623
Credit (debit) profit or loss		2,928	-	(1,750)	(26)	1,152
Balance at December 31, 2023	**$**	**9,914**	**6,577**	**14,986**	**1,298**	**32,775**

	Unrealized after-sales service provision	Unrealized Impairment loss	Unrealized Inventories Loss on market price decline	Other	total
Balance at January 1, 2022	$ 7,184	6,577	17,904	1,381	33,046
Credit (debit) profit or loss	(198)	-	(1,168)	(57)	(1,423)
Balance as of December 31, 2022	**$ 6,986**	**6,577**	**16,736**	**1,324**	**31,623**

4. Approval of income tax

The settlement declaration case of the Company's profit-making business, income tax, has been approved by the Taxes collection authority until 2021.

(14) Capital and Other equity interest

As of December 31, 2023 and 2022, the Company's authorized Share capital amounts to $10,100,000 thousand, with a par value of $10 (in dollars) per share. There were both 743,993 thousand shares issued. All issued shares were paid up upon issuance.

1. Capital surplus

The balances with Capital surplus were as follows:

	2023.12.31	2022.12.31
Premium on convertible bonds	$ 12,949	12,949
Treasury stock transactions	3,337	3,337
Difference between consideration and carrying amount of subsidiaries acquired or disposed	435,896	436,442
Changes in equity of associates and joint ventures accounted for under Equity	-	73
Changes in ownership of Equity	231,121	213,976
	$ 683,303	**666,777**

In accordance with Company Act, Capital surplus must first make up for losses before it can issue new shares or cash in proportion to the shareholders' original shares in the realized Capital surplus. The aforementioned realized Capital surplus includes capital surplus resulting from premium on issuance of capital stock and earnings from donated assets received. In accordance with Regulations Governing the Offering and Issuance of Securities by Securities Issuers, Capital surplus may be capitalized and the amount of total may not exceed 10 percent of the paid-in capital each year.

2. Retained earnings

In accordance with the provisions of this Articles of Incorporation, if there is a surplus in the annual final accounts, the tax shall be paid first to make up for the losses of previous years, and the next ten percent shall be Legal reserve, plus the accumulated Unappropriated

	Unrealized after-sales service provision	Unrealized Impairment loss	Unrealized Inventories Loss on market price decline	Other	total

retained earnings after the Unappropriated retained earnings at the beginning of the period, after adjusting the Special reserve listed or reverted in accordance with the law and regulations and deducting the retained appropriate amount of surplus, if there is a balance, the balance may be given priority to distribute the dividends of the special stock in the current year. If there is a balance, it shall be the distributable surplus of the current year, and the board of directors shall draft a proposal and submit it to the shareholders meeting of Resolution for distribution.

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

Rich Development Construction Co., Ltd. Parent Company Only Financial Statement note (continued)

(1) Legal reserve

When a company incurs no loss, it may, at a shareholders' meeting, Resolution, distribute its new shares or cash by Legal reserve, provided that the portion of such reserve exceeds its paid-in capital by twenty-five percent.

(2) Special reserve

The difference between the net debit balance of Other's shareholder Equity and the balance of Special reserve appropriated, that occurred in the current year, is compensated from the current profit and loss and Unappropriated retained earnings in the previous period for Special reserve appropriated. The amount of the deduction from Other shareholders Equity accumulated in the previous period shall not be distributed from Unappropriated retained earnings's compensation Special reserve appropriated in the previous period. Any special reserve appropriated may be reversed to the extent that the net debit balance reverses and thereafter distributed.

Special reserve, which is the difference between the market price and the book value of the parent company's shares held by the subsidiary at the end of the period, shall not distribute the same amount based on the shareholding ratio. If there is a subsequent market price rebound, the amount may be reversed to Special reserve in proportion to the shareholding ratio.

On June 16, 2023, the Company held the regular shareholders' meeting, Resolution Special reserve appropriated for NT $123,966 thousand, and listed Special reserve for the changes in the market price of the parent company's shares held by subsidiaries for NT $5,611 thousand; In addition, on June 11, 2022, Resolution returned Equity deductions of NT $56,736 thousand and Special reserve, which listed the changes in the market price of the parent company's shares held by subsidiaries, of NT $6,305 thousand.

(3) Earnings distribution

On June 16, 2023, the Company adopted the 2022 earnings distribution plan of Resolution at the regular shareholders' meeting. Due to the consideration of market conditions and capital needs of Construction in progress in 2022, no dividends will be distributed to shareholders in 2022. In addition, on June 15, 2022, the Company passed the 2021 earnings distribution plan of Resolution at the regular shareholders' meeting, and the amount of dividends distributed to owners is as follows:

	FY21	
	Amount per share (dollars)	Amount
Dividends distributed to ordinary shareholders:		
Cash	$ 0.30	**223,198**

3. Treasury Shares

(1) Treasury shares held by the Company shall not be pledged in accordance with Securities and Exchange Act, and shall not be entitled to shareholders' rights before the transfer.

(2) As of December 31, 2023 and 2022, Power Crane Investment Ltd., a subsidiary of the Company, held the Company's treasury shares as follows:

	2023.12.31	2022.12.31
Shares of the Company held by subsidiaries	$ 6,305	6,305
Acquisition cost	$ 98,392	98,392
Stock market price	$ 61,346	54,284

Note: The amount recognized as treasury shares based on the Company's shareholding ratio is NT $98,195 thousand.

4. Other equity interest (net after tax)

	Foreign operations Translation of financial statements Exchange differences on translation of foreign financial statements	Through Other total Fair value through profit or loss Assets Unrealized profit or loss	total
Balance at January 1, 2023	$ (778)	(260,972)	(261,750)
Unrealized gains (losses) from subsidiaries accounted for using Equity method through Other comprehensive income based on Fair value Finance Assets	-	88,167	88,167
Share of exchange differences of associates and subsidiaries accounted for using Equity	(810)	-	(810)
Unrealized gains (losses) from financial Fair value transactions through Other comprehensive income	-	85,445	85,445
Disposal of investments accounted for under Other comprehensive income Fair value-Equity	-	14,293	14,293
Proceeds from disposal of investments accounted for using equity method	(70)	-	(70)
Difference between consideration and carrying amount of subsidiaries acquired or disposed	7	330	337
Balance at December 31, 2023	**$ (1,651)**	**(72,737)**	**(74,388)**
Balance at January 1, 2022	$ (1,703)	(136,081)	(137,784)
Unrealized gains (losses) from subsidiaries accounted for using Equity method through Other comprehensive income based on Fair value Finance Assets	-	(39,291)	(39,291)
Share of exchange differences of associates and subsidiaries accounted for using Equity	925	-	925
Unrealized gains (losses) from financial Fair value transactions through Other comprehensive income	-	(72,732)	(72,732)
Disposal of investments accounted for under Other comprehensive income Fair value-Equity	-	(12,868)	(12,868)
Balance as of December 31, 2022	**$ (778)**	**(260,972)**	**(261,750)**

(15) EARNINGS PER SHARE

1. Basic earnings per share

For the years ended December 31, 2023 and 2022, the calculation of Basic earnings per share was based on the profit attributable to the ordinary stockholders of the Company, Equity, and the weighted-average number of ordinary shares outstanding, calculated as follows:

(1) Profit attributable to ordinary shareholders of the Company, Equity

	2023	2022

Profit attributable to ordinary shareholders of Equity	**$ 240,599**	**43,085**

(2) Weighted average number of ordinary shares

	2023	**2022**
Issued ordinary shares at January 1	743,993	743,993
Effect of treasury stock	(6,305)	(6,305)
Weighted-average number of ordinary shares at December 31	**737,688**	**737,688**
Earnings per share (NT $)	**$ 0.33**	**0.06**

2. Diluted earnings per share

For the years ended December 31, 2023 and 2022, Diluted earnings per share calculates the profit attributable to ordinary shareholders of the Company, Equity, based on the weighted average number of ordinary shares outstanding after adjustment for the effects of all dilutive potential ordinary shares. The calculation is as follows:

(1) Profit attributable to ordinary shareholders of the Company, Equity (diluted)

		2023	2022
Attributable to the Company Net Profit	$	240,599	43,085
Effect of conversion of convertible bonds		(651)	-
Profit attributable to ordinary shareholders of Equity (diluted)	**$**	**239,948**	**43,085**

(2) Weighted-average number of ordinary shares (diluted)

	2023	2022
Weighted-average number of ordinary shares (basic)	737,688	737,688
Effect of employee stock bonus	163	71
Weighted-average number of ordinary shares (diluted) at December 31	**737,851**	**737,759**
Earnings per share (NT $)	**$ 0.33**	**0.06**

(16) Revenue from contracts with customers

1. Disaggregation of revenue

		2023	2022
Primary geographical markets:			
Taiwan	**$**	**3,202,482**	**1,667,675**
Major products/services lines:			
Rent income (Note)	$	59,718	59,522
Revenue from real estate sales		3,142,764	1,607,489
Other operating revenue		-	664
	$	**3,202,482**	**1,667,675**
Timing of revenue recognition:			
Gradually transferred services over time	$	59,718	59,522
Goods transferred at a point in time		3,142,764	1,607,489
Services transferred at a point in time		-	664
	$	**3,202,482**	**1,667,675**

Note: Rent income is subject to International Financial Reporting Standards No. 16.

