Stock Code: 5512

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

For the Years Ended December 31, 2024 and 2023

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REPRESENTATION LETTER

The entities that are required to be included in the combined financial statements of Rich Development Co., Ltd. as of and for the year ended December 31, 2024, under the Criteria Governing the Preparation of Affiliation Reports, Consolidated Business Reports and Consolidated Financial Statements of Affiliated Enterprises are the same as those included in the consolidated financial statements prepared in conformity with the International Financial Reporting Standard 10, "Consolidated Financial Statements". In addition, the information required to be disclosed in the combined financial statements is included in the consolidated financial statements. Consequently, Rich Development Co., Ltd. and Subsidiaries do not prepare a separate set of combined financial statements.

Very truly yours,

Company name: Rich Development Co., Ltd.

Chairman: Kuo, Chi-Kang

Date: March 14, 2025

Independent Auditors' Report

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

Opinions

We have audited the accompanying the Consolidated Financial Statements of Rich Development Co., Ltd. and its subsidiaries, which comprise the Consolidated balance sheets as of December 31, 2024 and 2023, and the Consolidated Statements of comprehensive income, changes in equity, cash flows for the years then ended, and Notes to Consolidated Financial Statements (including Summary of Significant Accounting Policies).

In our opinion, the accompanying Consolidated Financial Statements present fairly, in all material respects, the consolidated financial position of Rich Development Co., Ltd. as of December 31, 2024 and 2023, and its Consolidated financial performance and Consolidated cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), and Interpretations developed by the International Financial Reporting Interpretations Committee (IFRIC) or Standing Interpretations Committee Interpretations (SIC) endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

Basis for Opinion

We conducted our audits entrusted by the Group in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and the Standards on Auditing of the Republic of China. Our responsibility under those standards are further described in the Auditors' Responsibility for the Audit of Consolidated Financial Statements section of our report. We are independent from Rich Development Co., Ltd. in accordance with The Norm of Professional Ethics for Certified Public Accountant of the Republic of China, and we have fulfilled our other responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide as a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of Rich Development Co., Ltd. for the year ended December 31, 2024. These matters were addressed in the context of our audit of the consolidated financial statements as a whole and in forming our opinion thereon, and we do not provide a separate opinion on these matters. The key audit matters that, in our judgment, should be stated in the audit report are as follows:

1. Inventory evaluation

   For the accounting policies for inventory evaluation, please refer to Note 4(8) Inventories in the accompanying consolidated financial statements; for the assumptions and estimated uncertainties involved in inventory evaluation, please refer to Note 5(2); For inventory-related disclosures, please refer to Note 6(5) Inventories.

   Key audit matter is described as follows:

   Rich Group's inventory is an important asset for operations, and its amount accounts for approximately 35% of the total assets; inventory evaluation is computed in accordance with International Accounting Standards No. 2, and because the net realizable value of Rich Group's inventory is based on the management's future sales price and the estimation of construction costs, and is easily affected by the political and economic environment; if the net realized value is not properly assessed, it will cause false financial statements. Therefore, the inventory valuation test is one of the key audit matters that we consider in performing our audit of the consolidated financial statements of the Rich Group.

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

We obtained information on the net realizable value of Rich Group's inventories, and tested the aforementioned data on a sample basis to check with the consumable contracts, referring to the latest real estate price registration announced by the Ministry of the Interior or obtaining the concluded price of houses nearby and converting the average selling price into the net realizable value of the inventory of houses for sale; for the net realizable value of construction land, land and houses under construction, we obtained samples and checked the company's investment return analysis, comparing the investment return analysis data with market average, and when necessary obtained the external appraisal report to assess whether the net realized value of the inventory is fairly presented.

2. Assessment of asset impairment

For accounting policies related to asset impairment assessment, please refer to Note 4(15) of the consolidated financial statements; For the accounting estimates and assumption uncertainties of the impairment assessment of property, plant and equipment and intangible assets, please refer to Note 5(3); Please refer to Note 6(9) property, plant and equipment and Note 6(10) intangible assets of the consolidated financial statements for details.

Key audit matter is described as follows:

Rich Group's property, plant and equipment accounted for approximately 20% of its total assets as of December 31, 2024, and its main components are operating assets and concessions arising from public service contracts with government agencies. Due to the impact of industrial environment, the expected benefits of the original investment period were not as predicted, which led to the doubt whether the carrying amount of operating assets and licenses exceeded their recoverable amounts. Rich Group's management is required to estimate the recoverable amount of the aforementioned assets in accordance with IAS 36, Impairment of Assets. As the estimation of recoverable amount involves a high degree of uncertainty in management's subjective judgment, the carrying amount of property, plant and equipment and licenses may be overestimated. Therefore, we have included the assessment of impairment of the aforementioned assets in our audit as one of the key audit matters in our audit of the consolidated financial statements of the Rich Group's.

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

The audit procedures we performed for the above key audit matter included the following: Obtain the asset impairment module and its related assumptions from the management of the Rich Group, and consider whether all assets subject to impairment testing have been included in the assessment process, review the individual financial assumptions used by the management, the supporting documents for recoverable amounts and the external appraisal reports used, and verify the reasonableness of the management's assumptions and the correctness of the calculations based on the relevant information available. We also reviewed the appropriateness of the disclosures of asset impairment made by the Rich Group as states above.

3. Recognition of construction contract gains and losses and onerous contract losses

Please refer to Note 4(17) Revenue Recognition for the accounting policies related to the recognition of construction revenue; Please refer to Note 5(1) for the assumptions and estimated uncertainties involved in the recognition of revenue from construction contracts; Please refer to Note 6(22) for the disclosure of contract revenue.

Key audit matter is described as follows:

The main business of Rich Group includes construction contracts signed with customers, and a significant proportion of operating revenue comes from such construction contracts. Because the recognition of revenue from such construction contracts involves significant estimates and judgments, such as the total cost of the construction contract, the degree of completion, additional construction revenue related to cost consideration, and the recognition of loss onerous contracts, etc. The subjective judgment of the management may cause a number of changes in estimates, which in turn will affect the profit and loss and revenue recognized by the Rich Group in the

financial statements; therefore, the recognition of the construction contract gains and losses and loss of onerous contracts is considered as a key audit matters in performing our audit of the consolidated financial statements of the Rich Group.

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

The audit procedures we performed for the above key audit matter included the following: include the effectiveness test of internal control related to the timing and correctness of the recognition of construction contract revenue and costs; we examine major contracts on sample basis and interview with management to understand the specific terms and risks of each contract; test the evaluation documents and approval procedures performed by the management to estimate the total contract cost, percentage of contract completion, contract margins and onerous contracts; test the construction evaluation and pricing procedures, and check and adjust with the general ledger, evaluate whether the recognition of construction contract revenue and cost meets the requirements of relevant accounting standards. In addition, assess whether the management's recognition of onerous contract losses reflects the situation of expected contract loss.

Other Matters

We have also audited the individual financial statements of Rich Development Co., Ltd. as of and for the years ended December 31, 2024 and 2023 on which we have issued an unmodified opinion.

Responsibility of the Management and the Governing Body for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the Consolidated Financial Statements in accordance with the "Regulations Governing the Preparation of Financial Reports by Securities Issuers," and the International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) endorsed and issued into effect by the Financial Supervisory Commission of Republic of China, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or errors.

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

Those charged with governance (including members of the Audit Committee) are responsible for overseeing the Company's financial reporting process

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

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

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

1. Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

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

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements for the year ended December 31, 2024 and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

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

KPMG Taiwan

CPA：

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

March 14, 2025

Rich Development Co., Ltd. and Subsidiaries
CONSOLIDATED BALANCE SHEET
December 31, 2024 and 2023

Unit: NT$ Thousands

		December 31, 2024		December 31, 2023	
	Assets	**Amount**	**%**	**Amount**	**%**
	Current Assets：				
1100	Cash and cash equivalent (Note 6(1))	$ 3,716,903	9	2,617,536	6
1110	Financial assets at fair value through profit or loss- current (Notes 6(2) and 8)	232,058	1	381,442	1
1141	Contract Assets-current (Notes 6(22) and 9)	1,068,065	3	693,347	2
1150	Notes receivable, net (Notes 6 (4), (22) and 7)	14,549	-	3,214	-
1170	Accounts receivable, net (Notes 6 (4), (12), (22), 7, and 9)	1,251,842	3	1,610,236	4
1220	Current tax assets	15,298	-	17,094	-
130X	Inventory (Notes 6(5),7, 8, and 9)	14,410,095	35	14,128,050	35
1476	Other financial assets-current (Notes 6(3), (11), 7, 8 and 9)	2,698,838	7	2,140,588	5
1479	Other current assets-others (Notes 6(11) and 7)	418,986	1	392,090	1
1480	Incremental costs of obtaining a contract- current	97,093	-	26,074	-
1482	Cost of fulfilling a contract-current	1,457	-	3,378	-
		23,925,184	59	22,013,049	54
	Non-current assets:				
1510	Financial assets at fair value through profit or loss- non-current (Notes 6(2) and (16))	54,995	-	17,386	-
1517	Financial assets at fair value through other comprehensive income-non-current (Notes 6(3) and 7)	663,555	2	626,472	2
1535	Current financial assets at amortized cost-non-current (Notes 7 and 13)	100,000	-	100,000	-
1550	Investments accounted for using equity method (Notes 6(6) and 7)	568,686	1	195,224	-
1600	Property, plant and equipment (Notes 6(9),7 and 8)	6,395,688	15	6,606,041	17
1755	Right-of-use assets	131,983	-	196,743	-
1760	Investment property (Notes 6 (10) and 8)	640,726	2	651,206	2
1780	Intangible Assets (Notes 6(11) and 8)	2,082,961	5	2,250,248	6
1840	Deferred Tax Assets (Note 6(18))	124,910	-	135,291	-
1932	Long-term account receivables (Notes 6(12) and 8)	6,512,790	16	6,746,205	17
1980	Other financial assets-non-current(Notes 8 and 9)	60,770	-	729,486	2
1975	Net defined benefit assets – non-current	4,860	-	-	-
1990	Other non-current assets – others (Note 6(11))	66,060	-	13,000	-
		17,407,984	41	18,267,302	46
	Total assets	**$ 41,333,168**	**100**	**40,280,351**	**100**

Rich Development Co., Ltd. and Subsidiaries
CONSOLIDATED BALANCE SHEET(CONTINUED)
December 31, 2024 and 2023

Unit: NT$ Thousands

		December 31, 2024		December 31, 2023	
	Liabilities and equity	**Amount**	**%**	**Amount**	**%**
	Current Liabilities：				
2100	Short-term bank loans (Note 6(13))	$ 7,348,771	18	7,933,459	20
2110	Short-term notes and bills payable (Note 6(14))	1,869,031	5	1,841,815	5
2120	Financial liabilities at fair value through profit or loss - current (Notes 6(2) and (16))	-	-	4,590	-
2130	Contract liabilities-current (Note 6(22))	711,622	2	759,087	2
2150	Notes payable (Note 7)	138,090	-	280,452	1
2170	Account payable (Note 7)	1,257,136	3	1,181,564	3
2200	Other account payable (Notes 6 (9), (23), (25), and 7)	526,169	1	852,108	2
2230	Current tax liabilities (Note 6(18))	62,613	-	69,340	-
2250	Provisions-current	106,876	-	261,404	1
2280	Lease liabilities-current (Note 7)	21,841	-	85,849	-
2321	Corporate bond payable, current portion (Note 6(16))	1,999,050	5	866,052	2
2322	Long-term liabilities, current portion (Note 6(15))	995,508	2	724,869	2
2399	Other current liabilities-others	29,433	-	39,295	-
		15,066,140	36	14,899,884	38
	Non-current Liabilities：				
2530	Corporate bond payable (Note 6(16))	249,617	1	1,997,977	5
2540	Long-term bank loans (Note 6(15))	6,819,921	16	5,089,852	13
2550	Provisions-non-current	70,682	-	72,658	-
2570	Deferred tax liabilities (Note 6(18))	521,480	1	525,862	1
2580	Lease liabilities-non-current (Note 7)	95,778	-	107,348	-
2612	Long-term account payable	45,242	-	53,392	-
2640	Net defined benefit liability-non-current	-	-	25,681	-
2645	Refundable deposits (Note 7)	21,487	-	139,751	-
		7,824,207	18	8,012,521	19
	Total liabilities	22,890,347	54	22,912,405	57
	Equity attributable to owners of the parent (Notes 6(16) and (19))：				
3110	Common shares	7,663,125	19	7,439,927	18
3200	Capital surplus	742,136	2	683,303	2
3310	Legal reserve	1,338,094	3	1,315,448	3
3320	Special reserve	111,236	-	305,661	1
3350	Unappropriated retained earning	3,957,707	10	4,067,661	10
3400	Other equity	(28,380)	-	(74,388)	-
3500	Treasury stocks	(98,195)	-	(98,195)	-
	Total equity attributable to shareholders of the parent	13,685,723	34	13,639,417	34
36XX	**Non-controlling interests (Notes 6(8) and (19))**	4,757,098	12	3,728,529	9
	Total equity	18,442,821	46	17,367,946	43
	Total liabilities and equity	**$ 41,333,168**	**100**	**40,280,351**	**100**