2. Contract balances

	2023.12.31	2022.12.31	2022.1.1
Notes receivable	$ 1,023	63	16,502
Accounts receivable	9,955	2,584	3,182
Less: Allowance for impairment loss	-	-	-
total	**$ 10,978**	**2,647**	**19,684**
Liabilities Advance real estate receipts-	**$ 482,191**	**501,965**	**357,252**
Amount expected to be settled after more than 12 months	**$ 14,925**	**14,925**	**14,925**

The Company applies the simplified approach to provide for its expected credit losses, i.e. the use of lifetime expected loss provision for all Notes receivable and Accounts receivable. To measure the expected credit losses, these Notes receivable and Accounts receivable have been grouped based on shared credit risk characteristics and the days past due, as well as incorporated forward looking information, including macroeconomic and relevant industry information. The expected credit losses of the Company’ s Notes receivable and Accounts receivable are analyzed as follows:

	2023.12.31		
	Notes receivable and Carrying Amount	**Expected weighted average Credit loss rate**	**Allowance duration Expected credit losses**
Not past due	**$ 10,978**	-	**-**

	2022.12.31		
	Notes receivable and Carrying Amount	**Expected weighted average Credit loss rate**	**Allowance duration Expected credit losses**
Not past due	**$ 2,647**	-	**-**

3. The change in contract Liabilities is mainly due to the difference between the time when the Company transfers goods or services to customers to meet the

performance obligations and the time when customers pay. There is no significant change in Other in 2023 and 2022.

(17) Employees' compensation and remuneration of directors

In accordance with the provisions of this Articles of Incorporation, if there is a profit in the year, no less than 0.5% shall be allocated for employee compensation, which shall be paid in stocks or cash by the board of directors Resolution. The issuance targets include employees of controlled or affiliated companies that meet certain conditions. The conditions and distribution methods are authorized to the board of directors or its authorized persons to decide; The Company shall allocate no more than 3% of the above-mentioned profit amount as directors' remuneration by the board of directors Resolution. The distribution of remuneration to employees and directors shall be reported to the shareholders' meeting. However, when the Company still has accumulated losses, it shall reserve the amount to make up in advance, and then allocate the remuneration of employees and directors in proportion to the preceding paragraph.

For the years ended December 31, 2023 and 2022, employees' compensation was accrued at $1,513 thousand and $219 thousand, respectively, and directors' remuneration was accrued at $9,078 thousand and $1,315 thousand, respectively. These amounts were estimated based on the net profit before tax, excluding employees' compensation and directors' remuneration, multiplied by the percentage of employees' compensation and directors' remuneration distributed under Articles of Incorporation, and were presented as Operating expenses for each period. If the actual amounts differ from the estimated amounts, the differences shall be accounted as changes in accounting estimates and recognized as profit or loss in the following year.

For the year ended December 31, 2022, employees' compensation and directors' remuneration were accrued at $219 thousand and $1,315 thousand, respectively, and the actual distribution were $386 thousand and $2,319 thousand, respectively, which were underestimated at $167 thousand and $1,004 thousand, respectively. For the year ended December 31, 2021, employees' compensation and directors' remuneration were estimated at NT $2,686 thousand and NT $16,118 thousand, respectively, and the actual amounts distributed were over-estimated at NT $869 thousand and over-estimated at NT $5,218 thousand, respectively. Related information can be found in Market Observation Post System.

(18) Non-operating income and expenses

1. Interest revenue

The details of the Company's Interest revenue in 2023 and 2022 are as follows:

		2023	2022
Interest income from bank deposits	$	8,581	1,700
Other interest income		271	-
	$	**8,852**	**1,700**

2. Other income

The details of the Company's Other income in 2023 and 2022 are as follows:

		2023	2022
Dividend revenue	$	214	175
Remuneration of directors and supervisors of subsidiaries		-	2,501
Guarantee Fee income		8,931	9,000
Other income		1,044	109
	$	**10,189**	**11,785**

3. Other gains and losses

The details of the Company's Other gains and losses in 2023 and 2022 are as follows:

		2023	2022
Net gain (loss) on financial assets at Fair value and Assets	$	499	(2,677)
Lease termination benefits		-	80
Gains on disposals of property, plant and equipment		762	-
Exchange gains and losses		(86)	3,725
Miscellaneous disbursements		(903)	-
	$	**272**	**1,128**

4. Finance costs

The details of the Company' s Finance costs in 2023 and 2022 are as follows:

	2023	2022
Interest expense		
Bank loan	$ 219,983	189,557
Amortization of convertible bonds discount	1,073	1,074
Interest on ordinary corporate bonds	12,000	12,000
Interest on lease Liabilities	104	191
Capitalized borrowing costs	(161,423)	(181,905)
Other Interest expense	150	79
Finance costs	36,997	32,832
	$ 108,884	**53,828**
Capitalized interest rate	**2.23% ~ 2.38%**	**1.61% ~ 2.16%**

(19) Financial instruments

1. Credit risk

(1) Maximum credit risk exposure

The carrying amount of Assets and Assets represents the maximum amount exposed to credit risk.

(2) Concentration of credit risk

The concentration of credit risk was limited due to the fact that the customer base was large and unrelated.

(3) Credit risk of receivables and debt securities

For credit risk exposure of Notes receivable and Accounts receivable, please refer to note 6 (16).

Other Assets includes Other receivables and investment in government bonds, corporate bonds and time deposits.

All of these financial assets are considered to have low risk, and thus, the impairment provision recognized during the period was limited to 12 months expected losses. Regarding how the financial instruments are considered to have low credit risk, please refer to note 4 (f).

2. Liquidity risk

The following table shows the contractual maturities of Liabilities, including estimated interest payments and excluding the impact of netting agreements.

	Carrying Amount	Contract Cash flow	Within 1 year	12 years	25 years	Over 5 years
December 31, 2023						
Non-derivative						

financial instruments Liabilities						
Floating interest rate liabilities	$ 6,909,100	7,193,811	3,548,598	799,337	2,841,315	4,561
Fixed interest rate liabilities	2,693,977	2,720,650	710,125	2,010,525	-	-
Liabilities	362,171	362,171	362,171	-	-	-
Leases Liabilities	1,696	1,729	1,337	392	-	-
	$ 9,966,944	**10,278,361**	**4,622,231**	**2,810,254**	**2,841,315**	**4,561**

	Carrying Amount	Contractual cash flows	Within 1 year	12 years	25 years	Over 5 years
December 31, 2022						
Non-derivative financial instruments						
Liabilities						
Floating interest rate liabilities	$ 7,533,638	7,854,200	4,362,876	820,885	2,663,355	7,084
Fixed interest rate liabilities	3,129,904	3,167,558	1,145,000	12,033	2,010,525	-
Liabilities	187,567	187,567	187,567	-	-	-
Leases Liabilities	5,434	5,534	4,605	697	232	-
	$ 10,856,543	**11,214,859**	**5,700,048**	**833,615**	**4,674,112**	**7,084**

The Company does not expect the cash flows included in the maturity analysis to occur significantly earlier or at significantly different amounts.

3. Interest rate risk analysis

Please refer to the notes on liquidity risk management and interest rate exposure of the Company's financial Assets and financial Liabilities.

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

If the interest rate increases or decreases by 1% basis point, and all Other variables remain unchanged, the company's net profit in 2023 and 2022 will decrease or increase by NT $42,695 thousand and NT $52,215 thousand, mainly due to the company's variable interest rate borrowings and deposits.

4. Other price risk

If the price of the securities of Equity changes at the reporting date (the analysis is based on the same basis for both periods, and assuming that the factors of change in Other remain unchanged), the impact on the profit or loss before tax and the profit or loss of total Item is as follows:

Carrying Amount	Contractual cash flows	Within 1 year	12 years	25 years	Over 5 years

	2023		2022	
Price of securities at reporting date	**Other comprehensive income Before tax**	**Profit before tax**	**Other comprehensive income Before tax**	**Profit before tax**
Increasing 10%	**$ 11,104**	**5,201**	**15,562**	**3,927**
Down by 10%	**$ (11,104)**	**(5,201)**	**(15,562)**	**(3,927)**

5. Fair value information

(1) Valuation process of fair value of financial instruments

The Company’ s accounting policies and disclosures include the adoption of Fair value and Assets and Liabilities. The Company has established an internal control system for Fair value. These include establishing a valuation team to be responsible for reviewing all significant Fair value (including Level 3 fair value) and reporting directly to the chief financial officer. The valuation group periodically reviews significant unobservable inputs and adjustments. If third-party information, such as broker quotes or pricing services, is used to measure fair value, the valuation group would assess the evidence obtained from the third parties to support the conclusion that such valuations meet the requirements of International Financial Reporting Standards , and the level in the fair value hierarchy in which such valuations should be classified.

The Company strives to use market observable inputs when measuring its Assets and Liabilities. Different levels of the fair value hierarchy to be used in determining the fair value of financial instruments are as follows:

Level 1: quoted prices (unadjusted) in active markets for identical Assets or Liabilities.

Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices) Assets or Liabilities.

Level 3: inputs for Assets or Liabilities that are not based on observable market data (unobservable inputs).