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

Chairman: Kuo, Chi-Kang Manager: Ke, Hien-Jen Accounting Manager: Ke, Hien-Jen

Rich Development Co., Ltd. and Subsidiaries

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

For the Years Ended December 31, 2024 and 2023

Unit: $ Thousands

		2024		2023	
		Amount	%	Amount	%
4000	**OPERATING REVENUE (Notes 6 (22), 7 and 9(2))**	$ 5,951,685	100	7,705,541	100
5000	**OPERATING COSTS (Notes 6 (5), (11), (17) and 7)**	4,915,334	82	6,524,864	85
	GROSS PROFIT FROM OPERATION	1,036,351	18	1,180,677	15
	OPERATING EXPENSES (Notes 6(4), (11), (17), (20), (23), 7, and 9(2))：				
6100	Selling and marketing expenses	119,915	2	131,781	2
6200	General and administration expenses	466,555	8	439,609	6
6450	Expected credit losses	27	-	-	-
		586,497	10	571,390	8
	PROFIT FROM OPERATIONS	449,854	8	609,287	7
	NON-OPERATING INCOME AND EXPENSES (Note 6(24)):				
7100	Interest income (Note 6(12))	41,936	1	34,924	-
7010	Other income (Note 9(2))	25,567	-	22,360	-
7020	Other gains and losses (Notes 6(9), (11), (16), 7, and 9(2))	21,170	-	(370)	-
7050	Financial cost (Notes 6(16) and 7)	(337,286)	(6)	(337,907)	(4)
7370	Share of profit or loss of associates accounted for using equity method (Note 6(6))	9,586	-	3,435	-
		(239,027)	(5)	(277,558)	(4)
7900	**PROFIT BEFORE INCOME TAX**	210,827	3	331,729	3
7950	**LESS: INCOME TAX EXPENSES (Note 6 (18))**	142,648	2	172,689	2
	NET PROFIT FOR THE YEAR	68,179	1	159,040	1
8300	**OTHER COMPREHENSIVE INCOME (Notes 6(6) and (19)):**				
8310	**Items that will not be reclassified to profit or loss**				
8311	Remeasurement of defined benefit plans	4,373	-	147	-
8316	Unrealized gain (loss) on investments in equity instruments at fair value through other comprehensive income	29,839	1	194,968	3
8349	Less: Income tax related to items that will not be reclassified subsequently to profit or loss	-	-	-	-
	Total items that will not be reclassified to profit or loss	34,212	1	195,115	3
8360	**Items that may be reclassified subsequently to profit or loss**				
8361	Exchanges differences on translating the financial statements of foreign operation	-	-	352	-
8370	Share of the other comprehensive loss of subsidiaries and associates accounted for using equity method - Items that may be reclassified to profit or loss	3,876	-	(1,850)	-
8399	Less: Income tax related to items that may be reclassified subsequently to profit or loss	-	-	-	-
	Total of items that may be reclassified subsequently to profit	3,876	-	(1,498)	-
8300	**TOTAL OTHERCOMPREHENSIVE INCOME FOR THE YEAR**	38,088	1	193,617	3
8500	**TOTAL COMPREHENSIVE INCOME FOR THE YEAR**	**$ 106,267**	**2**	**352,657**	**4**
	Net profit (loss) for the year attributable to:				
8610	Owners of the parent	$ 128,232	2	240,599	2
8620	Non-controlling interests	(60,053)	(1)	(81,559)	(1)
		$ 68,179	**1**	**159,040**	**1**
	Total comprehensive income attributable to:				
8710	Owners of the parent	$ 178,734	3	413,548	5
8720	Non-controlling interests	(72,467)	(1)	(60,891)	(1)
		$ 106,267	**2**	**352,657**	**4**
	EARNINGS PER SHARE (Note 6(21))				
9750	**Basic EARNINGS PER SHARE ($)**	**$**	**0.17**		**0.32**
9850	**Diluted EARNINGS PER SHARE ($)**	**$**	**0.15**		**0.32**

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

Chairman: Kuo, Chi-Kang Manager: Ke, Hien-Jen Accounting Manager: Ke, Hien-Jen

Rich Development Co., Ltd. and Subsidiaries

CONSOLIDATED STATEMENTS CHANGES IN STOCKHOLDERS' EQUITY

For the Years Ended December 31, 2024 and 2023

Unit: $ Thousands

	Equity Attributable to Owners of the Parent										
			Retained Earnings			Other equity					
	Common Shares	Capital Surplus	Legal reserve	Special reserve	Unappropriated earnings	Exchanges differences on translating the financial statements of foreign operation	Unrealized Gain (loss) on fair value changes of financial assets at fair value through profit or loss	Treasury stocks	Total equity attributable to owners of the parent	Non-Controlling Interests	Total equity
BALANCE ON JANUARY 1, 2023	$ 7,439,927	666,777	1,309,440	176,084	3,976,793	(778)	(260,972)	(98,195)	13,209,076	3,692,672	16,901,748
Net profit (loss) for the year	-	-	-	-	240,599	-	-	-	240,599	(81,559)	159,040
Other comprehensive income for the year	-	-	-	-	147	(810)	173,612	-	172,949	20,668	193,617
Total comprehensive income for the year	-	-	-	-	240,746	(810)	173,612	-	413,548	(60,891)	352,657
Appropriation and distribution of Earnings:											
Appropriated as legal reserve	-	-	6,008	-	(6,008)	-	-	-	-	-	-
Appropriated as special reserve	-	-	-	129,577	(129,577)	-	-	-	-	-	-
Cash dividend on common shares	-	-	-	-	-	-	-	-	-	(3,404)	(3,404)
Changes in associates and joint ventures accounted for using equity method	-	(73)	-	-	-	-	-	-	(73)	-	(73)
Disposal of investments accounted for using equity method	-	-	-	-	-	(70)	-	-	(70)	(45)	(115)
Difference between consideration and carrying amount of subsidiaries acquired or disposed	-	(546)	-	-	-	7	330	-	(209)	-	(209)
Change in ownership interests in subsidiaries	-	17,145	-	-	-	-	-	-	17,145	80,797	97,942
Disposal of equity instruments measured at fair value through other comprehensive income	-	-	-	-	(14,293)	-	14,293	-	-	-	-
Increases or decreases in non-controlling interests	-	-	-	-	-	-	-	-	-	19,400	19,400
BALANCE ON DECEMBER 31, 2023	7,439,927	683,303	1,315,448	305,661	4,067,661	(1,651)	(72,737)	(98,195)	13,639,417	3,728,529	17,367,946
Net profit (loss) for the year	-	-	-	-	128,232	-	-	-	128,232	(60,053)	68,179
Other comprehensive income for the year	-	-	-	-	4,373	1,880	44,249	-	50,502	(12,414)	38,088
Total comprehensive income for the year	-	-	-	-	132,605	1,880	44,249	-	178,734	(72,467)	106,267
Appropriation and distribution of Earnings:											
Appropriated as legal reserve	-	-	22,646	-	(22,646)	-	-	-	-	-	-
Cash dividend on common shares	-	-	-	-	(178,558)	-	-	-	(178,558)	(14,458)	(193,016)
Stock dividend on common shares	223,198	-	-	-	(223,198)	-	-	-	-	-	-
Reversal of special reserve	-	-	-	(194,425)	194,425	-	-	-	-	-	-
Acquisition of subsidiaries	-	-	-	-	-	-	-	-	-	18,247	18,247
Change in ownership interests in subsidiaries	-	58,623	-	-	(12,703)	-	-	-	45,920	581,711	627,631
Share-based payment transactions	-	210	-	-	-	-	-	-	210	393	603
Disposal of equity instruments measured at fair value through other comprehensive income	-	-	-	-	121	-	(121)	-	-	-	-
Increases or decreases in non-controlling interests	-	-	-	-	-	-	-	-	-	515,143	515,143
BALANCE ON DECEMBER 31, 2024	**$ 7,663,125**	**742,136**	**1,338,094**	**111,236**	**3,957,707**	**229**	**(28,609)**	**(98,195)**	**13,685,723**	**4,757,098**	**18,442,821**

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

Chairman: Kuo, Chi-Kang Manager: Ke, Hien-Jen Accounting Manager: Ke, Hien-Jen

Rich Development Co., Ltd. and Subsidiaries
CONSOLIDATED STATEMENTS OF CASH FLOWS
December 31, 2024 and 2023

Unit: $ Thousands

	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES：		
Profit before income tax	$ 210,827	331,729
Adjustments for：		
Adjustments to reconcile profit (loss)		
Depreciation expense	329,591	310,026
Amortization expense	151,355	156,538
Expected credit loss	27	-
Net gain on financial assets or liabilities at fair value through. profit or loss	(42,008)	(16,793)
Interest expense	264,544	264,375
Interest income	(41,936)	(34,924)
Dividend income	(9,322)	(6,033)
Compensation cost of share-based payment	603	-
Share of profit of associates accounted for using equity method	(9,586)	(3,435)
Gain on disposal of property, plant and equipment	(818)	(326)
Loss (gain) on disposals of intangible assets	(11,942)	5
Gain on disposal of investment	-	(115)
Replacement expenses	6,920	8,803
Reversal of provisions	(149,860)	(60,211)
Impairment loss	23,441	17,736
Gain on reversal of lease termination and modification	(1,588)	(1,247)
Rental concessions	-	(3,898)
Total gains and losses	509,421	630,501
Changes in operating assets and liabilities：		
Decrease (increase) in financial assets at fair value through profit or loss, mandatorily measured at fair value	148,289	39,246
Contract assets-current	(415,889)	289,390
Notes receivable	(11,335)	1,807
Accounts receivable	373,438	(78,896)
Inventory	(94,136)	1,018,717
Other current assets	(20,747)	(615)
Other financial assets	567,438	(251,954)
Long-term account receivable	194,688	179,593
Incremental costs of obtaining contracts	(71,019)	13,642
Cost of fulfilling a contract	1,921	(1,072)
Net defined benefit assets	(4,860)	-
Total changes in operating assets	667,788	1,209,858
Changes in operating liabilities：		
Contract liabilities-current	(48,030)	19,001
Notes payable	(142,362)	(81,238)
Account payable	175,453	226,991
Other payables	70,254	(34,940)
Provisions	(14,568)	5,583
Other current liabilities	(1,271)	6,414
Net defined benefit liability	(21,308)	(129)
Long-term payable	(8,140)	(7,827)
Total changes in operating liabilities	10,028	133,855
Total Changes in operating assets and liabilities	677,816	1,343,713
Total adjustments	1,187,237	1,974,214
Cash inflow (outflow) generated from operations	1,398,064	2,305,943
Interest received	78,725	45,145
Dividends received	9,322	15,473
Interest paid	(442,935)	(423,094)
Income tax paid	(141,580)	(131,773)
Net cash generated from operating activities	901,596	1,811,694

Rich Development Co., Ltd. and Subsidiaries
CONSOLIDATED STATEMENTS OF CASH FLOWS (CONTINUED)
December 31, 2024 and 2023

Unit: NT$ Thousands

	2024	2023
CASH FLOWS FROM INVESTING ACTIVITIES：		
Acquisition of financial assets at fair value through other comprehensive income	(7,500)	(120,734)
Disposal of financial assets measured at fair value through other comprehensive income	44,319	106,331
Acquisition of investments accounted for using equity method	(360,000)	-
Acquisition of subsidiaries	19,410	-
Refund of payments for shares for capital reduction from investee companies accounted for using equity method	-	4,030
Acquisition of property, plant and equipment	(866,535)	(760,838)
Disposal of property, plant and equipment	335,502	868
Acquisition of intangible assets	(11,975)	(3,469)
Disposal of intangible assets	(1,414)	-
Acquisition of investment properties	(4)	(3)
Other financial assets	(501,990)	(89,213)
Other non-current financial assets	(9,446)	(13,000)
Net cash used in investing activities	(1,359,633)	(876,028)
CASH FLOWS FROM FINANCING ACTIVITIES：		
Decrease in short-term bank loans	(584,688)	(967,052)
Increase (decrease)in short-term notes and bills payable	27,216	(459,185)
Increase in long-term borrowings	4,720,000	2,197,718
Repayments of long-term borrowings	(2,719,292)	(1,250,955)
Guaranteed deposit received	(118,264)	164
Repayments of principal portion of lease liabilities	(89,695)	(96,848)
Cash dividend paid	(193,016)	(3,404)
Acquisition of shares of subsidiaries	-	(209)
Changes in non-controlling interests	515,143	19,400
Net cash generated from (used in) financing activities	1,557,404	(560,371)
Effect of exchange rate changes on cash and cash equivalents	-	2,127
Net increase in cash and cash equivalents	1,099,367	377,422
Cash and cash equivalents at beginning of period	2,617,536	2,240,114
Cash and cash equivalents at end of period	**$ 3,716,903**	**2,617,536**

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

Chairman: Kuo, Chi-Kang Manager: Ke, Hien-Jen Accounting Manager: Ke, Hien-Jen

Rich Development Co., Ltd. and Subsidiaries
Notes to Consolidated Financial Statements
2024 and 2023
Expressed in thousands of NTD (Except as otherwise noted)

I. Company History

Rich Development Co., Ltd. (hereinafter referred to as the "Company") was incorporated on July 30, 1992 with the approval of the Ministry of Economic Affairs. The registered address is 8th Floor, No. 99, Jilin Road, Taipei City. The main business items of the Company (hereinafter also referred to as the "Consolidated Company") and its subsidiaries include commissioning manufacturers to construct commercial buildings and lease and sale of residential buildings; construction of sewage treatment plants and operation of sewage treatment projects; planning and establishment of energy storage system and energy application integration services; operation of resort hotels and travel agency operations, etc. Please refer to Note 14 for details.