(2) Categories and fair value of financial instruments

The Fair value Assets and Liabilities, which were recognized in profit or loss by the Company, and Fair value Assets, which were recognized in Other comprehensive income on a recurring basis. The carrying amount and fair value of the Group’ s financial instruments, including the information on fair value hierarchy were as follows; however, except as described in the following paragraphs, for financial instruments not measured at fair value with the carrying amount reasonably close to the fair value under Assets and Liabilities, disclosure of fair value information is not required:

	2023.12.31				
		Fair value			
	Carrying Amount	Level 1	Level 2	Level 3	total
Financial assets at fair value through profit or loss Fair value Assets					
Non-derivative financial assets mandatorily measured at fair value through profit or loss Fair value Assets (including current and non-current)	$ 52,009	34,623	-	17,386	52,009
Measured at Other comprehensive income as Fair value’ s Assets					
Based on unquoted Fair value Equity instruments	111,042	-	-	111,042	111,042
total	**$ 163,051**	**34,623**	**-**	**128,428**	**163,051**

	2022.12.31				
		Fair value			
	Carrying Amount	Level 1	Level 2	Level 3	total
Financial assets at fair value through profit or loss Fair value Assets					

Non-derivative financial assets mandatorily measured at fair value through profit or loss Fair value Assets (including current and non-current)	$ 39,269	21,747	-	17,522	39,269
Measured at Other comprehensive income as Fair value’ s Assets					
Domestic listed companies and the emerging stock market	28,905	9,995	18,910	-	28,905
Based on unquoted Fair value Equity instruments	126,712	-	-	126,712	126,712
Sub-total	155,617	9,995	18,910	126,712	155,617
total	**$ 194,886**	**31,742**	**18,910**	**144,234**	**194,886**

(3) Valuation techniques for financial instruments not measured at fair value under Fair value

The Company's valuation techniques and assumptions used for financial instruments not under Fair value are as follows:

Financial assets at amortized cost Assets and Liabilities

If there is quoted price generated by transactions, the recent transaction price and quoted price data is used as the basis for fair value measurement. If no market value is available for reference, the evaluation method is used for estimation. However, if no quoted prices are available, the discounted cash flows are used to estimate fair values.

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

(4.1) Non-derivative financial instruments

Financial instruments traded in active markets are based on quoted market prices. The quoted price of a financial instrument obtained from main exchanges and on-the-run bonds from Taipei Exchange can be used as a basis to determine the fair value of the listed companies' Equity instrument and debt instrument of the quoted price in an active market.

A financial instrument is regarded as being quoted in an active market if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency and those prices represent actual and regularly occurring market transactions on an arm's-length basis. If a financial instrument does not accord with the definition aforementioned, then it is considered to be without quoted price in active market. In general, market with low trading volume or high bid-ask spreads is an indication of a non-active market.

If the financial instruments held by the Company are in an active market (listed stocks, beneficiary certificates, etc. are financial Assets with standard terms and conditions and traded in an active market), their fair values are determined with reference to market quoted prices.

If the financial instruments held by the Company are in no active market, the fair value of the financial instruments based on category and attributes are Equity instruments with no open quotation, and the fair value is estimated using the market method. The main assumptions are based on the market value and financial information of the comparable companies of the investee. This estimate has been adjusted for the discount effect of the circulation of Equity.

(5) Transfers between Level 1 and Level 2: None.

(6) Reconciliation of Level 3 fair values

	Fair value — unquoted debt	**Other comprehensive income Fair value —**

	instruments	unquoted Equity instruments
January 1, 2023	$ 17,522	126,712
Total gains and losses		
Recognized in profit or loss	(136)	-
Recognized in Other comprehensive income	-	70,777
Purchases	-	32,872
Disposals	-	(119,319)
December 31, 2023	**$ 17,386**	**111,042**

	Fair value — unquoted debt instruments	Other comprehensive income Fair value — unquoted Equity instruments
January 1, 2022	$ 15,357	188,060
Total gains and losses		
Recognized in profit or loss	828	-
Recognized in Other comprehensive income	-	(61,348)
Purchases	1,337	-
December 31, 2022	**$ 17,522**	**126,712**

The aforementioned total gains and losses were recognized in "Other gains and losses" and "unrealized losses on valuation of Fair value-Financial Assets through Other comprehensive income." Among them, those related to Assets still held on December 31, 2023 and 2022 are as follows:

	2023	2022
Recognized in profit or loss (listed in "Other gains and losses")	$ (136)	828
Recognition under Other comprehensive income (reported as "Unrealized gain (loss) on valuation of Fair value Financial Assets through Other comprehensive income)	51,298	(61,348)

(7) Quantitative information of Fair value with significant unobservable inputs (Level 3)

The Company's Fair value classified as Level 3 mainly includes Fair value's private equity investment in Funds through profit or loss and Other comprehensive income's financial Assets-debt instrument investment in Fair value and Equity's securities investment.

Most of the fair value measurements categorized within Level 3 use the single and significant unobservable input.

Quantified information of significant unobservable inputs was as follows:

Item	Valuation technique	Significant unobservable inputs Significant unobservable input	Significant unobservable inputs Inputs and fair value Relationship of value
Other comprehensive income Fair value-Financial Instruments with Assets-Investments in Equity	Market approach and Assets approach	Discount for lack of marketability (17.89% ~ 30% and 13.51% ~ 30%, respectively, on December 31, 2023 and 2022)	The higher the liquidity discount, the lower the fair value.
		Volatility (19.81% ~ 22.40%, 17.06% ~ 25.6%, respectively,	The higher the

		Fair value — unquoted debt instruments	Other comprehensive income Fair value — unquoted Equity instruments
Instruments with no active market		on December 31, 2023 and 2022)	volatility, the higher the fair value
Financial assets at fair value through profit or loss Fair value Assets-Debt investments with no active market	Assets	Discount for lack of marketability (10% on December 31, 2023 and 2022)	The higher the liquidity discount, the lower the fair value.

(8) Sensitivity analysis of Level 3 fair value under Fair value

The Company's Fair value of financial instruments is reasonable, but the use of different evaluation models or evaluation parameters may result in different evaluation results. For fair value measurements in Level 3, changing one or more of the assumptions to reflect reasonably possible alternative assumptions would have the following effects:

		Upward or downward changes	Fair value changes Reaction to Current profit and loss		Fair value changes Reaction to Other comprehensive income	
	Inputs	Change	Favorable changes	Unfavorable	Favorable changes	Unfavorable
December 31, 2023						
Financial assets at fair value through profit or loss Fair value Assets						
Debt investments with no active market	Discount for lack of marketability	+ 1%	-	(193)	-	-
	Discount for lack of marketability	1%	193	-	-	-
Measured at Other comprehensive income as Fair value's Assets						
Investments in Equity instruments with no active market	Liquidity discount and volatility	+ 1%	-	-	-	(1,567)
	Liquidity discount and volatility	1%	-	-	1,550	-
December 31, 2022						
Financial assets at fair value through profit or loss Fair value Assets						
Debt investments with no active market	Discount for lack of marketability	+ 1%	-	(195)	-	-
	Discount for lack of marketability	1%	195	-	-	-
Measured at Other comprehensive income as Fair value's Assets						
Investments in Equity instruments with no active market	Liquidity discount and volatility	+ 1%	-	-	-	(1,714)
	Liquidity discount and volatility	1%	-	-	1,834	-

The favorable and unfavorable effects represent the changes in fair value, and fair value is based on a variety of unobservable inputs calculated using a valuation technique. The analysis above only reflects the effects of changes in a single input, and it does not include the interrelationships with another input.

(20) Financial risk management

1. Summary

The Company have exposures to the following risks from its financial instruments:

(1) Credit risk

(2) Liquidity risk

(3) Market risk

The following likewise discusses the Company’ s objectives, policies and processes for measuring and managing the above mentioned risks. For detailed information, please refer to the related notes to the financial statements.

2. Risk management structure

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

The Company Audit Committee oversees how management monitors compliance with the Company’ s risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the Company. The Company Audit Committee is assisted in its oversight role by Internal Audit. Internal Audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the Audit Committee.

3. Credit risk

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

(1) Accounts receivable and Other receivables

Since the Company's main business is pre-sale of real estate, has a large customer base and sales areas are scattered, and there is no significant concentration of transactions with a single customer, and Accounts receivable's credit risk is not significantly concentrated. The Company’ s construction projects are in accordance with the Company’ s operating procedures for outsourcing projects, and the contracting and construction technology meet the requirements and have a good reputation as construction companies, so they can fully control the construction quality and progress.

The Company set the allowance for bad debt account to reflect the estimated losses for Accounts receivable and Other receivables and investments. The allowance for bad debt account consists of specific losses relating to individually significant exposure and the unrecognized losses arising from Assets group. The collective component is based on historical payment experience of similar financial instruments in accordance with Assets.

(2) Investments

The credit risk exposure in Cash in banks, fixed income investments and Other are measured and monitored by the Company’ s finance department. The Company only deals with banks, other external parties, corporate organizations, government agencies and financial institutions with good credit rating. The Company does not expect any of the counterparties above to fail in meeting their obligations. However, the Company continues to evaluate changes in the economic environment and create a valuation profit and loss account for the pledged investments held.

(3) Guarantees

The Company’ s policy is to provide financial guarantees only to wholly owned subsidiaries. As of December 31, 2023 and 2022, the Company did not provide any external endorsement guarantee.

4. Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial assets and financial liabilities that are settled by delivering cash or Other Assets Liabilities. The Company's approach to managing liquidity is to ensure, as far as possible, that it always has sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

The Company calculates the capital required for the cost of each development project one by one, the sales period that can be collected from customers and the construction financing that can be supported by banks, and properly plans the timing of capital income and expenditure to ensure that there is sufficient liquidity to pay the Liabilities due. Since a portion of the funds required for the development and construction of the construction project can be obtained from the bank, and customers can also obtain housing loans from the bank to pay a majority of the price at the time of delivery of the house, the Company will not face the risk of significant losses or damage to its reputation.

5. Market risk

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

Interest rate risk

The Company’ s exposure to changes in interest rates is mainly attributable to its Bank loan. Borrowings bearing floating interest rates will generate cash flow risk for the Company, and borrowings bearing fixed interest rates will generate fair value risk for the Company. The Company evaluates that the operating environment in which the interest rate is stable in recent years, and there is no significant interest rate risk.