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

The accompanying consolidated financial statements were approved and authorized for issue by the board of directors on March 14, 2025.

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

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

The Group has applied the following newly revised International Financial Reporting Standards (IFRS) with effective date starting January 01, 2024 and did not have a significant effect on the consolidated financial statements.

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

b. The effect of the newly issued and revised standards and interpretations endorsed by the Financial Supervisory Commission (FSC) which have not yet applied

The Group assesses that the following newly revised IFRS that have issued into effect with effective date starting January 01, 2025 will not have a significant effect on the consolidated financial statements.

·Amendments to IAS 21 “Lack of Exchangeability”

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

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

New or amended standards	Major amendments	Effective date by IASB
IFRS 18 "Presentation and Disclosure in Financial Statements"	The new standard introduces three categories of income and expenses, two income statement subtotals and one single note on management performance measures. The three amendments, combined with enhanced guidance on how to disaggregate information, set the stage for better and more consistent information for users, and will affect all the entities. ・A more structured income statement: under current standards, companies use different formats to present their results, making it difficult for investors to compare financial performance across companies. The new standard promotes a more structured income statement, introducing a newly defined "operating profit" subtotal and a requirement for all income and expenses to be allocated between three new distinct categories based on a company's main business activities. ・financial performance across companies. The new standard promotes a more structured income statement, introducing a newly defined "operating profit" subtotal and a requirement for all income and expenses to be allocated between three new distinct categories based on a company's main business activities. ・Management performance measures (MPM): the new standard introduces a definition for management performance measures, and requires companies to explain in a single note to the financial statements why the measure provides useful information, how it is calculated and reconcile it to an amount determined under IFRS accounting standards. ・sure provides useful information, how it is calculated and reconcile it to an amount determined under IFRS accounting standards.	January 1, 2027

	• Greater disaggregation of information: the new standard includes enhanced guidance on how companies group information in the financial statements. This includes guidance on whether information is included in the primary financial statements or is further disaggregated in the notes.

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

The Group expects that other newly issued and revised standards but not yet endorsed will not have significant effect on the consolidated financial statements.

·Amendments to IFRS 10 and IAS 28 “Sale or Contribution of Assets between an Investor and its Associate or Joint Venture”

·Amendments to IFRS 17 “Insurance Contracts” and IFRS 17

·IFRS 19 “Subsidiaries without Public Accountability: ”

·Amendments to IFRS 9 and IFRS 7 “Amendments to the Classification and Measurement of Financial Instruments”

·Annual Improvements to IFRS Standards

·Amendments to IFRS 9 and IFRS 7 “Contracts Referencing Nature-dependent Electricity”

IV. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

1)Statement of Compliance

The accompanying consolidated financial statements have been prepared in conformity with the Regulations Governing the Preparation of Financial Reports by Securities Issuers Collectively, "Preparation Guidelines" and the IFRSs endorsed and issued by the FSC with the effective dates (collectively, "Taiwan-IFRS Accounting Standards").

2)Basis of Preparation

1. Measurement base

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

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

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

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

2. Functional currency and presentation currency

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

3)Basis of Consolidation

1.The basis for the consolidated financial statements

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company (its subsidiaries). The Company controls an investee when it is exposed to or has rights to variable compensation from its participation in the investee and has the ability to affect such compensation through its power over the investee, the Company controls the entity.

The financial statements of subsidiaries are included in the consolidated statement from the effective date of acquisition and up to the effective date of disposal. Any transactions, balances and unrealized gains and losses between the consolidated companies have been eliminated upon the preparation of the consolidated financial statements. Total comprehensive income of subsidiaries is attributable to the shareholders of the parent and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those used by the Company.

Changes in the Company's ownership interests in subsidiaries that do not result in the Company losing control over the subsidiaries are accounted for as equity transactions between shareholders of parent. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognized directly in equity and attributable to shareholders of the parent.

2. The subsidiaries in the consolidated financial statements
List of subsidiaries included in the consolidated financial statements:

Name of Investor	Name of Investee	Main Businesses and Products	Percentage of Ownership December 31, 2024	Percentage of Ownership December 31, 2023	Note
The Company	Lea Ho Investment Co., Ltd.	Investing various manufacturing or financial business operations	100.00	100.00	Investee company where the Company directly holds more than 50% of common shares
The Company	Green Forest Development Enterprise Co., Ltd.	Water treatment engineering, piping engineering, waste (sewage) water treatment and other businesses	30.00	30.00	Investee company where the Company comprehensively holds more than 50% of shares
The Company	Grain Forest Green Energy Co., Ltd.	Power Generation from Renewable Energy	30.00	30.00	Investee company where the Company comprehensively holds more than 50% of shares
The Company	Rich Forest Leisure Development Co., Ltd.	Construction and operation of aerial tramway	52.38	52.38	Investee company where the Company directly holds more than 50% of common shares
The Company	Lealea Hotel Co., Ltd.	General Hotel Management, etc.	42.23	42.23	The Company is the largest shareholder
The Company	Yilan Lealea Hotels & Resorts Co., Ltd.	General Hotel Management, etc.	63.59	63.59	Investee company where the Company directly holds more than 50% of common shares
The Company	Ho Ching Enterprises Co., Ltd.	Waste cleaning, waste treatment, environmental testing services, waste-water treatment	68.44	68.44	Investee company where the Company directly holds more than 50% of common shares
The Company	Forest Water Environmental Engineering Ltd.	Environmental Protection Engineering and Industrial waste- water treatment	1.01	1.13	Investee company where the Company comprehensively holds more than 50% of shares
The Company	Top Forest Water Co., Ltd.	Water treatment engineering and reclaimed water treatment, etc.	10.00	10.00	Investee company where the Company comprehensively holds more than 50% of shares
The Company	Lea Ching Co., Ltd.	General Hotel Management, etc.	51.26	54.67	Investee company where the Company directly holds more than 50% of common shares
The Company	Re-use Environmental Co., Ltd.	Waste Cleaning, etc.	43.49	43.49	Investee company where the Company comprehensively holds more than 50% of shares
The Company	Lealea Hotels & Resorts Co., Ltd.	General Hotel Management, etc.	36.21	61.35	The Company is the largest shareholder (Note 1)
Lea Ho Investment Co., Ltd.	BLOSSOM INCREASE LIMITED	Investing various manufacturing or financial	100.00	100.00	Investee company where the Company comprehensively

Name of Investor	Name of Investee	Main Businesses and Products	Percentage of Ownership December 31, 2024	Percentage of Ownership December 31, 2023	Note
		business operations			holds more than 50% of shares
Lea Ho Investment Co., Ltd.	Ho Ching Enterprises Co., Ltd.	Waste cleaning, waste treatment, environmental testing services, waste-water treatment	0.14	0.14	Investee company where the Company comprehensively holds more than 50% of shares
Lea Ho Investment Co., Ltd.	Rich Forest Leisure Development Co., Ltd.	Construction and operation of aerial tramway	3.98	3.98	Investee company where the Company comprehensively holds more than 50% of shares
Lea Ho Investment Co., Ltd.	Lealea Hotel Co., Ltd.	General Hotel Management, etc.	3.98	3.98	The Company is the largest shareholder
Lealea Hotel Co., Ltd.	Yilan Lealea Hotels & Resorts Co., Ltd.	General Hotel Management, etc.	36.41	36.41	Investee company where the Company comprehensively holds more than 50% of shares
Lealea Hotel Co., Ltd.	Lea Ching Co., Ltd.	General Hotel Management, etc.	36.25	38.66	Investee company where the Company comprehensively holds more than 50% of shares
Ho Ching Enterprises Co., Ltd.	Forest Water Environmental Engineering Ltd.	Environmental Protection Engineering and Industrial waste- water treatment	60.04	66.87	Investee company where the Company comprehensively holds more than 50% of shares
Forest Water Environmental Engineering Ltd.	Green Forest Development Enterprise Co., Ltd.	Water treatment engineering, piping engineering, waste (sewage) water treatment and other businesses	70.00	70.00	Investee company where the Company comprehensively holds more than 50% of shares
Forest Water Environmental Engineering Ltd.	Orient Forest Development Enterprise Co., Ltd.	Water treatment engineering, piping engineering, waste (sewage) water treatment and other businesses	100.00	100.00	Investee company where the Company comprehensively holds more than 50% of shares
Forest Water Environmental Engineering Ltd.	Perfection Forest Development Enterprise Co., Ltd.	Water treatment engineering, piping engineering, waste (sewage) water treatment and other businesses	100.00	100.00	Investee company where the Company comprehensively holds more than 50% of shares
Forest Water Environmental Engineering Ltd.	Top Forest Water Co., Ltd.	Water treatment engineering and reclaimed water treatment, etc.	70.00	70.00	Investee company where the Company comprehensively holds more than 50% of shares
Forest Water Environmental Engineering Ltd.	Easy Development Co., Ltd.	Waste Cleaning, etc.	100.00	100.00	Investee company where the Company comprehensively holds more than 50% of shares
Forest Water Environmental Engineering Ltd.	Grain Forest Green Energy Co., Ltd.	Renewable Energy Generation	70.00	70.00	Investee company where the Company comprehensively

Name of Investor	Name of Investee	Main Businesses and Products	Percentage of Ownership December 31, 2024	Percentage of Ownership December 31, 2023	Note
					holds more than 50% of shares
Forest Water Environmental Engineering Ltd.	Eastern Forest Environmental Technology Co., Ltd.	Environmental Hygiene and Pollution Prevention, etc.	70.00	70.00	Investee company where the Company comprehensively holds more than 50% of shares
Forest Water Environmental Engineering Ltd.	Re-use Environmental Co., Ltd.	Waste Cleaning, etc.	50.41	50.41	Investee company where the Company comprehensively holds more than 50% of shares
Forest Water Environmental Engineering Ltd.	LeaLea Hsing Environmental Co., Ltd.	Waste Cleaning, etc.	100.00	100.00	Investee company where the Company comprehensively holds more than 50% of shares
Forest Water Environmental Engineering Ltd.	Modern Rich Investment Limited	Investing various manufacturing or financial business operations	100.00	100.00	Investee company where the Company comprehensively holds more than 50% of shares
Forest Water Environmental Engineering Ltd.	LeaLea Environmental Enterprise Co., Ltd.	Waste Cleaning, etc.	95.00	95.00	Investee company where the Company comprehensively holds more than 50% of shares
Modern Rich Investment Limited	Faith Honest International Investment Limited	Investing various manufacturing or financial business operations	100.00	100.00	Investee company where the Company comprehensively holds more than 50% of shares
Lealea Hotels & Resorts Co., Ltd.	Lealea Eagle Travel Service Co., Ltd.	Travel agency, etc.	100.00	100.00	Investee company where the Company comprehensively holds more than 50% of shares (Note 3)
Lealea Hotels & Resorts Co., Ltd.	Lealea Mingchih Resort Co., Ltd.	General Hotel Management	75.50	51.00	Investee company where the Company comprehensively holds more than 50% of shares
Lealea Hotels & Resorts Co., Ltd.	Lea Ching Co., Ltd.	General Hotel Management, etc.	6.25	-	Investee company where the Company comprehensively holds more than 50% of shares
Lealea Hotels & Resorts Co., Ltd.	Mundus Smart Energy Co., Ltd.	Energy service	95.21	-	Investee company where the Company comprehensively holds more than 50% of shares (Note 2)

Note 1: The board of directors of the subsidiary has resolved to implement cash capital increase by private placement by issuing ordinary shares of 10,000 thousand shares and 5,000 thousand shares in July and August 2024, respectively. However, as the Company did not subscribe in accordance with the percentage of ownership, the percentage of ownership to the subsidiary has decreased to 36.21%.

Note 2: The subsidiary has been approved to establish on October 31, 2023. The Consolidate Company participated in the cash capital increase of Mundus Smart Energy Co., Ltd., and acquired total 95.21% of the shares. Please refer to Note 6(7).

Note 3: The Consolidate Company has resolved to approve on November 8, 2024 the termination of business of the subsidiary since November 10, 2024.

3.The subsidiaries that are not included in the consolidated financial statement: None

4)Foreign Currencies

1. Foreign Currencies transaction

Transactions in currencies other than the entity's functional currency (foreign currencies) are recognized at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period (collectively, the reporting date), monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items measured at fair value are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in foreign currencies are retranslated at the rates prevailing at that date.