(21) Capital management

The Company’ s objectives for managing capital to safeguard the capacity to continue to operate, to continue to provide a return on shareholders, to maintain the interest of Other’ s related parties, and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Company may adjust the dividend payment to the shareholders, reduce the capital for redistribution to shareholders, issue new shares, or sell Assets to settle Liabilities.

The Company and other entities in the same industry use the Liabilities capital ratio to manage capital. This ratio is the total net Liabilities divided by the total capital. Liabilities is the Total liabilities shown in Assets Liabilities minus Cash and cash equivalents. The total capital consists of all components of Equity (i.e. Share capital, Capital surplus, Retained earnings and Other equity interest) plus net Liabilities.

The Company's capital management strategy in 2023 is consistent with that in 2022. Liabilities capital ratio is maintained to ensure financing at a reasonable cost. The capital ratios of Liabilities as of December 31, 2023 and 2022 were as follows:

		2023.12.31	**2022.12.31**
Total liabilities	$	10,541,599	11,425,948
Less: Cash and cash equivalents		(584,340)	(301,649)
Liabilities		9,957,259	11,124,299
Total equity		13,639,417	13,209,076
Adjusted capital	**$**	**23,596,676**	**24,333,375**

Liabilities capital ratio	**42.20%**	**45.72%**

(22) Non-cash investing and financing activities

For the years ended December 31, 2023 and 2022, the Company’s non-cash financing activities were as follows:

The reconciliation of Liabilities from financing activities is as follows:

	2023.1.1	**Cash flow**	**Non-cash changes**	**2023.12.31**
Leases Liabilities	**$ 5,434**	**(4,981)**	**1,243 (Note1)**	**1,696**

	2022.1.1	Cash flow	Non-cash changes	2022.12.31
Leases Liabilities	$ 8,012	(5,138)	2,560 (Note 2)	5,434

Note 1: It is an increase of NT $1,243 thousand in the current period.

Note 2: It is due to the increase of NT $557 thousand in rent adjustment and NT $2,003 thousand in current period.

7. RELATED PARTY TRANSACTIONS

(a) Names and relationship with related parties

The followings are entities that have had transactions with related party during the periods covered in Parent Company Only Financial Statement:

Name of related parties	Relationship with the Group
Power Crane Investment Ltd. (“Lihe Investment”)	The Company's subsidiary
Green Forest Development Enterprise Co., Ltd (Greenhill)	The Company's subsidiary
Orient Forest Development Enterprise Co., Ltd. (Tung Shan Lin)	The Company's subsidiary
Forest Water Environmental Eng'g Co., Ltd. (Forest Water)	The Company's subsidiary
Rich Forest Leisure Development Co., Ltd. (Li Shan Lin)	The Company's subsidiary
The Westin Yilan Resort (LEALEA Hotel)	The Company's subsidiary
Yilan Lealea Development Ltd. (Yilan Lili)	The Company's subsidiary
Ho Ching Enterprises Co., Ltd. (Hejing Enterprise)	The Company's subsidiary
Lea Ching Enterprise Co., Ltd. (Li-Jing Enterprise)	The Company's subsidiary
Blossom Increase Limited	The Company's subsidiary
Re-Use Environmental Co., Ltd. (hereinafter referred to as "Competitive Advantage")	The Company's subsidiary
Grain Forest Green Energy Co., Ltd. (Hereinafter referred to as Heshan Forest)	The Company's subsidiary
Lealea Hotels & Resorts Co., Ltd. (hereinafter referred to as Lealea Tourism)	The Company's subsidiary
Lealea Mingchih Resort Co., Ltd.	The Company's subsidiary
Lealea Eagle Travel Service Co., Ltd.	The Company's subsidiary
Guo, Shuzhen	Chairman of the Company
Liwei International Development Co., Ltd.	The chairman is the chairman of the Company
Zhantang Cultural and Creative Co., Ltd.	The chairman is the chairman of the Company
Chi Mao International Co., Ltd.	The chairman is the chairman of the Company
Chimei International Enterprise Co., Ltd.	The chairman is the chairman of the Company
Taiwan Green Power Corporation	The director of the company is a director of the company
Lianda Wushigang Resort Company Limited	The director of the company is the chairman of the company (Note 2)

Li Peng Enterprise Co., Ltd. (Li Peng Enterprise)	The chairman of the company is the second immediate family of the chairman of the Company
Lealea Technology Inc.	The chairman of the company is the second immediate family of the chairman of the Company
Lealea Enterprise Co., Ltd. (hereinafter referred to as "Lealea Enterprise")	The chairman of the company is the second immediate family of the chairman of the Company
Giant Industry Co., Ltd.	The chairman of the company is a director of the Company
Ju Shan Lin Information Technology Co., Ltd.	The chairman of the company is a director of the Company

Rich Development Construction Co., Ltd. Parent Company Only Financial Statement note (continued)

Name of related parties	Relationship with the Group
Techdesign Consulting Co., Ltd.	The chairman of the company is a director of the Company
Penghu Green Power Co., Ltd.	The chairman of the company is a director of the Company
Yilan County, private Li Li Lohas Elderly Long-Term Care Center	The chairman of the company is a director of the Company
Musheng Yunduo Interior Decoration Design Co., Ltd.	The chairman of the company is a director of the Company
Howsler Foods Co., Ltd.	The chairman of the company is a director of the Company
Guo, Musheng Cultural and Educational Center Funds	The chairman is the chairman of the Company
Jia Rui Development Co., Ltd.	The chairman of the company is a director of the Company
Lealea Evergreen Long-Term Care Association Corporation	The chairman of the company is a director of the Company
About Design Interior Decoration Co., Ltd.	The chairman of the company is a director of the Company
Ching Shan Lin Corporation	The chairman of the company is a director of the Company
Hongling Heavy Industries Co., Ltd.	The director of the company is within the second degree of kinship of the chairman of the Company Relatives
Li Yu Education Co., Ltd.	The director of the company is a director of the company
Leader Construction Co., Ltd. (hereinafter referred to as Lituo Construction)	The director of the company is a director of the company
Baiqiao Food Co., Ltd.	The director of the company is a director of the company
Tianfang Energy Technology Co., Ltd.	The director of the company is a director of the company
I-Li Hotel Co., Ltd.	The supervisor of the company is the director of the company
Liyang Mechanical and Electrical Engineering Co., Ltd. (hereinafter referred to as Liyang Mechanical and Electrical)	Related party in substance
Li Fang Development Co., Ltd. (Li Fang Development)	The director of the company is the second immediate family of the director of the company
Ching Yi Development Co., Ltd. (Ching-Yi Development)	Related party in substance
Li Gang Industrial Co., Ltd. (Li Gang Industrial)	Related party in substance
Li Yang Electromechanical Development Co., Ltd. (Li Yang Electromechanical)	Related party in substance
霆 Dragon Enterprise Co., Ltd.	Related party in substance
Yilan County Li Social Welfare and Charity Funds Association	The chairman of the company is the second immediate family of the chairman of the Company
Li Shan Lin Kenting Zheyuan Co., Ltd.	Related party in substance
Li Qiang Industrial Co., Ltd.	Related party in substance

Rich Development Construction Co., Ltd. Parent Company Only Financial Statement note (continued)

Name of related parties	Relationship with the Group
Li Win Enterprise Co., Ltd.	Related party in substance
QINGJING HAIJING CO., LTD.	Related party in substance (Note 1)
Ability Energy Technology Co., Ltd.	Related party in substance
Shun Yu Investment Co., Ltd.	The chairman of the company is the second immediate family of the chairman of the Company
San Cube Agriculture Co., Ltd.	Related party in substance
Diyuan Farm Co., Ltd.	Related party in substance
Shinfox Agriculture Co., Ltd.	Related party in substance
YAGEO Development Co., Ltd.	Related party in substance

Name of related parties	Relationship with the Group
Zengfang Nongshi Co., Ltd.	Related party in substance
YANG Jiang	Related party in substance
Yang Jun	Related party in substance
Star Energy Corporation	Related party in substance
Sheng-Er Energy Co., Ltd.	Related party in substance
DASHAN ENERGY TECHNOLOGY CO., LTD.	Related party in substance
De Ba Energy Corporation	Related party in substance
Ru Jiu Energy Co., Ltd.	Related party in substance
Chuan Shih Energy Co., Ltd.	Related party in substance

Note 1: After the resignation of directors in September 2022, they are no longer related parties of the Company.

Note 2: After the resignation of directors in December 2023, they are no longer related parties of the Company.

(2) Significant transactions with related parties

1. Sale of real estate

The Company’s contractual commitments and receipts in advance to related parties are as follows:

	Pre-sale of buildings and land Purchase and sales contract (tax included)		Revenue from sale of real estate		Liabilities	
	2023.12.31	2022.12.31	2023	2022	2023.12.31	2022.12.31
Shun Yu Investment Co., Ltd.	$ 130,153	130,153	130,153	-	-	39,600
Yang Jiang, Yang Jun	-	-	-	28,472	-	-
	$ 130,153	**130,153**	**130,153**	**28,472**	**-**	**39,600**

There were no significant differences in the transaction prices and collection terms between the Company and non-related parties of Other.

2. Purchases from related parties

(1) The amounts of purchases from related parties of Other and the outstanding balances were as follows:

Contract amount		Purchases (Current pricing)	
2023.12.31	2022.12.31	2023	2022

Name of related parties			Relationship with the Group		
Lituo Construction	$	2,498,442	1,832,152	449,421	163,406
Liyang Mechanical and Electrical		121,358	119,048	10,763	25,655
Li Gang Industrial		35,197	37,186	-	(202)
	$	**2,654,997**	**1,988,386**	**460,184**	**188,859**

The price of the construction contracted by the Company to related parties is based on the construction budget plus a reasonable Administrative expenses and profit, which is determined by mutual comparison and negotiation, and the payment is made in accordance with the terms of the contract.