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

(1) an investment in equity securities designated as at fair value through other comprehensive income;

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

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

2. Foreign operations

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on acquisition, are translated into functional currency using exchange rates prevailing at the end of each reporting period. The income and expenses of foreign operations are translated into the Company's functional currency at the average exchange rate. Exchange differences are recognized in other comprehensive income. Income and expense items are translated into functional currency at the average exchange rates for the period. Exchange differences arising, if any, are recognized in other comprehensive income.

When a foreign operation is disposed of such that the control, significant influence, or joint control is lost, the cumulative amount in the translation reserve related to that foreign operation is reclassified to profit or loss. When the Company disposed of partial investment in a subsidiary that includes a foreign operation, the cumulative amount in the translation differences is reclassified to non-controlling interests on a pro rata basis. When the Company disposed of partial investment in an associate or joint venture that includes a foreign operation, the cumulative amount in the translation differences 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 foreign operation are recognized in other comprehensive income.

5) Criteria for Classification of Current and Non-Current Assets and Liabilities

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

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

1. Assets that are expected to be realized during the Group's normal business cycle (for the master construction and project construction, it is normally longer than a year) or intended to be sold or consumed.
2. Assets that are held primarily for trading purposes;
3. Assets that are expected to be realized within 12 months after the reporting date; or
4. Assets that are cash and cash equivalents (as defined in IAS 7), unless the asset is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

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

1. Liabilities that are expected to be settled within the Group's regular business cycle (for the master construction and project construction, it is normally longer than a year);
2. Liabilities that are held primarily for trading purposes;
3. Liabilities that are due to be settled within 12 months after the reporting date; or
4. The Consolidate Company does not have the right at the end of the reporting period to defer the settlement of the liability for at least twelve months after the reporting period.

6) Cash and cash equivalents

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

7) Financial instruments

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

1. Financial assets

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

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

(1) Financial assets measured at amortized cost

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

·it is held within a business model whose objective is to hold financial assets to collect contractual cash flows; and

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

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

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

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

·it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and

·its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding

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

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

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

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

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

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

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

(4) Impairment of financial assets

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

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

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

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

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

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

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

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

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

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

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

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

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

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

·significant financial difficulty of the borrower or issuer;

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

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

·it is probable that the borrower will enter bankruptcy or other financial reorganization; or

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

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

The gross carrying amount of a financial asset is written off when the Group has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. For individual accounts, the Group's policy is to write off the total carrying amount when the financial assets are past due for more than 271 days, based on the past recovery experience of similar assets. For corporate accounts, the Group analyzes the timing and amount of eliminations on a case-by-case basis based on whether they are reasonably expected to be recoverable. The Group expects that there will be no significant reversal of the amount written off. However, financial assets that have been written off may still be enforced in order to comply with the Group's procedures for recovering overdue amounts. Based on experiences, overdue amounts will not be recovered from company accounts after 271 days.

(5) Derecognition of financial assets

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

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

2. Financial Liabilities and Equity Instruments

(1) Classification as debt or equity

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

(2) Equity transactions

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

(3) Treasury shares

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

(4) Financial liabilities

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

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

(5) Derecognition of financial liabilities

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

The difference between the carrying amount of the financial liability derecognized and the consideration paid and payable (including any non-cash assets transferred or liabilities assumed) is recognized in profit or loss.

(6) Offsetting financial assets and liabilities

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

(7) Financial guarantee contracts

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

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

8) Inventories

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

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

Inventory is measured by the lower of cost or NRV. Cost includes the acquisition, production or processing costs, and other costs incurred to get it where available for use and status and is calculated based on first-in-first-out. The cost of finished goods and work-in-progress inventory includes manufacturing expenses that are amortized in proportion to normal production capacity.

5. Energy storage business

Inventory is measured by the lower of cost or NRV. Cost includes the acquisition and other costs incurred to get it where available for use and status and is calculated based on weighted average method.

The NRV refers to the estimated selling price under normal operations after deducting the estimated costs that will be required to complete the project and the estimated costs required to complete the sale.

9) Service concession arrangements

1. Recognition and measurement

When the Group (operator) and the government agency (grantor) sign a public and private service concession agreement that meets the following conditions, it shall be treated in accordance with the IFRS No. 12 "Service Concession Arrangements":

(a) The grantor controls or regulates what kind of services, service objects and service prices the operator should provide with infrastructure;
(b) The grantor controls any significant remaining interest in the infrastructure at the end of the service agreement period through ownership, beneficiary rights or other means.

When the Group provides construction or upgrade services, the consideration received or receivable shall be recognized as financial assets or intangible assets at fair value. The Group, due to construction services, has the unconditional contractual right to receive cash or another financial asset from the grantor in accordance with the grantor's instructions, then it is recognized as a financial asset; the financial asset accounting policy is detailed in Note 4 (7) "Financial Instruments". The Group recognizes intangible assets within the scope of obtaining the right (license) to charge users of public services. The right to charge users of public services is not the right to unconditionally receive cash, because the amount that can be collected depends on the extent to which the public uses the service. The accounting policy for intangible assets (concession rights) is detailed in Note 4 (14) "Intangible Assets".

If the payment received by the Group to provide construction services is partially a financial asset, and partially an intangible asset, each component of its consideration must be treated separately. The two components of the consideration received or receivable shall be recognized at the fair value of the consideration received or receivable at the time of initial recognition.

2. Construction or upgrade service

   The Group accounts for revenue and costs related to construction or upgrade services in accordance with IFRS 15 as described in Note 4(17), "Recognition of Revenues".

3. Operation service

   The Group accounts for revenue and costs related to operating services in accordance with IFRS 15, as described in Note 4(17), "Recognition of Revenue".

10) Investment in associates

An associate is an entity over which the Group has significant influence, but not an entity controlled or jointly controlled.

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

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

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

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

11) Investment Property

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

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

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

12) Property, plant, and equipment

1. Recognition and measurement

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

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

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

2. Subsequent cost

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

3. Depreciation

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

Land is not depreciated.

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

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

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

4. Reclassification to investment real estate

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

13) Leases

The service concession agreement of the Group under IFRIC Interpretation No. 12, "Service Concession Agreement" does not apply to lease recognition, and for the rest, at inception of a contract, the Group 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. As a lessee

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

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

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

Lease payments that are measured as a lease liability comprise:

(1) fixed payments, including in-substance fixed payments;
(2) variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
(3) amounts expected to be paid under a residual value guarantee; and
(4) the exercise price or payment of a penalty upon a reasonably certain exercise of the option to purchase or the option to terminate the lease.

Lease liabilities are subsequently accrued for using the effective interest method and are remeasured when the following occurs:

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

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

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

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

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

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

The Group has elected to adopt practical expedients for all lease concessions that meet all of the following conditions, and does not evaluate whether they are lease modifications:

(1) Lease concessions that occurred as a direct result of the coronavirus pandemic;

(2) change in lease payments results in the revised consideration for the lease that is substantially the same as or less than the consideration for the lease prior to such change;

(3) Any reduction in lease payments only affects payments that were originally due before June 30, 2022; and

(4) There is no substantial change in other terms and conditions of the lease.

Under the practical expedient, when a lease concession results in a change in lease payments, the amount of changes is recognized in profit or loss in which the event or condition of the concession is triggered.

2. As a lessor

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

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

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

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

14) Intangible assets

1. Recognition and measurement

Goodwill arising on the acquisition of subsidiary is measured at cost, less accumulated impairment losses. Regarding investments using equity method, the book value of goodwill is included in the book value of the investment, and the impairment losses of such investments are not allocated to goodwill or any assets but are part of the book value of the investment using equity method.

Other intangible assets with finite useful lives acquired by the Group are measured at cost less accumulated amortization and accumulated impairment.

2.Concession

The Group recognizes intangible assets within the scope of obtaining the right (license) to charge users of public services. They are initially measured at cost and subsequently measured at cost less accumulated amortization and accumulated impairment loss.

3.Operating rights

Recognizable intangible assets arising on the acquisition of subsidiary is a legal right that arises from the permit for the waste disposal institute, owned by the Group. Please refer to Note 6(11) for the measurement of initial recognition.

4.Subsequent expenditure

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

5.Amortization

Except for goodwill and intangible assets which have indefinite useful lives, amortization is calculated on the basis of the cost of the assets less their estimated residual values, which is recognized in profit or loss on a straight-line basis over the estimated useful lives of the intangible assets from the time they reach a serviceable condition, and the useful lives of the concessions are from the date of acquisition of the subsidiary to the date of termination of the concessions.

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

(1) Other intangible assets (computer software) : 1~10 years

(2) Concession:5~32 years

(3) Operating rights:25 years

(4) Patent and trademark:10 years

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

15) Impairment of non-financial assets

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

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

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

If the recoverable amount of an asset or CGU is estimated to be less than its carrying amount, an impairment loss is recognized.

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

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

16) Provisions

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

1. Warranties

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

2. Onerous contract

When the Group expects that the unavoidable cost of fulfilling the obligations of a contract exceeds the expected economic benefits from the contract, it shall recognize the provision of the onerous contract. The provision is measured by the present value of the lower of the estimated cost of terminating the contract and the estimated net cost of continuing the contract, and all impairment losses of contract-related assets are recognized before the provision of the onerous contract is recognized.

3. Restoration cost

The recognition of the provision is due to the current obligation of the service concession agreement signed by the Group, which makes it likely that it will need to outflow economically effective resources in the future to pay off the obligation, and the amount of the obligation can be reliably estimated. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects the current market assessments of the time value of money and the risks specific to the liability. The amortization of the discounted value is recognized as interest expense.

17) Revenue recognition

1. Revenue from contracts with customers

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

(1) Land development and real estate sales

The Group develops and sells residential real estate, and often pre-sales real estate during or before construction. The Group recognizes revenue when the control of the real estate is transferred. Due to contractual restrictions, the real estate is not normally used for other purposes by the Group. However, after the legal ownership of the real estate is transferred to the customer, the Group will only have an enforceable right to the payment that has been completed so far. Therefore, the Group recognizes revenue when the legal ownership of the real is transferred or when the real estate is handed over to the customer.

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

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

(2) Significant financial components - advance receipts of premises

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

(3) Construction contract

The Group is engaged in the contracting business of public works and energy storage. Since the assets are controlled by the customer at the time of construction, the revenue is gradually recognized over time based on the proportion of the project cost incurred to date in the estimated total contract cost. The contract includes fixed consideration and variable consideration. The customer pays a fixed amount of money according to the agreed schedule. Certain changes in the consideration (such as subsidies for price adjustment) are estimated based on the expected value according to accumulated experience in the past. If the amount of recognized revenue has not been billed, it is recognized as a contract asset. When there is an unconditional right to the consideration the contract assets are transferred to accounts receivable.

If it is impossible to reasonably measure the percentage of completion of the performance obligations of the construction contract, the contract revenue is only recognized within the range of expected recoverable costs.

When the Group expects that the unavoidable cost of fulfilling the obligations of an engineering contract exceeds the expected economic benefits from the contract, it shall recognize the provision for the onerous contract.

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

The Group provides a standard warranty that conforms to the agreed specifications for the contracted project and has recognized a warranty provision for this obligation.

(4) Delegated operation contract

The Group provides the operation and maintenance of the sewage
treatment plant of the county and city government agency, and the revenue is calculated based on the quantity of completed services.

(5) Provide waste treatment services

The Group engages in the business of waste disposal and recognizes the related revenue in the period in which the financial reporting of the labor services is provided. Fixed-price contracts are recognized as revenue at the point when the actual labor services provided as of the reporting date satisfy the performance obligation.

(6) Sales of recycled pellets

The Group recognizes revenue when the control of recycled pellets is transferred. The transfer of control of the product means that the product has been delivered to the customer, the customer can fully determine the sales price of the product, and there are no unfulfilled obligations that will affect the customer's acceptance of the product. Delivery occurs when the product is shipped to a specific location, the risk of which has been transferred to the customer, and the customer has accepted the product under the sales contract, the terms of acceptance have lapsed, or the Group has objective evidence that all acceptance conditions have been met.

The Group recognizes accounts receivable when goods are delivered, as the Group has the right to unconditionally receive the consideration at that point in time.

(7) Revenue from electricity sales

The contractual obligations for electricity sales are satisfied over time, and revenue is recognized based on the actual number of units sold and the rate.

(8) Revenue from hotel services

The Group provides services related to food and beverage services, room accommodations, operations management and travel business. Revenue is measured based on the consideration to which the Group is expected to be entitled as a result of the transfer of services. The Group recognizes revenue when control of labor services is transferred to customers to satisfy performance obligations. A contract asset is recognized when payment for services rendered exceeds payment for services rendered; a contract liability is recognized when payment exceeds payment for services rendered.

The Group provides customers with customer loyalty programs. The points obtained by the customers for purchasing catering services and room accommodations will give the customers the right to purchase catering services, accommodations and goods at a discount from the Group in the future. The Group considers that these points provide important rights that customers would not be able to obtain if they did not purchase the service, so the commitment to provide points to customers is a performance obligation. The Group allocates the transaction price to the service and these points based on the relative stand-alone selling price. Based on past experience, the management estimates stand-alone selling price of each point based on the discount and the possibility of redemption when the points are redeemed and estimates the stand-alone price of each point; the stand-alone price of the service is estimated based on the consumer price of the service. The Group recognizes contract liabilities on the aforementioned basis when selling services, and transfers to revenue when these points are redeemed or lapsed.