(2) In December 2023, the Company purchased a land from Guo, Shuzhen to build a commercial office building for sale or lease at a total price of NT $561,390 thousand, which was recorded under Inventories as of December 31, 2023. The aforementioned acquisition price is based on the real estate appraisal report. Please refer to Note 13 (a) .5.

3. Receivables from related parties

The receivables from related parties were as follows:

Item	Type of related party	2023.12.31	2022.12.31
Notes receivable	Other Related party	$ 1,023	63
Accounts receivable	Other Related party	5	11
Other receivables	Tung Shan Lin	9,377	9,450
	Other Related party	150	63
		$ 10,555	**9,587**

4. Payables to related parties

The payables to related parties were as follows:

Item	Type of related party	2023.12.31	2022.12.31
Notes payable	Lituo Construction	$ 14,343	20,716
	Liyang Mechanical and Electrical	-	4,444
	Liyang Mechanical and Electrical	619	-
	Other Related party	805	-
Accounts payable	Liyang Mechanical and Electrical	18,007	11,612
	Shun Yu Investment	6,405	-
	Lituo Construction	68,728	-
	Other Related party	175	2,272
Other payables	Other Related party	100	92
		$ 109,182	**39,136**

5. Other Assets

(1) For the year ended December 31, 2022, the Company purchased Other related party,

Lealea Enterprise Co., Ltd., and leased Assets amounting to $6,917 thousand, which was recognized as investment property.

6. Endorsements and guarantees

As of December 31, 2023 and 2022, the amount of endorsements/guarantees provided by the Company for the subsidiary, Tung Shan Lin Financing, was NT $665,055 thousand and NT $900,000 thousand, respectively. In addition, Fee income recognized NT $8,931 thousand and NT $9,000 thousand (accounted for as Other income) for 2023 and 2022, respectively.

7. LEASE

(1) Lease:

The Company leased office buildings, parking spaces and hotels to affiliates and related parties of Other, and entered into a 1 ～6-year lease contract with reference to the rental rates in the neighboring areas. As of December 31, 2023 and 2022, Rent income' s deposits for leases were NT $19,465 thousand and NT $20,237 thousand, respectively, and as of December 31, 2023 and 2022, guarantee deposits received for leases were NT $2,952 thousand and NT $3,578 thousand, respectively.

(2) Lease:

The Company leased office buildings and parking spaces from Other and entered into a 1-5-year lease contract with reference to the rental rates of offices and parking spaces in the neighboring areas. For the years ended December 31, 2023 and 2022, the interest expenses recognized were NT $45 thousand and NT $126 thousand, respectively. As of December 31, 2023 and 2022, the balance of Liabilities was nil and NT $3,519 thousand, respectively.

8. Other

(1) For the year ended December 31, 2022, the Company commissioned Liqiang Industry and Other to sell buildings and land, and the sales commission paid at the rate of 1% ~ 3% as agreed in the agreement was $9,483 thousand and $935 thousand, respectively. As of December 31, 2022, the contract acquisition cost of Ching Yi Development, a related party of Other, was NT $9,523 thousand.

(2) Unrecognized contractual commitments of the Company as of December 31, 2023 and 2022 for the construction project of Construction in progress to Other related parties are detailed in Note 9 (1).

(3) For the years ended December 31, 2023 and 2022, the Company paid Other NT $891 thousand and NT $913 thousand, respectively, for setting maintenance of software leases (accounted for as Operating costs and Operating expenses).

(4) For the years ended December 31, 2023 and 2022, the Company paid NT $6,510 thousand and NT $6,921 thousand to Entertainment expense, management fees, miscellaneous fees and employee travel expenses, respectively, due to operational needs.

(5) For the years ended December 31, 2023 and 2022, Donation expense paid $5,000 thousand and $2,630 thousand, respectively, to Other

(3) Key management personnel transactions

Key management personnel compensation

	2023	2022
Short-term employee benefits	**$ 34,076**	**21,490**

8. PLEDGED Assets

The carrying amounts of Assets pledged by the Company were as follows:

Assets	Pledge guarantee subject	2023.12.31	2022.12.31
Inventories	Commercial paper and Bank loan	$ 13,595,232	14,406,451
Other current financial assets	Trust Account	469,720	208,694
Other non-current financial assets	Bonds payable	552,670	552,670
Investment property, net	Bank loan	1,044,931	1,071,319
		$ 15,662,553	**16,239,134**

9. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNIZED COMMITMENTS

Liabilities

(1) Significant unrecognized contractual commitments:

1. The Company's unrecognized contractual commitments are as follows:

		2023.12.31	2022.12.31
Contract signed			
Sale of premises and capacity	$	665,461	1,859,468
Purchase of Land held for construction site		151,740	370,318
Construction in progress Contract		1,745,504	1,988,386
Received or priced price			
Sale of premises and capacity	$	482,191	501,965
Purchase of Land held for construction site		108,708	190,661
Construction in progress Contract		377,944	827,252

2. The details of the joint construction contracts or joint investment and construction contracts signed by the Company on December 31, 2023 and 2022 are as follows:

Project name	Nature of joint construction	Joint construction deposit (Accounted for as Other current financial assets) 2023.12.31	2022.12.31
Rich Tien Mu	Co-built shared house	$ -	15,464
Zhongshan North Section 6	〃	11,000	11,000
Huanshan Project	〃	Note	111,020
Yongan Section, Yonghe District	〃	86,100	85,370
Xizhi Chongde Section	〃	430,000	430,000
Da Ye Road Project	〃	35,000	35,000
Section 1, Zhongcheng Road	〃	3,310	1,680
Wan Chai Zhen Commercial Area	〃	31,793	-
Fuyang Street Project	〃	17,932	-
		$ 615,135	**689,534**

Note: It is the deposit placed by the Company in the joint construction contract and joint investment and construction contract signed with Other's related party, Guo, Shuzhen, and subsequently terminated the joint construction

agreement in December 2023 to purchase the land for self-construction. The aforementioned deposit has been fully recovered.

(2) Contingencies Liabilities:

1. As of December 31, 2023 and 2022, the guaranteed notes submitted by the Company due to the needs of construction business were both NT $78,097 thousand.

2. Please refer to Note 13 for details of the Company’ s endorsements and guarantees as at December 31, 2023 and 2022.

3. In September 2022, the Company proposed litigation to the counterparty due to the delay in the progress of the transfer of No. 28 and No. 30 Dihua Street. The total contract price of the case was NT $11,437 thousand, and the price paid was NT $11,350 thousand, which was accounted for as Prepayment for land purchases. It is expected that the amount of compensation to be claimed is the amount of the paid price plus the liquidated damages totaling NT $17,069 thousand. After the assessment by the lawyer, the Company has held a considerable amount of guarantee, so the amount should not be impaired.

4. In 2022, the Company purchased the land in Shuiyuan Section of Xizhi District from natural person, Xie suring for the transfer of the building capacity of Chongde Section of Xizhi District of the Company. Since the land has been listed as a protected land by the New Taipei City Government, it is impossible to transfer the capacity. Therefore, on January 3, 2024, the Company filed a lawsuit with the Taipei District Court for the return of the paid land purchase price of NT $23,183 thousand, pending the court’ s hearing.

10. SIGNIFICANT DISASTER LOSS: None.

11. Significant subsequent events: None.

12. Other

(1) Employee benefits, Depreciations, depletion and Amortization expense functions are summarized as follows:

Function / Nature	2023			2022		
	Operating costs	Operating expenses	total	Operating costs	Operating expenses	total
Employee benefits expense						
Wages and salaries	13,906	35,194	49,100	13,309	37,139	50,448
Labor and health insurance	1,105	2,779	3,884	1,089	2,946	4,035
Pension expense	575	2,153	2,728	564	2,027	2,591
Director Remuneration	-	27,394	27,394	-	14,529	14,529
Other Employee benefits expense	353	2,604	2,957	315	1,816	2,131
Depreciation expense	28,331	5,621	33,952	29,373	5,952	35,325
Amortization expense	-	171	171	-	171	171

Additional information on the number of employees and employee benefit expenses of the Company in 2023 and 2022 is as follows:

	2023	2022
Number of employees	54	54
Number of directors who were not employees	7	7
Average employee benefits	$ 1,248	1,260
Average employee salary expenses	$ 1,045	1,073
Adjustment of average employee salary expenses	(2.61)%	

The Company’ s salary and remuneration policy (including directors, supervisors, managerial officers and employees) is as follows:

1. If the Company makes a profit in the year, it shall set aside not less than 0.5 percent as the remuneration for employees and not more than 3 percent as the remuneration for directors. However, if the Company still has accumulated losses, it shall reserve the amount to make up for the losses in advance, and then allocate the remuneration for employees and directors according to the proportion mentioned in the preceding paragraph.

2. The salary standards for new employees are based on the total of the position and experience of the employee with reference to the information of the employment market on a regular basis every year.

3. Annual bonuses and salary adjustments are based on the Company's overall operating performance and individual performance appraisal results as the basis for annual bonus distribution and salary adjustments.