(9) Sales and installments of energy storage equipment

The Group sells energy storage equipment, and recognizes revenue when the control of the products is transferred. The transfer of control of the product means that the product has been delivered to the customer, and there are no unfulfilled obligations that will affect the customer's acceptance of the product. Delivery occurs when the product is shipped to a specific location, the risk of obsolescence and loss has been transferred to the customer, and the customer has accepted the product under the sales contract, the terms of acceptance have lapsed, or the Group has objective evidence that all acceptance conditions have been met. The Group provides standardized warranty in accordance with the specifications in the agreements of the energy storage equipment sold.

(10) Installment revenue

The Group provides installment services for equipment. The customer simultaneously receives and consumes the benefits provided by the Group's performance as the Group performs. Relevant revenue is recognized when rendering services.

(11) Financing components

The Group expects the length of time between when the Group transfers the goods or services to the customers in accordance with the contracts, and when the customer pays for those goods or services will not exceed one year. Therefore, the Group does not adjust the transaction prices for the time value of money.

2. Contract costs

(1) Incremental costs of obtaining a contract

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

(2) Cost to fulfil a contract

If the cost incurred in fulfilling a contract with a customer is not within the scope of another Standard (IAS 2 "Inventories", IAS 16 "Property, Plant and Equipment" or IAS 38 "Intangible Assets"), the Group recognizes an asset from the cost incurred to fulfil a contract only if the cost relate directly to a contract or to an anticipated contract that the Group can specifically identify, the cost generate or enhance resources of the Group that will be used in satisfying (or in continuing to satisfy) performance obligations in the future, and the cost is expected to be recovered.

General and administrative costs, costs of wasted materials, labor or other resources used to perform the contract but not reflected in the contract price, costs associated with performance obligations that have been satisfied (or partially satisfied), and costs that cannot be distinguished as being related to performance obligations not satisfied or satisfied (or partially satisfied) are recognized as expenses as incurred.

18) Government grants

When the Group can receive the relevant government grants, the unconditional grant is recognized as operating cost deduction. For other asset-related grants, when the Group can be reasonably sure that it will comply with the conditions attached to the government grants and will receive the grants, it shall be recognized as deferred income at fair value and within the useful life of the asset. The deferred income is recognized as operating cost reduction or non-operating income on a systematic basis. The government grant to compensate the expenses or losses incurred by the Group are recognized in the profit and loss on a systematic basis consistent with related expenses at the same time.

19) Employee benefits

1. Defined contribution plans

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

2. Defined benefit plans

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

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

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

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

3. Short-term employee benefits

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

20) Share-based payment

The equity-settled share-based payment agreement is based on the fair value at the date at which the award is granted, and the expense is recognized over the vesting period of the award and increases the relative equity. The expense recognized is adjusted for the number of awards that are expected to qualify for the service condition and the non-market vesting condition; and the final amount recognized is measured based on the number of awards that qualify for the service condition and the non-market vesting condition at the grant date.

For share-based payment awards with non-vesting conditions, the grant-date fair value of the share-based payment is measured to reflect such conditions and there is no true-up for differences between expected and actual outcomes.

The amount of the fair value of the share appreciation rights payable to employees in cash settlements is recognized as an expense and an increase in the corresponding liability in the period in which the employees meet their unconditional entitlement to compensation. The liability is remeasured at the fair value of the share appreciation rights at each reporting date and settlement date, and any change is recognized in profit or loss.

21) Income tax

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

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

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

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

1. temporary differences on the initial recognition of assets and liabilities in a transaction that is not a business combination and at the time of the transaction (i) affects neither accounting nor taxable profits (losses) and (ii) does not give rise to equal taxable and deductible temporary differences;
2. temporary differences arising from investments in subsidiaries, associates and joint venture interests at which the Group is able to control the timing of the reversal of the temporary differences and where it is probable that the temporary differences will not reverse in the foreseeable future; and
3. taxable temporary differences arising on the initial recognition of goodwill.

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

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

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

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

The Group adopts the consolidated tax system to settle the accounting treatment of income tax returns, but the calculation of income tax is still based on the aforementioned principles.

22) Business combination

The Group accounts for each business combination by applying acquisition method. Goodwill is measured as the aggregate of the fair value of the consideration transferred at the acquisition date, and the amount of any non-controlling interest in the acquiree, less the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed (usually the fair value). If the balance is a negative amount, the Group shall reassess whether it has correctly identified all of the assets acquired and all of the liabilities assumed, before recognizing a gain on bargain purchase in profit or loss.

The group shall account for business-combination-related costs as expenses as incurred, except for the costs to issue debt or equity instruments.

For each business combination, the Group shall measure the components of non-controlling interests in the acquiree that are present ownership interests and entitle their holders to a proportionate share of the entity’s net assets in the event of liquidation at either acquisition-date fair value, or the present ownership instruments’ proportionate share in the recognized amount of the acquiree’s identifiable net assets. All the other components of non-controlling interests shall be measured at their acquisition-date fair values, or other measurement basis required by IFRS accounting standards endorsed by the FSC.

23) Earnings per share

The Group presents basic and diluted earnings per share attributable to equity holders of the Company's common stock. The calculation of the Group's basic earnings per share is based on the profit or loss attributable to equity holders of the Company's common stock divided by the weighted-average number of common shares outstanding during the period. Diluted earnings per share is calculated by adjusting the profit or loss attributable to equity holders of the Company's common stock and the weighted-average number of common shares outstanding, respectively, for the effects of all potentially dilutive common shares. The potential dilutive common shares of the Group include convertible bonds and stock options granted to employees.

24) Segments Information

An operating segment is a component of the Group that engages in operating activities that may earn revenues and incur expenses, including revenues and expenses related to transactions with other components of the Group. The operating results of all operating divisions are reviewed regularly by the Group's chief operating decision maker to make decisions about the allocation of resources to the division and to evaluate its performance. Each operating segment consists of standalone financial information.

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

When preparing the consolidated financial statements, the management has to make judgments, and estimates to future (including climate-related risks and opportunities), which may influence the adoption of accounting policies, and the reporting amount of assets, liabilities, incomes and expenses. There may be differences between actual results and estimates.

The management continues to review the accounting estimates and assumptions to be consistent with the Group's risk management and climate-related commitments. The management recognizes any changes in accounting estimates during the period and the impact of those changes in accounting estimates in the following period on a prospective basis.

Accounting policies involve significant judgments and have material impact on recognized amounts for consolidated financial statements, please refer to the following for details:

(1) Notes 6 (11) and (12), classification of account receivables and intangible assets under service concession agreements

In accordance with the service concession agreement, the Group judges whether the terms of the agreement meet the requirements of IFRS No. 12 to unconditionally receive cash or other financial assets from the grantor or in accordance with the grantor's instructions to distinguish the classification of receivables and intangible assets.

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

(1) Engineering contracts and onerous contracts

The main business of the Group derives from the signing of several closely related or interdependent construction contracts with customers for the provision of several designs, technologies and functions, or the final purpose or use, etc. The contract revenue is recognized over time with reference to the completion of the construction contract and the percentage of completion is measured based on the ratio of the contract costs incurred so far to the estimated total contract costs. The Group estimates the total contract cost by considering factors such as the nature of each project, estimated construction period, project, construction process, construction method, and estimated contract amount. Any changes in the above criteria for estimation may cause a significant adjustment of the estimated amount.

(2) Valuation of inventories

As inventories are measured at the lower of cost or net realizable value, the net realizable value of inventories that the Group evaluates at the end of the reporting date is based on the estimation of future selling price and the construction cost, and since it is vulnerable to political and economic environment, there may be significant changes in the net realizable value of inventories. Please refer to Note 6(5) for further description of the valuation of inventories.

(3) Impairment of property, plant and equipment and intangible assets

In the process of evaluating asset impairment, the Group is required to rely on subjective judgment and determine the individual cash flows, the useful lives of assets, and the expected future revenue and expenses related to the specific asset groups with the consideration of the nature of industry. Any change in these estimates based on changed economic conditions or business strategies could result in significant impairment charges or reversal in the future. Please refer to Notes 6(8) and (10) for a description of the key assumptions used in the recoverable amount.

【Valuation procedures】

The Group's accounting policies include measuring financial and non-financial assets and liabilities at fair value through profit or loss. The finance department is responsible for reviewing all the significant fair value measurements (including level 3 fair value, and directly reports to CFO. The finance department reviews and adjusts significant unobservable inputs on a regular basis. If the inputs used in fair value measurement is from external information of third parties (e.g. external professionals), the finance department will assess the evidence supporting the inputs provided by external professionals, to ensure the valuation and classification of fair value hierarchy meet the regulations of IFRS Accounting Standards.

When measuring the assets and liabilities, the Group shall maximize the use of market observable inputs. Inputs of valuation techniques used in fair value hierarchy are classified as follows :

- Level 1: quoted prices (unadjusted) in active markets for identifiable 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).
- Level 3: inputs for the assets or liability that are not based on observable market data (unobservable inputs).

【Policies of transfers between levels】

For any matters or conditions of transfers between levels of the fair value hierarchy, the Consolidate Company recognizes the transfers at the reporting date.

【Furthur information on the assumptions adopted in fair value measurement】

Please refer to Note 6(25) Financial Instruments for relevant information on assumptions adopted in fair value measurement.

VI. Explanation of significant accounts

1)Cash and cash equivalents

	December 31, 2024	December 31, 2023
Cash on hand	$ 12,401	12,736
Demand deposits	2,935,505	2,414,584
Checking accounts	173,494	120,196
Time deposits	195,020	70,020
Cash equivalents – bonds with repurchase agreement	400,483	-
Cash and cash equivalents in the consolidated statements of cash flows	**$ 3,716,903**	**2,617,536**

Please refer to note 6(25) for the exchange rate risk and sensitivity analysis of the financial assets and liabilities of the Group.

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

		December 31, 2024	December 31, 2023
Mandatorily measured at fair value through profit or loss:			
Non-derivative financial assets			
Shares of stocks of listed (cabinet) companies (current)	$	108,282	117,883
Beneficiary Certificate-open-end funds (current)		123,776	263,559
Privately offered funds (non-current)		18,564	17,386
Private stocks (non-current)		36,150	-
Derivative financial assets			
Redemptions rights and put options of convertible bonds (non-current)		281	-
Total		**$ 287,053**	**398,828**
Mandatorily measured at fair value through profit or loss:			
Financial liabilities			
Redemptions rights and put options of convertible bonds (current)		**$ -**	**4,590**

1.Please refer to Note 6(24) for the amount that the Group re-measured and recognized in the profit and loss at fair value.
2.The Group has disclosed credit risk and fair value information related to financial instruments in Note 6(25).
3.For the information regarding the financial assets of the Group that had been pledged as collateral, please refer to Note 8.

3)Financial assets at fair value through other comprehensive income

		December 31, 2024	December 31, 2023
Equity instruments measured at fair value through other comprehensive income or loss:			
Shares of stock of listed companies -Information Technology Total Services Co., Ltd.	$	1,519	1,672
Emerging Stock -Tien Li Offshore Wind Technology Co., Ltd.		88,120	151,744
Shares of stock of unlisted companies- Hon Lin Heavy Industries Co., Ltd.		22,350	20,906
- Li Ling Film Co., Ltd.		2,076	4,040
- Lealea Technology Co., Ltd.		234,541	148,263
- Shin Kong Mitsukoshi Department Store Co., Ltd.		12,040	12,388
- Yung Fu Co., Ltd.		10,906	10,393
- Asia Renewable Energy (Cayman) Ltd.		91,369	92,862
- Lealea Tourism Development Co., Ltd.		1,238	1,498
- Taiya Renewable Energy Co., Ltd.		155,991	146,007
-Tengsen 1 Co., Ltd.		43,405	36,699
Total		**$ 663,555**	**626,472**

1. Investments in equity instruments measured at fair value through other comprehensive income
   (1) The Group holds these investments in equity instruments as long-term strategic investments and are not held for trading purposes and therefore have been designated as measured at fair value through other comprehensive income.
   (2) Due to the change in the investment strategy in 2023, the Group sold the shares of Lian Da Wu Shi Gang Resort Co., Ltd. and Tianli Offshore Co., Ltd. at fair value through other comprehensive income. The fair value at the time of disposal was $150,650 thousand, and the accumulated gains on disposal were $5,392 thousand. Therefore, the accumulated gains on disposal were transferred from other equity interests to retained earnings. The balance payment of the disposal amounting to $44,319 thousand has been collected in February 2024. Besides, as a result of the merger of Far EasTone Telecommunications Co., Ltd. and Asia Pacific Telecom Co., Ltd., on December 15, 2023, shares of Asia Pacific Telecom Co., Ltd. have been converted into the shares of Far EasTone Telecommunications Co., Ltd. by the conversion ratio of 9.34%. The fair value at the time of conversion was $12,240 thousand, and the accumulated losses on disposal were $(19,685) thousand. Therefore, the accumulated gains on disposal were transferred from other equity interests to retained earnings. After the conversion, the shares of Far EasTone Telecommunications Co., Ltd. are recognized under financial assets at fair value through profit or loss.
   (3) The Group sold the shares of HOWSLER FOOD CO., LTD. at fair value through other comprehensive income on April 29, 2024. The fair value at the time of disposal was $257 thousand, and the accumulated gains on disposal were $257 thousand. Therefore, the accumulated gains on disposal were transferred from other equity interests to retained earnings.
2. For market risk information, please refer to Note 6(25).
3. The above financial assets of the Group had not been pledged as collateral.