13. Note disclosures

(1) Information on significant transactions

The following is the information on significant transactions required by Regulations Governing the Preparation of Financial Reports by Securities Issuers. for the Company in 2023:

1. Loans to others:

Unit: NT $thousands

No.	Loaning of funds company	Loans Target	Transactions Subject	Yes No PR Related party	Most Recent High Amount	Ending Balance Balance	Actual Outgoing amount	Interest rate Range	Funds Loans Nature	Business Future amount	With short-term financing Funding must be repaid Main reasons	Provision Allowance for bad debts Amount	Collateral Company Name	Lending to individual borrowers Limit	Loan of funds Total Limit
1	Ho Ching Enterprises Co., Ltd.	Forest Water Environmental Eng'g Co., Ltd.	Other receivables	Yes	300,000	300,000	-	2.4%	2	-	Working capital	-		756,514	1,513,027
1	Ho Ching Enterprises Co., Ltd.	Eminence Water Corporation	Other receivables	Yes	100,000	100,000	100,000	2.45%	2	-	Working capital	-		756,514	1,513,027
2	The Westin Yilan Resort	Lea Ching Enterprise Co., Ltd.	Other receivables	Yes	60,000	60,000	60,000	4%	2	-	Operating turnover	-		62,245	124,490

Note 1: In accordance with Ho Ching Enterprises Co., Ltd. "Procedures for Lending Funds to Other Parties":

(1) The total amount of loans to companies or firms with business transactions shall not

exceed 40 percent of the net value of the Company, and the amount of individual loans shall not exceed the amount of business transactions between the two parties in the most recent year.

Maximum loan amount to others: 3,782,568×40% = 1,513,027 thousand.

(2) The total amount of loans to companies or merchants that are in need of short-term financing shall not exceed 40 percent of the net value of the Company, and the individual loan amount shall not exceed 20 percent of the net value of the Company.

Maximum loan amount to others: $3,782,568 thousandx40% ~ $1,513,027 thousand

Individual limit on loans to others:x20% ~ NT $756,514 thousand.

Note 2: In accordance with The Westin Yilan Resort "Procedures for Lending Funds to Other Parties":

(1) For loans to companies or businesses that require short-term financing, the total amount shall not exceed 20 percent of the net value of the Company, and the amount of individual loans shall not exceed 10 percent of the net value of the Company.

Maximum limit on financing provided to others: $622,451 thousandx20%\ 124,490

Individual limit on loans to others: $622,451 thousandx10% ~ $62,245

Note 3: Nature of financing

(1) Business counterparty is 1.

(2) Necessary for short-term financing 2

Rich Development Construction Co., Ltd. Parent Company Only Financial Statement note (continued)

2. Guarantees and endorsements for other parties:

Unit: NT $thousands

Preparation No.	Endorsements and guarantees The Company Company name	Guaranteed Party	Relationship	Single enterprise	Endorsements and guarantees Balance		Actual Outgoing amount	Secured by properties Endorsement/Guarantee Amount of guarantee		Endorsements and guarantees Highest Limit	Parent company Endorsement/Guarantee Given on Behalf of Subsidiarie	Subsidiary Endorsement/Guarantee Given on Behalf of Parent	to Mainland China Regional endorsement and guarantee
0	The Company	Tung Shan Lin Developme	2	54,557,668	900,000	665,055	665,055	-	4.88%	81,836,502	Y	N None	N None
1	Forest Water Environmental Engineering Co., Ltd.	Grain Forest Green Energy Co., Ltd.	2	1,157,313	407,000	375,278	375,278	-	6.49%	2,893,284	Y	N None	N None
1	Forest Water Environmental Engineering Co., Ltd.	Eminence Water Corporation	2	1,157,313	100,000	100,000	-	-	1.73%	2,893,284	Y	N None	N None

Note 1: 0 represents the Company

Note 2: Relationship between the endorser/guarantor and the party being endorsed/guaranteed is classified into the following seven categories:

(1) Companies with business transactions.

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

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

(4) companies in which the company directly and indirectly holds more than 90 percent of the voting shares.

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

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

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

Note 3: The Company's Procedures for Endorsements and Guarantees stipulate the total amount of guarantees and the limit for endorsement of a single enterprise as follows:

The total amount of endorsements/guarantees made by the Company shall not exceed (excluding) six times the net value of the Company, and the amount of endorsements/guarantees made for a single enterprise shall not exceed four times the net value of the Company. Where the business relationship is

to engage in endorsements/guarantees, the maximum amount shall not exceed the aforementioned limit, and the total amount of transactions with the Company in the most recent year. Net worth shall be based on the financial statements audited or reviewed by the most recent CPAs.

Note 4: Regulations Governing the Making of Endorsements/Guarantees by Forest Water Environmental Engineering Co., Ltd. sets the total amount of guarantees and the limit for endorsement of a single enterprise as follows:

(1) The total amount of external guarantee shall not exceed 50 percent of the net value of Forest Water Environmental Engineering Co., Ltd.

(2) The endorsement/guarantee amount for a single enterprise shall not exceed 20 percent of the current net value of Forest Water Environmental Engineering Co., Ltd.

3. Marketable securities held (excluding investments in subsidiaries, associates and joint ventures Equity):

Unit: NT $thousands

Held company	Securities Type and Name	Marketable securities Relationship with the issuer	Account	Ending Balance				Remark
				Shares	Carrying Amount	Shareholding Ratio	Fair value	
The Company	Trade-related networks	-	Current financial assets at fair value through profit or loss	85,535	5,723	0.06 %	5,723	
The Company	Far EASTONE Telecommunications Co., Ltd.	-	Current financial assets at fair value through profit or loss	153,109	12,218	- %	12,218	
The Company	BE M & H	-	Current financial assets at fair value through profit or loss	60,192,000	15,845	0.99 %	15,845	
The Company	Beijing Sports and Entertainment Industry Group Limited	-	Current financial assets at fair value through profit or loss	1,972,500	837	0.14 %	837	
The Company	AgateJt Healthcare Fund L.P.-	-	Non-current financial assets at fair value through profit or loss	-	17,386	- %	17,386	
The Company	Lee Cheng Development Co., Ltd.	The chairman is a first-degree relative of the Company' s director	Non-current financial assets at fair value through other comprehensive income	200,000	749	7.69 %	749	

Rich Development Construction Co., Ltd. Parent Company Only Financial Statement note (continued)

Held company	Securities Type and Name	Marketable securities Relationship with the issuer	Account	Ending Balance				Remark
				Shares	Carrying Amount	Shareholding Ratio	Fair value	
The Company	Dahung Advanced Technology Co., Ltd.	-	Non-current financial assets at fair value through other comprehensive income	1,745,772	-	0.45 %	-	
The Company	Hongling Heavy Industries Co., Ltd.	-	Non-current financial assets at fair value through other comprehensive income	1,875,000	20,906	6.44 %	20,906	
The Company	Millenmin Ventures Inc.	-	Non-current financial assets at fair value through other comprehensive income	2,479,000	-	5.89 %	-	
The Company	Lee Ling Technology Co., Ltd.	-	Non-current financial assets at fair value through other comprehensive income	4,000,000	4,040	6.67 %	4,040	
The Company	Taiya Wind Energy Co., Ltd.	-	Non-current financial assets at fair value through other comprehensive income	2,382,000	85,347	1.68 %	85,347	
Li He Investment Co., Ltd.	Rich Development Construction Co., Ltd.	Parent company of the Company	Current financial assets at fair value through profit or loss	6,304,815	61,346	0.85 %	61,346	
Li He Investment Co., Ltd.	Li Peng Enterprise Co., Ltd.	The chairman of the company is the second immediate family of the chairman of the Company	Current financial assets at fair value through profit or loss	3,720,820	29,506	0.41 %	29,506	Note1
Li He Investment Co., Ltd.	Lealea Enterprise Co., Ltd.	The chairman of the company is the second immediate family of the chairman of the Company	Current financial assets at fair value through profit or loss	3,702,547	38,321	0.37 %	38,321	Note 2
Li He Investment Co., Ltd.	Lealea Technology Co., Ltd.	The chairman of the company is the second immediate family of the chairman of the Company	Non-current financial assets at fair value through other comprehensive income	3,875,148	148,263	7.20 %	148,263	
Li He Investment Co., Ltd.	Hwa Zhin Venture Capital Co., Ltd.	-	Non-current financial assets at fair value through other comprehensive income	5,435	-	1.09 %	-	
Li He Investment Co., Ltd.	Shin Kong Mitsukoshi Department Store Co., Ltd.	-	Non-current financial assets at fair value through other comprehensive income	274,079	12,388	0.02 %	12,388	
Li He Investment Co., Ltd.	Information Technology Total Services Co., Ltd.	-	Non-current financial assets at fair value through other comprehensive income	33,750	1,672	0.12 %	1,672	
Li He Investment Co., Ltd.	Wavin.com Inc.	-	Non-current financial assets at fair value through other comprehensive	6,250	-	0.12 %	-	

Rich Development Construction Co., Ltd. Parent Company Only Financial Statement note (continued)

Held company	Securities Type and Name	Marketable securities Relationship with the issuer	Account	Ending Balance				Remark
				Shares	Carrying Amount	Shareholding Ratio	Fair value	
			income					
Li He Investment Co., Ltd.	Lee Cheng Development Co., Ltd.	The chairman is a first-degree relative of the Company’ s director	Non-current financial assets at fair value through other comprehensive income	200,000	749	7.69 %	749	
Li He Investment Co., Ltd.	Asia Renewable Energy (Cayman) Ltd.	-	Non-current financial assets at fair value through other comprehensive income	1,257,500	17,203	1.23 %	17,203	
Li He Investment Co., Ltd.	Tianli Offshore Wind Power Technology Co., Ltd.	-	Non-current financial assets at fair value through other comprehensive income	562,977	27,777	0.80 %	27,777	
Hejing Enterprise Co., Ltd.	Leader Construction Co., Ltd.	The director of the company is a director of the company	Non-current financial assets at amortized cost	10,000,000	100,000	- %	100,000	
Hejing Enterprise Co., Ltd.	Lealea Enterprise Co., Ltd.	The chairman of the company is the second immediate family of the chairman of the Company	Current financial assets at fair value through profit or loss	166,400	1,723	0.02 %	1,723	
Hejing Enterprise Co., Ltd.	Tien Fang Energy Technology Co., Ltd.	-	Current financial assets at fair value through profit or loss	37,317	972	0.12 %	972	
Blossom Increase Limited	Asia Renewable Energy (Cayman) Ltd	-	Non-current financial assets at fair value through other comprehensive income	2,710,398	37,078	2.66 %	37,078	
Blossom Increase Limited	Tianli Offshore Wind Power Technology Co., Ltd.	-	Non-current financial assets at fair value through other comprehensive income	1,232,500	60,812	1.76 %	60,812	
Forest Water Environmental Engineering Co., Ltd.	Millenmin Ventures Inc.	-	Non-current financial assets at fair value through other comprehensive income	1,648,000	-	3.91 %	-	
Forest Water Environmental Engineering Co., Ltd.	Taiya Wind Energy Co., Ltd.	-	Non-current financial assets at fair value through other comprehensive income	1,693,000	60,660	1.19 %	60,660	

Rich Development Construction Co., Ltd. Parent Company Only Financial Statement note (continued)

Held company	Securities Type and Name	Marketable securities Relationship with the issuer	Account	Ending Balance				Remark
				Shares	Carrying Amount	Shareholding Ratio	Fair value	
Advantage Environmental Protection Co., Ltd.	Mega Diamond Money Market Funds	-	Current financial assets at fair value through profit or loss	3,947,689	50,923	- %	50,923	
Advantage Environmental Protection Co., Ltd.	Tien Fang Energy Technology Co., Ltd.	-	Current financial assets at fair value through profit or loss	489,000	12,738	1.52 %	12,738	
Tung Shan Lin Development Co., Ltd.	Funds	-	Current financial assets at fair value through profit or loss	3,334,156	50,861	- %	50,861	
Tung Shan Lin Development Co., Ltd.	Capital Money Market Funds	-	Current financial assets at fair value through profit or loss	4,292,113	71,193	- %	71,193	
Green Forest Development Co., Ltd.	Mega Diamond Money Market Funds	-	Current financial assets at fair value through profit or loss	7,022,141	90,582	- %	90,582	
Advantage Environmental Protection Co., Ltd.	Yung-Fu Co., Ltd.	-	Non-current financial assets at fair value through other comprehensive income	535,415	10,393	0.76 %	10,393	
Modern Rich Investment Limited	Tianli Offshore Wind Power Technology Co., Ltd.	-	Non-current financial assets at fair value through other comprehensive income	1,280,000	63,155	1.83 %	63,155	
Modern Rich Investment Limited	Asia Renewable Energy (Cayman) Ltd	-	Non-current financial assets at fair value through other comprehensive income	2,820,278	38,581	2.77 %	38,581	
LEALEA TRAVEL DEVELOPMENT CO., LTD.	Ten Sheng Yi Co., Ltd.-	-	Non-current financial assets at fair value through other comprehensive income	3,746,740	36,699	5.00 %	36,699	
LEALEA TRAVEL DEVELOPMENT CO., LTD.	Howsler Foods Co., Ltd.-	-	Non-current financial assets at fair value through other comprehensive income	257,153	-	15.00 %	-	

Note 1: 1,400,000 shares were pledged as collateral.

Note 2: 2,800,000 shares were pledged as collateral.

4. Marketable securities acquired or disposed of at costs or prices of at least NT $300,000,000 or 20 percent of the paid-in capital:

Unit: Thousand shares/NT $thousand

Buying and selling company	Securities Type and Company Name	Account Subject	Transactions Target	Relationship	Beginning Balance		Purchases		Sales					Ending Balance	
					Shares	Amount	Shares	Amount	Shares	Price	Carrying Cost	Disposals Profit or loss	Evaluation Profit or loss	Shares	Amount
Ho Ching Enterprises Co., Ltd.	Forest Water Environmental Eng'g Co., Ltd.	Investments accounted for using	Related parties	SUBSIDIARIES	94,875	3,486,500	10,345	300,005	-	-	-	-	-	105,220	3,869,505

Rich Development Construction Co., Ltd. Parent Company Only Financial Statement note (continued)

Held company	Securities Type and Name		Marketable securities Relationship with the issuer		Account		Ending Balance					Remark
							Shares		Carrying Amount	Shareholding Ratio	Fair value	
		equity method										

5. Acquisition of individual real estate at costs of at least NT $300,000,000 or 20 percent of the paid-in capital:

Unit: NT $thousands

Company acquiring real estate	Property Company Name	Facts Date of occurrence	Transactions Amount	Payment Payment condition	Transaction object	Relationship	If the counter-party is a related party, disclose the previous transfer information				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%	

8. Receivables from related parties amounting to at least NT $100,000,000 or 20 percent of the paid-in capital: None.

9. Financial instruments and derivative transactions: None.

(2) Information on investees:

Information on investees of the Company in 2023 is as follows:

Unit: thousand NTD/foreign currency

Investment company Company Name	Investee Company Company Name	Location Region	Main Item	Original investment amount		Ending balance			Investee Company Current profit and loss	Recognized during the period Investment profit and loss	Remark
				Ending balance	End of last year	Shares	Ratio	Carrying Amount			
The Company	Li He Investment Co., Ltd.	Taiwan	Investment in various production and financial businesses	454,536	454,536	45,447,854	100.00%	429,195	30,824	2,309	
The Company	Green Forest Development Co., Ltd.	Taiwan	Water treatment engineering, piping engineering, and waste (sewage) water treatment	672,000	672,000	93,601,551	30.00%	1,223,231	295,666	88,700	
The Company	Li Shan Lin Leisure Co., Ltd.	Taiwan	Construction and operation of an Airbus cable car	426,911	426,911	42,691,114	52.38%	139,591	(20,094)	(10,526)	
The Company	LEALEA HOTEL CO., LTD.	Taiwan	General hotel management	395,592	395,592	35,053,747	42.23%	224,009	(83,580)	(35,299)	
The Company	Yilan Lili Development Co., Ltd.	Taiwan	General hotel management	585,000	585,000	58,500,000	63.59%	207,448	(58,770)	(37,370)	
The Company	Hejing Enterprise Co., Ltd.	Taiwan	Waste cleaning, waste treatment, environmental inspection services Waste sewage treatment	1,657,619	1,657,619	68,511,940	68.44%	2,588,923	30,380	20,794	
The Company	LEALEA TRAVEL DEVELOPME	Taiwan	General hotel management	297,593	264,464	17,699,230	61.35%	189,320	(50,949)	(34,733)	

Rich Development Construction Co., Ltd. Parent Company Only Financial Statement note (continued)

	NT CO., LTD.										
The Company	Forest Water Environmental Engineering Co., Ltd.	Taiwan	Environmental protection construction	78,798	76,241	1,774,291	1.13%	65,251	39,751	536	
The Company	Lea Ching Enterprise Co., Ltd.	Taiwan	General hotel management	820,200	820,200	82,020,000	54.67%	694,858	(189,218)	(103,450)	
The Company	Grain Forest Green Energy Co., Ltd.	Taiwan	Waste disposal and renewable energy self-use power generation equipment business	136,500	136,500	13,650,000	30.00%	67,700	(13,167)	(3,950)	
The Company	Advantage Environmental Protection Co., Ltd.	Taiwan	Waste disposal and other businesses	274,568	274,568	2,957,240	43.49%	301,676	104,743	37,485	
The Company	Ya Ni Development Co., Ltd.	Taiwan	General hotel management	63,240	63,240	6,200,000	32.46%	64,834	3,615	1,173	Associates
The Company	龍 Long Energy Co., Ltd.	Taiwan	Self-usage power generation equipment utilizing renewable energy business	9,000	9,000	900,000	30.00%	2,823	(2,399)	(720)	Associates
The Company	Eminence Water Corporation	Taiwan	Water treatment engineering and reclaimed water treatment	10,000	-	1,000,000	10.00%	9,881	(1,195)	(119)	
Li He Investment Co., Ltd.	Blossom Increase Limited	Samoa	Overseas investment holding company	154,479	154,479	5,445,000	100.00%	97,959	(47)	(47)	
Li He Investment Co., Ltd.	Li Shan Lin Leisure Co., Ltd.	Taiwan	Construction and operation of an Airbus cable car	32,144	32,144	3,240,728	3.98%	10,597	(20,094)	(799)	
Li He Investment Co., Ltd.	LEALEA HOTEL CO., LTD.	Taiwan	General hotel management	33,000	33,000	3,300,000	3.98%	21,088	(83,580)	(3,323)	

Rich Development Construction Co., Ltd. Parent Company Only Financial Statement note (continued)