4)Notes and accounts receivable

	December 31, 2024	December 31, 2023
Notes receivable from operating activities	$ 14,549	3,214
Accounts receivable-measured as amortized cost	1,251,895	1,610,262
Less: Loss allowance	(53)	(26)
	$ 1,266,391	**1,613,450**

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

(1) The expected credit loss analysis of the Group's notes and accounts receivable from government agencies was as follows:

	December 31, 2024		
AR aging	**Gross carrying amounts**	**Weighted-average loss rate**	**Loss allowance provision**
Not past due	**$ 823,904**	0.00%	**-**

	December 31, 2023		
AR aging	**Gross carrying amounts**	**Weighted-average loss rate**	**Loss allowance provision**
Not past due	**$ 1,072,481**	0.00%	**-**

(2) The expected credit loss analysis of the Group's notes and accounts receivable from the other customers was as follows:

	December 31, 2024		
AR aging	**Gross carrying amounts**	**Weighted-average loss rate**	**Loss allowance provision**
Not past due	$ 66,693	0.00%	-
Past due within 30 days	881	0.00%	-
Past due 31~360 days	107	25.49%	27
Past due over 361 days	26	100.00%	26
	$ 67,707		**53**

	December 31, 2023		
AR aging	**Gross carrying amounts**	**Weighted-average loss rate**	**Loss allowance provision**
Not past due	$ 92,562	0.00%	-
Past due within 30 days	363	0.00%	-
Past due 31~360 days	325	0.00%	-
Past due over 361 days	26	100.00%	26
	$ 93,276		**26**

(3) The Group's notes and accounts receivable that were under mediation or in dispute were as follows:

	December 31, 2024	**December 31, 2023**
Amount in dispute	$ 538,750	538,750
Less: expected loss (Note)	(163,917)	(91,031)
Total	**$ 374,833**	**447,719**

Note: The potential loss is evaluated based on the mediation or contract performance dispute of each project and is accounted for as a reduction of operating income based on the change in estimated contract price. Please refer to Note 9 for details.

2. The table of changes in loss allowance provision for notes and accounts receivable of the Group is as follows:

	2024	2023
Beginning balance	$ 26	26
Impairment recognized	27	-
Ending balance	**$ 53**	**26**

3. As of December 31, 2024 and 2023, notes and accounts receivable of the Group had not been pledged as collateral.

5)Inventories

	December 31, 2024	December 31, 2023
Promises for sale	$ 1,533,772	2,683,928
Land for construction	3,136,107	3,727,312
Buildings under construction	9,407,524	7,653,593
Prepayment for land	389,142	138,143
Merchandise inventory	18,476	-
Less: loss allowance for inventory market price decline	(74,926)	(74,926)
	$ 14,410,095	**14,128,050**

1.Operating costs are broken down as follows:

	2024	2023
Premises sales cost	$ 1,150,139	2,475,205
Lease and depreciation cost	37,122	37,432
Environmental engineering and wastewater treatment cost	2,635,172	3,060,294
Tourist hotel cost	1,058,946	960,684
Energy storage project and service costs	33,955	-
Inventories written-off to the NRV	-	(8,751)
	$ 4,915,334	**6,524,864**

2.As of December 31, 2024 and 2023, the inventories that are expected to realize beyond 12 months are $13,200,229 thousand and $12,767,310 thousand, respectively.

3.For the interest capitalization as of December 31, 2024 and 2023, please refer to Note 6 (x).

4.As of December 31, 2024 and 2023, the inventories of the Group that had been pledged as collateral, please refer to Note 8.

6)Investments accounted for using equity method

1. Associates

(1) Relevant information on significant associates is as follows:

Name of associate	Nature of relationship with the Group	Principal place of business/country of registry	Percentage of ownership interest and voting right December 31, 2024
KAI LAN ENERGY CO., LTD.	General investment business. Investing in energy storage plants through the company.	Taiwan	40%

Summarized financial information on KAI LAN ENERGY CO., LTD. is as follows:

	December 31, 2024
Current assets	$ 567
Non-current assets	897,889
Current liabilities	(208)
Non-current liabilities	-
Net assets	**$ 898,248**
Net assets attributable to owners of the invest company	**$ 359,299**

	July 4, 2024 ~ December 31, 2024
Operating revenue	**$ -**
Net loss	$ (800)
Other comprehensive income	-
Total comprehensive income	**$ (800)**
Total comprehensive income attributable to owners of the invest company	**$ (320)**
Beginning share of net assets of associates	$ -
Shares of net assets of associates acquired	359,619
Total comprehensive income attributable to the Group	(320)
Ending share of net assets of associates	359,299
Add: goodwill	381
Ending carrying amount of share of equity of associates	**$ 359,680**

The Group has resolved by the consent of board of directors on July 4, 2024 to invest in KAI LAN ENERGY CO., LTD. (hereinafter referred to as "KAI LAN ENERGY "). The Group acquired 30,292 thousand shares of KAI LAN ENERGY from other related party, Kai Jie Energy Co., Ltd., and participated in 5,708 thousand shares of cash capital increase by $57,085 thousand. The Group holds total 40% of KAI LAN ENERGY's shares, and acquired significant influence over KAI LAN ENERGY. Relevant legal registration procedures have been completed on July 30, 2024.

(2) Summarized financial information on the individually insignificant associates accounted for using equity method is as follows. The financial information is included in the consolidated financial statements:

	December 31, 2024	December 31, 2023
Summarized total ending carrying amount of equity of individually insignificant associates	**$ 209,006**	**195,224**

	2024	2023
Shares attributable to the Group		
Profit from continuing operations	$ 9,906	3,435
Other comprehensive income	3,876	(1,850)
Total comprehensive income	**$ 13,782**	**1,585**

2. The dividends distributed from the associates for the years ended December 31, 2024 and2023 amounted to $0 thousand and $9,440 thousand, respectively.
3. The associate, HOWSLER FOOD CO., LTD., implemented cash capital increase on September 19, 2023. As the Group did not increase the investment in proportion to the percentage of ownership, the percentage of ownership has decreased to 15%. The Group lost significant influence over the company and ceased the use of equity method. Therefore, retained equity is measured at fair value and presented as financial assets at fair value through other comprehensive income.
4. Dissolution of Lealea TIANYING Tourism (Xiamen) Co., Ltd. has been resolved by all investors, and the registration for cancellation has been completed on August 18, 2023. The Group lost significant influence over the company and ceased the use of equity method. The Group has collected the residual property of $146 thousand in October 2023.
5. The associate, Richone Holdings Ltd., has resolved by the board of directors to implement capital reduction and refunded the payments for shares amounting to $3,884 thousand on October 17, 2023. The legal procedures have been completed, and the aforementioned

payments have been collected in full.

6. Guarantee

As of December 31, 2024 and 2023, the investment accounted for using equity method are not pledged as collaterals.

7)Acquisition of subsidiary

The Group participated in the cash capital increase of Mundus Smart Energy Co., Ltd. (hereinafter referred to as "Mundus Smart Energy") and acquired 51.15% of the shares. Mundus Smart Energy has been included in the consolidated entities since the date of the acquisition. Mundus Smart Energy was established in October 2023, is primarily engaged the planning and establishment of energy storage system and energy application integration services. The Group is able to develop the industrial and commercial business, and home-use energy storage market at current stage by participating in the cash capital increase of Mundus Smart Energy, and lays the foundation for early development and business chances, in response to the energy policies of our country.

Major types of consideration transferred, the assets acquired and liabilities assumed at the date of investment, and the amount of goodwill recognized are as follows:

1. Acquisition-date fair value of major type of consideration transferred is as follows:

Cash	**$ 20,000**

2. Identifiable assets acquired and liabilities assumed:

Details of carrying amounts of the identifiable assets acquired and liabilities assumed at the acquisition date are as follows:

Consideration transferred:	
Cash and cash equivalents	$ 39,410
Notes and accounts receivables	8
Prepayments and other current assets	2,549
Intangible assets	172
Guaranteed deposits paid	10
Contract liabilities - current	(565)
Notes and accounts payables	(109)
Other payables	(4,056)
Other current liabilities	(66)
Net fair value of identifiable assets and liabilities	**$ 37,353**

3. Goodwill

Goodwill recognized for the acquisition is as follows:

Consideration transferred	$	20,000
Less: fair value of identifiable assets		(19,106)
Goodwill	**$**	**894**

(1) The Group evaluates that aforementioned differences between the consideration transferred and fair value of identifiable assets are originated from the differences in time point of capital injection. Therefore, other gains and losses – losses on investments recognized by $894 thousand.

(2) As the Group participated in the cash capital increase of Mundus Smart Energy by $360,000 thousand in July 2024, the percentage of ownership has increased from 51.15% to 95.21%. And effects of changes in percentage of ownership attributable to owners' equity recognized by $(1,430) thousand.

8) Subsidiaries with significant non-controlling interests

The non-controlling interests of subsidiaries are significant to the Group as follows:

Name of subsidiaries	Main operation locations/ The country where the company registered	Proportions of ownership interests and voting rights of non-controlling interests	
		December 31, 2024	December 31, 2023
Ho Ching Enterprises Co., Ltd.	Taiwan	31.42%	31.42%
Lealea Hotel Co., Ltd.	Taiwan	53.79%	53.79%
Forest Water Environmental Engineering Ltd.	Taiwan	38.95%	32.00%
Lealea Hotels & Resorts Co., Ltd.	Taiwan	63.79%	38.65%

The summarized financial information of above subsidiaries, which was prepared in accordance with IFRS Accounting Standards endorsed by the FSC and reflects adjustments made by the Group for differences in accounting policies, and which represents amounts before elimination of inter-company transactions, is as follows:

1. The summarized financial information of Ho Ching Enterprises Co., Ltd.:

	December 31, 2024	December 31, 2023
Current assets	$ 8,559	127,927
Non-current assets	4,059,255	3,985,728
Current liability	(37,256)	(91,087)
Non-current liability	(204,000)	(240,000)
Net assets	**$ 3,826,558**	**3,782,568**
Ending carrying amount of non-controlling interests	**$ 1,201,997**	**1,188,178**

	2024	2023
Current net profit	$ 110,365	30,380
Other comprehensive income	(9,461)	31,727
Total comprehensive income	**$ 100,904**	**62,107**
Net profit attributable to non-controlling interests	**$ 34,668**	**9,542**
Total comprehensive income attributable to non-controlling interests	**$ 31,696**	**19,509**

Cash flows used in operating activities	$ 3,114	445
Cash flow from investment activities	100,000	(396,120)
Cash flows used in financing activities	(117,527)	330,000
Decrease in cash and cash equivalents	**$ (14,413)**	**(65,675)**
Dividends paid to non-controlling interests	**$ 8,647**	**-**

2. The summarized financial information of Lealea Hotels Co., Ltd.:

	December 31, 2024	December 31, 2023
Current assets	$ 25,988	81,532
Non-current assets	728,691	813,438
Current liability	(52,655)	(177,239)
Non-current liability	(64,942)	(3,282)
Net assets	**$ 637,082**	**714,449**
Unrealized internal transaction gains	**$ 184,042**	**184,042**
Ending carrying amount of non-controlling interests	**$ 243,693**	**285,309**

	2024	2023
Operating revenue	**$ 79,942**	**83,588**
Current net loss	$ (83,840)	(83,588)
Other comprehensive income	-	-
Total comprehensive income	**$ (83,840)**	**(83,588)**
Net loss attributable to non-controlling interests	**$ (45,098)**	**(44,958)**
Total comprehensive income attributable to non-controlling interests	**$ (45,098)**	**(44,958)**
Unrealized gains attributable to non-controlling interests	**$ (98,998)**	**(98,998)**

Cash flows used in operating activities	$ 8,867	15,186
Cash flow from investment activities	58,704	(67,803)
Cash flows used in financing activities	(62,394)	47,256
Increase (decrease) in cash and cash equivalents	**$ 5,177**	**(5,361)**

3. The summarized financial information of Forest Water Environmental Engineering Co., Ltd.:

	December 31, 2024	December 31, 2023
Current assets	$ 5,947,539	5,250,033
Non-current assets	9,731,108	10,185,882
Current liability	(3,887,336)	(5,601,236)
Non-current liability	(3,958,387)	(2,376,144)
Non-controlling interests	(1,270,977)	(1,671,968)
Net assets	**$ 6,561,947**	**5,786,567**
Ending carrying amount of non-controlling interests	**$ 2,555,569**	**1,851,812**

	2024	2023
Operating revenue	**$ 3,386,878**	**3,679,679**
Current net profit	$ 310,445	162,409
Other comprehensive income	(19,182)	48,788
Total comprehensive income	**$ 291,263**	**211,197**
Net profit attributable to non-controlling interests	**$ 55,433**	**13,421**
Total comprehensive income attributable to non-controlling interests	**$ 46,246**	**30,425**

	2024	2023
Cash flows from operating activities	$ 887,870	566,681
Cash flow used in investment activities	(682)	(70,310)
Cash flows from financing activities	73,206	(68,807)
Effect of exchange rate changes on cash and cash equivalents	-	352
Increase in cash and cash equivalents	**$ 960,394**	**427,916**

4. The summarized financial information of Lealea Hotels & Resorts Co., Ltd.:

	December 31, 2024	December 31, 2023
Current assets	$ 294,442	150,855
Non-current assets	1,178,806	866,255
Current liability	(512,461)	(404,610)
Non-current liability	(89,468)	(294,021)
Non-controlling interests	(24,815)	(9,884)
Net assets	**$ 846,504**	**308,595**
Ending carrying amount of non-controlling interests	**$ 564,762**	**129,162**

	2024	2023
Operating revenue	**$ 421,473**	**476,868**
Current net loss	$ (131,228)	(74,841)
Other comprehensive income	(537)	(16,253)
Total comprehensive income	**$ (131,765)**	**(91,094)**
Net loss attributable to non-controlling interests	**$ (91,029)**	**(38,726)**
Total comprehensive income attributable to non-controlling interests	**$ (91,315)**	**(445,007)**

Cash flows used in operating activities	$ (407)	74,894
Cash flow used in investment activities	(461,138)	(38,967)
Cash flows from financing activities	570,569	(10,559)
Increase in cash and cash equivalents	**$ 109,024**	**25,368**

9)Property, plant, and equipment

The movements about cost, depreciation, and impairment of the property, plant and equipment of the Group as of December 31, 2024 and 2023, were as follows:

	Land	Buildings and construction	Transportation equipment	Other equipment	Construction in progress	Total
Cost or deemed cost:						
Balance on January 1, 2024	$ 2,357,455	4,891,517	52,517	481,893	307,912	8,091,294
Other additions	337,508	81,587	8,585	25,352	82,547	535,579
Disposals and scraps	(326,058)	(36,879)	(12,795)	(84,172)	-	(459,904)
Transfers in (out)	6,240	45,563	-	90,500	(118,657)	23,646
Reclassification	-	(173,705)	-	113,156	(113,156)	(173,705)
Balance on December 31, 2024	**$ 2,375,145**	**4,808,083**	**48,307**	**626,729**	**158,646**	**8,016,910**
Balance on January 1, 2023	$ 2,357,455	2,539,256	52,810	398,267	1,831,017	7,178,805
Other additions	-	8,212	1,334	72,713	848,880	931,139
Disposals and scraps	-	(40)	(1,627)	(11,865)	-	(13,532)
Transfers in (out)	-	2,344,089	-	22,778	(2,371,985)	(5,118)
Balance on December 31, 2023	**$ 2,357,455**	**4,891,517**	**52,517**	**481,893**	**307,912**	**8,091,294**
Depreciation and impairment losses:						
Balance on January 1, 2024	$ -	1,126,657	43,012	315,584	-	1,485,253
Depreciation of the year	-	179,062	4,311	55,269	-	238,642
Impairment losses	-	22,547	-	-	-	22,547
Disposals and scraps	-	(36,869)	(11,590)	(76,761)	-	(125,220)
Balance on December 31, 2024	**$ -**	**1,291,397**	**35,733**	**294,092**	**-**	**1,621,222**
Balance on January 1, 2023	$ -	966,966	40,558	281,040	-	1,288,564
Depreciation of the year	-	159,719	4,080	42,790	-	206,589
Impairment losses	-	-	-	3,091	-	3,091
Disposals and scraps	-	(28)	(1,626)	(11,337)	-	(12,991)
Balance on December 31, 2023	**$ -**	**1,126,657**	**43,012**	**315,584**	**-**	**1,485,253**
Carrying amount:						
Balance on December 31, 2024	**$ 2,375,145**	**3,516,686**	**12,574**	**332,637**	**158,646**	**6,395,688**
Balance on January 1, 2023	**$ 2,357,455**	**1,572,290**	**12,252**	**117,227**	**1,831,017**	**5,890,241**
Balance on December 31, 2023	**$ 2,357,455**	**3,764,860**	**9,505**	**166,309**	**307,912**	**6,606,041**

1. As the subsidiary, Lealea Mingchih Resort Co., Ltd., incurred loss due to the impact of the economic environment for the year ended December 31, 2024, the Group implemented testing for impairment of property, plant and equipment, and estimated that the recoverable amount is lower than the carrying amount. Therefore, impairment losses of $22,547 thousand have been recognized under other gains and losses.
2. As of December 31, 2024 and 2023, the unpaid amounts of the construction and renovation projects for the Group arising from purchases of land and hotels operation were $122,475 thousand and $627,136 thousand, respectively, recognized as other payables. The aforementioned renovation projects amounting to $173,705 thousand have been reclassified to buildings and structures for decrease in contract for the year ended December 31, 2024.
3. The subsidiary has resolved by the board of directors on March 14, 2024 to approve the acquisition of the 11 numbers of land and buildings located on No. 1215, Jhuanzi Section, Ligang Township and No. 0084, Yonglong Section, Yenpu Township, etc. in Pingtung County, and originally rent by leasing. The contract of the sale and purchase has been completed. The total contract amounted to $300,000 thousand (tax included), which was determined by referring to appraisal report and negotiation. The aforementioned payment has been paid in full, and the ownership transfer registration procedures have been completed.
4. The subsidiary has resolved by the board of directors on March 14, 2024 to approve the sale of 9 numbers of land located on No. 1209, Jhuanzi Section, Ligang Township, Pingtung County, etc., which did not achieve the development benefits, and has signed the contract of the sale and purchase with a non-related party The total contract amounted to $326,058 thousand, which was determined by referring to appraisal report and negotiation. The aforementioned payment has been collected in full, and the ownership transfer registration procedures have been completed.
5. Impairment losses and subsequently reversals
   The subsidiary, Eastern Forest Environmental Technology Co., Ltd., was affected by the economic environment in 2023, whose operation was below expectation, and incurred loss. The evaluation of impairment of non-financial assets by the subsidiary is using the fair value of property, plant and equipment tested less the costs of disposal as the calculation basis for the recoverable amount. After evaluation, the recoverable amount is lower than the carrying amount. Therefore, impairment losses of $3,091 thousand have been recognized under other gains and losses.
6. Please refer to Note 6(24) for the capitalization of interests for the years ended December 31, 2024 and 2023.
7. Guarantee
   Please refer to Note 8 for the details of collaterals pledged for long-term borrowings and guarantees for credit lines as of December 31, 2024 and 2023.

10) Investment property

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

	Land and improvements	Buildings and construction	Construction in progress	Total
Cost and deemed cost:				
Balance on January 1, 2024	$ 489,111	331,210	4,316	824,637
Additions	-	-	4	4
Balance on December 31, 2024	**$ 489,111**	**331,210**	**4,320**	**824,641**
Balance on January 1, 2023	$ 489,111	331,210	4,313	824,634
Additions	-	-	3	3
Balance on December 31, 2023	**$ 489,111**	**331,210**	**4,316**	**824,637**
Depreciation and impairment loss:				
Balance on January 1, 2024	$ -	173,430	-	173,430
Depreciation for the year	-	10,485	-	10,485
Balance on December 31, 2024	**$ -**	**183,915**	**-**	**183,915**
Balance on January 1, 2023	$ -	162,708	-	162,708
Depreciation for the year	-	10,722	-	10,722
Balance on December 31, 2023	**$ -**	**173,430**	**-**	**173,430**
Carrying amounts:				
Balance on December 31, 2024	**$ 489,111**	**147,295**	**4,320**	**640,726**
Balance on January 1, 2023	**$ 489,111**	**168,502**	**4,313**	**661,926**
Balance on December 31, 2023	**$ 489,111**	**157,780**	**4,316**	**651,207**
Fair Value:				
Balance on December 31, 2024				**$ 1,117,306**
Balance on December 31, 2023				**$ 1,084,407**

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

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

2. As of December 31, 2024 and 2023, the investment property of the Group had been pledged as collateral, please refer to Note 8.

11) Intangible assets

As of December 31, 2024 and 2023, the cost, amortization and impairment losses of the Group's intangible assets were as follows:

	Concessions	Copyright and trademark	Computer software etc.	Goodwill	Other intangible assets	Total
Cost:						
Balance on January 1, 2024	$ 2,729,397	611,558	12,539	34,394	106	3,387,994
Acquisition (including acquisition in business combinations)	11,079	200	896	894	-	13,069
Transfers in	41,575	-	-	-	-	41,575
Disposals and derecognitions	(189,100)	-	(738)	-	-	(189,838)
Balance on December 31, 2024	**$ 2,592,951**	**611,758**	**12,697**	**35,288**	**106**	**3,252,800**
Balance on January 1, 2023	$ 2,688,406	609,486	11,934	34,394	106	3,344,326
Acquisition (including acquisition in business combinations)	2,114	-	1,355	-	-	3,469
Transfers in	38,918	2,072	-	-	-	40,990
Disposals and derecognitions	(41)	-	(750)	-	-	(791)
Balance on December 31, 2023	**$ 2,729,397**	**611,558**	**12,539**	**34,394**	**106**	**3,387,994**
Amortization and impairment losses:						
Balance on January 1, 2024	$ 918,135	182,660	10,252	26,668	31	1,137,746
Acquisition (including acquisition in business combinations)	-	28	-	-	-	28
Current amortization	121,904	27,930	1,510	-	11	151,355
Impairment losses	-	-	-	894	-	894
Disposals and derecognitions	(119,446)	-	(738)	-	-	(120,184)
Balance on December 31, 2024	**$ 920,593**	**210,618**	**11,024**	**27,562**	**42**	**1,169,839**
Balance on January 1, 2023	$ 802,180	154,896	9,510	26,668	20	993,274
Current amortization	127,272	27,763	1,492	-	11	156,538
Impairment losses	(11,281)	-	-	-	-	(11,281)
Disposals and derecognitions	(36)	-	(750)	-	-	(786)
Balance on December 31, 2023	**$ 918,135**	**182,659**	**10,252**	**26,668**	**31**	**1,137,745**
Carrying amount:						
Balance on December 31, 2024	**$ 1,672,358**	**401,140**	**1,673**	**7,726**	**64**	**2,082,961**
Balance on January 1, 2023	**$ 1,886,226**	**454,590**	**2,424**	**7,726**	**86**	**2,351,052**
Balance on December 31, 2023	**$ 1,811,262**	**428,899**	**2,287**	**7,726**	**75**	**2,250,249**

1. Amortization and impairment recognized

Amortization expense and impairment loss on intangible assets are presented separately in the consolidated statement of comprehensive income as follows:

	2024	2023
Operating cost	$ 124,900	129,981
Administrative expenses	26,455	26,557
Other gains and losses – impairment losses	894	(11,281)
Total	**$ 152,249**	**145,257**

2. As of 2024 and 2023, in accordance with the service concession agreement signed. with the government agency, the Group completed the phased construction and carried forward into the contract assets $41,575 thousand, $38,918 thousand.

3. Impairment test

The subsidiary, Grain Forest Green Energy Co., Ltd. was unable to achieve the expected benefits due to the impact of the raw material market and industrial environment on the promotion of the subsidiary project. Therefore, on September 7, 2021, the company sent a letter to the project owner, Environmental Protection Bureau of Taichung City Government, agreeing to terminate the subsidiary project agreement and on September 22, 2023, both parties coordinated the establishment to terminate the contractual relationship of the ancillary facilities of the gasification system, and made the following adjustments to the rights and obligations:

(1) Assets returned in advance

The subsidiary shall complete the return of the rice straw storage area 1, the rice straw storage area 2 and the gasification power generation room assets within 90 days after the establishment of the agreement , and the remaining rice straw gasification equipment invested by the subsidiary shall be disposed of by the subsidiary itself. The aforementioned assets have been returned on April 29, 2024.

(2) Limited self-raised sources

The subsidiary's compost kitchen waste cleanup is capped at 9,000 tons per year, of which 7,200 tons of the inventory cleanup derived from the self-raised source is handled by the Environmental Protection Bureau of the Taichung City Government, and the subsidiary is not required to pay any fees. The remaining 1,800 tons of the inventory cleanup derived from the self-raised source may be handled by itself or by the Environmental Protection Bureau of the Taichung City Government. The cost per ton is $500 if it is entrusted to the Environmental Protection Bureau of the Taichung City Government for processing.

4. Due to the establishment of the aforementioned agreement, the subsidiary, Grain Forest Green Energy Co., Ltd., assessed and reversed the impairment losses of $11,281 thousand recognized in prior years by fair value of the assets returned amounting to $70,860 in 2023. The fair value was estimated by external professionals designated by cost method. As the fair value measurement used significant unobservable inputs, it is classified as level 3.