Investment company	Investee Company	Location	Main	Original investment amount		Ending balance			Investee Company	Recognized during the period	Remark
Company Name	Company Name	Region	Item	Ending balance	End of last year	Shares	Ratio	Carrying Amount	Current profit and loss	Investment profit and loss	
Li He Investment Co., Ltd.	Hejing Enterprise Co., Ltd.	Taiwan	Waste cleaning, waste treatment, environmental inspection services Waste sewage treatment	3,414	3,414	144,695	0.14%	5,468	30,380	44	
Li He Investment Co., Ltd.	LEALEA TRAVEL DEVELOPMENT CO., LTD.	Taiwan	General hotel management	-	48,547	-	- %	-	(50,949)	(1,217)	
Li He Investment Co., Ltd.	Forest Water Environmental Engineering Co., Ltd.	Taiwan	Environmental protection construction	-	4,371	-	- %	-	39,751	(6)	
Hejing Enterprise Co., Ltd.	Forest Water Environmental Engineering Co., Ltd.	Taiwan	Environmental protection construction	3,187,545	2,887,540	105,220,007	66.87%	3,869,505	39,751	25,801	
Hejing Enterprise Co., Ltd.	Richone Holdings Ltd.	Samoa	Financial investments	14,070	17,955	487,600	30.10%	16,224	2,349	707	Associates
LEALEA HOTEL CO., LTD.	Yilan Lili Development Co., Ltd.	Taiwan	General hotel management	335,000	335,000	33,500,000	36.41%	118,795	(58,770)	(21,400)	
LEALEA HOTEL CO., LTD.	Lea Ching Enterprise Co., Ltd.	Taiwan	General hotel management	580,000	580,000	58,000,000	38.66%	399,367	(189,218)	(73,154)	
Forest Water Environmental Engineering Co., Ltd.	Tung Shan Lin Development Co., Ltd.	R.O.C.	Water treatment engineering, piping engineering, and waste (sewage) water treatment	1,773,984	1,773,984	223,013,980	100.00%	3,092,412	177,641	177,641	
Forest Water Environmental Engineering Co., Ltd.	Green Forest Development Co., Ltd.	R.O.C.	Water treatment engineering, piping engineering, and waste (sewage) water treatment	1,797,842	1,797,842	218,403,619	70.00%	2,854,208	295,666	206,966	
Forest Water Environmental Engineering Co., Ltd.	Yuan Shan Lin Development Co., Ltd.	R.O.C.	Water treatment engineering, piping engineering, and waste (sewage) water treatment	200,000	190,000	20,000,000	100.00%	73,969	(39,178)	(39,178)	
Forest Water Environmental Engineering Co., Ltd.	Easy Development Co., Ltd.	R.O.C.	Waste disposal and other businesses	139,990	139,990	11,000,000	100.00%	5,611	(3,976)	(3,976)	
Forest Water Environmental Engineering Co., Ltd.	Heshan Forest Green Energy Co., Ltd.	R.O.C.	Renewable energy generation business	318,500	318,500	31,850,000	70.00%	157,968	(13,167)	(9,217)	
Forest Water Environmental Engineering Co., Ltd.	Oriental Forest Environmental Technology Co., Ltd.	R.O.C.	Environmental hygiene and pollution prevention	35,000	35,000	3,500,000	70.00%	12,893	(7,099)	(4,970)	
Forest Water Environmental Engineering Co., Ltd.	Advantage Environmental Protection Co., Ltd.	R.O.C.	Waste disposal and other businesses	318,248	318,248	3,427,710	50.41%	349,685	104,743	42,632	
Forest Water Environmental Engineering Co., Ltd.	Liling Environmental Protection Co., Ltd.	R.O.C.	Waste disposal and other businesses	500	500	50,000	100.00%	456	1	1	
Forest Water Environmental Engineering	Lealea Environmental Co., Ltd.	R.O.C.	Waste disposal and other businesses	215,549	206,049	5,092,000	95.00%	112,593	(26,279)	(30,008)	

Rich Development Construction Co., Ltd. Parent Company Only Financial Statement note (continued)

Investment company Company Name	Investee Company Company Name	Location Region	Main Item	Original investment amount		Ending balance			Investee Company Current profit and loss	Recognized during the period Investment profit and loss	Remark
				Ending balance	End of last year	Shares	Ratio	Carrying Amount			
Co., Ltd.											
Forest Water Environmental Engineering Co., Ltd.	Eminence Water Corporation	Taiwan	Water treatment engineering and reclaimed water treatment	70,000	-	7,000,000	70.00	69,164	(1,195)	(836)	
Forest Water Environmental Engineering Co., Ltd.	Modern Rich Investment Limited	Samoa	Investment in various production and financial businesses	258,795 (Note 1) (USD 5,610,000) (RMB 20,000,000)	260,443 (Note 1) (USD 5,610,000) (RMB 20,000,000)	8,568,730	100.00%	213,645	5,491	5,491	
Oriental Forest Environmental Technology Co., Ltd.	Bigwing Investment Limited	Samoa	Investment in various production and financial businesses	-	16,276 (Note 1) (USD 530,000)	-	- %	-	(325)	(325)	
Bigwing Investment Limited	Forest Water Environmental Eng'g Co., Ltd.	Samoa	Investment in various production and financial businesses	-	15,662 (Note 1) (USD 510,000)	-	- %	-	(277)	(277)	
Modern Rich Investment Limited	Faith Honest International Investment Limited	Samoa	Investment in various production and financial businesses	86,694 (Note 1) (USD 5,000) (RMB 20,000,000)	88,314 (Note 1) (USD 5,000) (RMB 20,000,000)	2,963,730	100.00%	111,363	5,533	5,533	
Faith Honest International Investment Limited	Loyal Sheen International Limited	British Virgin Islands	Investment in various production and financial businesses	86,540 (Note 1) (RMB 20,000,000)	88,160 (Note 1) (RMB 20,000,000)	40	40.00%	111,343	17,040	5,533	Associates
LEALEA TRAVEL DEVELOPMENT CO., LTD.	Lealea Eagle Travel Service Co., Ltd.	Taiwan	Travel service	6,600	6,600	660,000	100.00%	2,537	48	48	
LEALEA TRAVEL DEVELOPMENT CO., LTD.	Lealea Mingchih Resort Co., Ltd.	Taiwan	Hotel business management, etc.	40,800	40,800	4,080,000	51.00	10,288	(32,596)	(16,624)	

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

(3) Information on investments in mainland China

1. Information on reinvestments in Mainland China:

Unit: thousand NTD/thousand RMB/thousand USD

Investee in Mainland China	Main Business	Paid-in capital	Investments	Beginning Balance Cumulative remittance from Taiwan	Remittance or Investment amount recovered		From the end of the period Cumulative remittance from Taiwan	Investee Company	The Company Direct Indirect investment	Recognized during the period Investments	Ending Balance Carrying amount	Current period Repatriated
Company name	Item	Capital	Method	Cumulative investment amount	Remitted	Release	Cumulative investment amount	Current profit and loss	Ownership (%)	Profit or loss	Value	Investment income
Li Zan (Shanghai) Enterprise Management Consulting Co., Ltd.	Investment in various production and financial businesses	48,856 (USD 1,591)	(Note 1)	18,423 (USD 600)	-	3,884 (USD 120)	14,538 (USD 480)	2,447 (RMB 561)	30.10%	737 (RMB 169) (Note 4)	16,050 (RMB 3,710)	-
ENM Bei Kong Hao Yuan Water Company Limited	Water treatment engineering and waste (sewage) water treatment	101,685 (RMB 23,500)	(Note 1)	86,540 (RMB 20,000) (Note 2)	-	-	86,540 (RMB 20,000) (Note 2)	18,557 (RMB 4,249)	40.00%	7,423 (RMB (1,700)) (Note 5)	85,949 (RMB 19,863)	9,440 (RMB 2,180)
Beijing Shanlin Water Environment Technology Co., Ltd.	Soil rehabilitation engineering and related treatment	19,093 (RMB 4,459)	(Note 1)	13,875 (RMB 3,240) (Note 2)	-	2,615 (USD 85)	11,261 (RMB 2,630) (Note 2)	111 (RMB 25)	%	54 (RMB (12)) (Note 5)	- (RMB)	-
LEALEA SKY TRAVEL (XIAMEN) CO., LTD.	Travel business operations, etc.	- (CNY)	(Note 3)	390 (CNY 90)	-	146 (CNY 34)	243 (CNY 56)	(21) (CNY (5))	30.00%	9 (Note 5)	-	-

Note 1: The investment in Mainland China was made through an existing company in a third region.

Note 2: The above disclosure of NTD thousand is based on the actual investment amount in original currency amount multiplied by the exchange rate at the end of the period.

Note 3: Direct investment in mainland China, completed liquidation on August 18, 2023, and was approved by Ministry of Economic Affairs Investment Commission, MOEA to cancel the investment on October 18, 2023.

Note 4: The recognition of investment gains and losses is based on the financial statements of the investee company settled by itself and recognized based on the indirect shareholding ratio.

Note 5: The investment income (loss) recognized was based on the indirect shareholding ratio audited by the CPA of the parent company in Taiwan.

2. Limitation on investment in Mainland China:

Rich Development Construction Co., Ltd. Parent Company Only Financial Statement note (continued)

Company name	Accumulated outflow from Taiwan at the end of the period Amount of investment in Mainland China	Ministry of Economic Affairs Investment Commission, MOEA Investment Amount	According to Ministry of Economic Affairs Investment Commission, MOEA Upper Limit on Investment in Mainland China
Hejing Enterprise Co., Ltd.	14,726 (USD 480)	14,726 (USD 480)	2,269,541 (Note 6)
Forest Water Environmental Eng'g Co., Ltd.	86,540 (RMB 20,000)	86,540 (RMB 20,000)	3,471,940 (Note 7)

Note 6: Limit calculation: Net equity value of the subsidiary×60% = NTD3, NT $782,568 thousand ×60% = NTD2, NT $269,541 thousand.

Note 7: Limit calculation: Net equity value of the subsidiary×60% = NTD5, NT $786,567 thousand ×60% = NTD3, NT $471,940 thousand.

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

(4) Major shareholders:

Unit: Shares

Shares Name of Major Shareholders	Shares Held	Shareholding ratio
Lealea Enterprise Co., Ltd.	51,839,894	6.96%
Li Peng Enterprise Co., Ltd.	51,117,852	6.87%

14. SEGMENT INFORMATION

Please refer to the 2023 Consolidated Financial Report.