The key assumptions used in estimating recoverable amounts are as follows. The values of these key assumptions represent management's evaluation of future trends in the relevant industries, taking into account historical information from internal and external sources:

	December 31, 2023
Physical depreciation	18%
Functional depreciation	4%
Economic depreciation	- %

Physical depreciation:	During the use of equipment, parts are damaged by friction, shock, vibration and other effects, resulting in wear and fatigue.
Functional depreciation:	Loss in value of assets due to intangible wear and tear.
Economic depreciation:	The economic depreciation of machinery and equipment is caused by external factors, including intensified market competition and reduced product demand, resulting in insufficient equipment construction, relatively excess production capacity and shortening the normal life of equipment.

5. The subsidiary, Grain Forest Green Energy Co., Ltd., returned the assets in exchange for the cleanup of self-raised source services in the future in 2024. Therefore, the fair value of the assets returned amounting to $70,860 thousand is recognized as prepayments for future cleanup services, and gains on disposals of intangible assets of $1,208 thousand is recognized by the fair value of assets returned. As of December 31, 2024, prepayments and prepayments – non-current were recognized by $3,600 thousand and $63,660 thousand, respectively. Besides, the subsidiary sold the aforementioned rice straw gasification equipment to a non-related party in 2024. The proceeds from the disposal amounted to $13,500 thousand (tax excluded), and gains on disposal recognized amounted to $10,734 thousand (after deducting equipment demolition costs of $2,764 thousand). As of December 31, 2024, the proceeds from the disposal of $12,150 thousand haven't been collected, which are recognized under other financial assets – current. Based on the agreement between both parties, $2,700 thousand will be paid on March 31, 2024, and the residual $9,450 thousand will be paid in 7 instalments in every two months from May 2025 to May 2026.
6. Guarantee
   Please refer to Note 8 for the details of collaterals pledged for long-term borrowings and guarantees for credit lines as of December 31, 2024 and 2023.

12) Long-term receivables

In accordance with the IFRS No. 12, the service concession arrangement between the Group and the government agency is concluded that the fair value of the consideration receivable for the construction or upgrade service provided should be recognized as a financial asset. According to the service concession arrangement, the Group is expected to collect the payment within the term of the agreement and select an appropriate discount rate to calculate the present value of the consideration receivable. As of December 31, 2024 and 2023, the receivables recognized by the Group due to the discounted value of the consideration receivable from the service concession arrangement on each reporting day were as follows:

	December 31, 2024	December 31, 2023
Long-term account receivable	**$ 6,741,030**	**6,959,382**
Current	$ 228,240	213,177
Non-current	6,512,790	6,746,205
Total	**$ 6,741,030**	**6,959,382**

1. On November 19, 2021, the Group entered into a settlement agreement with the Kaohsiung City Government regarding the Litigation on the resettlement fee dispute, and agreed to repay the principal amount of the construction cost of $371,136 thousand (tax included) and the deferred interest of $100,505 thousand (tax included) as of July, 2021 in four installments of the originally withheld resettlement fee of $1.28 per ton and the deferred interest. The following table sets forth the collection schedule in accordance with the settlement:

Year of payment	Settlement amount
December 31, 2023	117,910 thousand
December 31, 2024	117,910 thousand
December 31, 2025	117,910 thousand
December 31, 2026	117,911 thousand

As of December 31, 2024 and 2023, the delay interests recognized as accounts receivable and long-term receivables were $23,930 thousand, $23,930 thousand, and $23,663 thousand ,$47,327 thousand, respectively, based on the present value of the four-year annuity maturities, and interest income of $266 thousand and $354 thousand was recognized in the years ended December 31, 2024 and 2023, respectively.

2. Please refer to Note 8 for the details of collaterals pledged for long-term borrowings and guarantees for credit lines as of December 31, 2024 and 2023.

13) Short-term borrowings

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

	December 31, 2024	December 31, 2023
Unsecured bank loans	$ 822,000	1,052,500
Secured bank loans	6,526,771	6,880,959
Total	**$ 7,348,771**	**7,933,459**
Unused credit line	**$ 2,353,613**	**2,224,912**
Interest rate interval	**2.32%~3.50%**	**2.21%~3.65%**

Please refer to Note 8 for the assets pledged as collaterals for bank loans.

14) Short-term notes and bills payable

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

	December 31, 2024		
	Guarantee/Accepting Institution	Range of interest rates	Amount
Commercial paper payable	Mega Bills Finance Co., Ltd.	2.88% ~ 3.05%	$ 180,000
〃	Grand Bills Finance Corp.	2.45%	80,000
〃	Ta Ching Bills Finance Corp.	2.48%	100,000
〃	Taiwan Cooperative Bills Finance Corp.	2.40%	190,000
〃	China Bills Finance Corp.	2.49% ~ 2.95%	880,000
〃	Dah Chung Bills Finance Corp.	2.52%	50,000
〃	International Bills Finance Corpo.	2.13% ~ 2.69%	320,000
〃	Taiwan Finance Corp.	2.49%	70,000
Less: discount on short-term notes and bills payables			(969)
Total			**$ 1,869,031**

	December 31, 2023		
	Guarantee/Accepting Institution	Range of interest rates	Amount
Commercial paper payable	Mega Bills Finance Co., Ltd.	2.03% ~ 2.888%	$ 315,000
〃	Grand Bills Finance Corp.	2.08% ~ 2.668%	181,000
〃	Taiwan Cooperative Bills Finance Corp.	2.22% ~ 2.23%	216,000
〃	China Bills Finance Corp.	1.3% ~ 2.688%	710,000
〃	International Bills Finance Corp.	1.92% ~ 2.88%	420,000
Less: discount on short-term notes and bills payables			(185)
Total			**$ 1,841,815**

Please refer to Note 8 for the assets pledged as collaterals for the short-term notes and bills payables.

15) Long- term borrowings

The details, terms and conditions for the long-term borrowings of the Group were as follows:

	December 31, 2024			
	Currency	Interest rate interval (%)	Year of maturity	Amount
Unsecured bank loans	NTD	2.69%~2.98%	2025~2030	$ 1,565,000
Secured commercial paper	NTD	2.09%~2.19%	2031~2039	1,520,000
Secured bank loans	NTD	2.05%~3.50%	2025~2039	4,733,574
Arrangement fees for syndicated bank loans				(3,145)
Less: current portion				(995,508)
Total				**$ 6,819,921**
Unused credit line				**$ 6,228,588**

	December 31, 2023			
	Currency	Interest rate interval (%)	Year of maturity	Amount
Secured commercial paper	NTD	1.61%~171%	2025	$ 1,789,600
Secured bank loans	NTD	2.34%~3.59%	2024~2036	4,029,157
Arrangement fees for syndicated bank loans				(4,036)
Less: current portion				(724,869)
Total				**$ 5,089,852**
Unused credit line				**$ 335,111**

1. Collateral for bank loans

Please refer to Note 8 for details of the Group pledging assets as collateral for bank loans.

2. Significant loan contract agreements

(1) The subsidiary, Orient Forest Development Enterprise Co., Ltd., entered into a joint credit agreement with a syndicate of banks (eight banks, including Land Bank of Taiwan, etc.) for the construction and operation of the Luodong sewage sewer project in Yilan County, according to the agreement, the subsidiary should maintain a certain level of financial ratio at the end of each year:

(i)Debt-to-equity ratio (total debt/total equity): less than or equal to 200%.

(ii) Subsidiaries should maintain the principal interest coverage ratio at the end of each year [(net profit after tax + depreciation + interest expense)/(repayable principal of medium and long-term debt + interest expense)]: greater than or equal to 1.

(iii) From the date notified by the lead bank to the day before the improvement is reached, an interest rate of 0.25% is added to each credit balance plus an annual interest rate. If the aforementioned corrective action is not completed within the period, the total outstanding balance on the expiry date of the period for corrective action (i.e., December 31) shall be paid to the lead bank at a rate of 0.1%.

(2) The subsidiary, Grain Forest Green Energy Co., Ltd. , entered into a credit agreement with a lending bank for the construction and operation of a composting plant (Green Energy Ecological Park) in Waipu, Taichung City. According to the agreement, the subsidiary should maintain a certain level of financial ratio at the end of each year (reviewed since 2024 financial report):

(i) Current ratio (current assets/current liabilities): greater than or equal to 100%.

(ii) Debt-to-equity ratio (total debt/total equity): less than or equal to 230%.

(iii) The subsidiary should maintain the principal interest coverage ratio at the end of each year [(net profit after tax + depreciation + interest expense)/ (repayable principal of medium and long-term debt + interest expense)]: greater than or equal to 1.

(iv) From the date notified by the lead bank to the day before the improvement is reached, an interest rate of 0.15% is added to each credit balance plus an annual interest rate. If the aforementioned corrective action is not completed within the period, the total outstanding balance on the expiry date of the period for corrective action shall be paid to the lead bank at a rate of 0.1%.

(3) The subsidiary, Green Forest Development Enterprise Co., Ltd., entered into a credit facility agreement with the credit bank for operating turnover. According to the contract, the Company shall maintain a certain level of financial ratio at the end of each year:

(i) Cash flows from operating activities shall not be lower than $250,000 thousand.

(ii)EBITA of the current year/(principal + interest amortized in the year) shall not be lower than 1.2 times.

(iii) If one of the aforementioned conditions is not achieved, principal of $50,000 thousand shall be repaid in advance, and the principal repaid in advance is not included in the principal that shall be repaid in the year.

(4) The subsidiary, Top Forest Water Co., Ltd., Ltd., entered into a credit facility agreement with the syndicated credit bank club for the construction project of Nanzi Reclaimed Water Advanced Treatment Facility, and acquired a credit line amounting to $6,500,000 thousand. According to the contract, the subsidiary shall maintain a certain level of financial ratio, and is reviewed once per year:

(i) Debt ratio (Total debt ÷ net worth): From 2024 to 2030, the ratio shall not exceed 250%. Since 2031, the ratio shall not exceed 180%.

(ii) Principal and interest coverage ratio【(net profit before tax + interest expenses + depreciation + amortization + revenue from construction + differences paid)÷(principal of long-term debt due in the current year + interest expenditures)】: Since 2029, the ratio shall not be lower than 1.05.

(5)The subsidiary, Re-use Environmental Co., Ltd., entered into a credit facility agreement with the credit bank for operating turnover. According to the contract, the subsidiary shall maintain a certain level of financial ratio at the end of each year (reviewed from the financial statements for the year ended December 31, 2024):

(i) Current ratio (current assets / current liabilities): no lower than 150%.

(ii) Debt ratio (total debt / total equity): no higher than 150%.

(iii) Interest coverage ratio [(net profit after tax + depreciation + amortization + interest expenses)/(interest expenses)]: no lower than 10 times.

(iv) If the aforementioned financial ratios are not achieved, the interest rate of the balance not yet repaid will be raised by 0.15%. No improving the ratios within limited period will result in a breach of contract. Liquidated damages shall be paid by the amount of 0.1% of the total balance not yet repaid at the end of the improvement period.

(6) The subsidiary signed a credit agreement with Mega International Commercial Bank on December 7, 2016 in response to the investment in the construction and operation of the BOT project of the Yuanshan Park Hot Spring Club in Yilan County. According to the agreement, during the effective period of the loan agreement, the equity ratio verified by CPA at the end of each year shall not be less than 30%. If the ratio does not meet the requirement, the interest rate of the project will raise by 0.1%.

(7) In response to the funds required for the existing liabilities arising from the construction of the hotel project and operating turnover, the subsidiary entered into a syndicated credit contract for a 15-year period, amounting to $2.5 billion, with Mega International Commercial Bank, Mega Bills Finance Corp., and International Bills Finance Corp. on May 3, 2024. 2 pieces of land in the Shuishe Section of Nantou County and the completed buildings and auxiliary facilities are pledged as collateral. Please refer to Note 8 for the assets pledge as collaterals for bank loans by subsidiaries. The limitation on financial ratios of the syndicated bank loan applies in the whole years 3 years after the drawdown date in May 2024. The ratios will be reviewed once per year:

A. The interest coverage ratio shall not be lower than 1 time.

B. The tangible net worth shall not be lower than $1 billion.

16) Bonds payable

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

	December 31, 2024	December 31, 2023
Ordinary corporate bonds issued	$ 2,000,000	2,000,000
Convertible corporate bonds issued	1,000,000	1,000,000
Less: current portion	(1,999,050)	(866,052)
Less: unamortized discount on bonds payable	(7,133)	(35,971)
Less: accumulated converted amount	(744,200)	(100,000)
Balance bonds payable	**$ 249,617**	**1,997,977**
Embedded derivatives – redemption rights and put option (recognized in financial assets (liabilities) measured at fair value through profit or loss)	**$ 281**	**(4,590)**
Equity components - conversion rights (recognized in capital surplus) (recognized in capital surplus)	**$ 18,667**	**65,678**

	2024	2023
Embedded derivatives - gains or losses on remeasurement of redemption rights at fair value (recognized as loss on financial assets and liabilities at fair value through profit or loss)	**$ 5,775**	-
Interest expense	**$ 22,254**	**27,628**

The main rights and obligations of the outstanding unsecured convertible bond issued by the Group are as follows:

Item	**2nd** unsecured convertible bonds issued in 2021
Issuing amount	1,000,000 thousand
Issuing date	September 28, 2021
Issuing period	September 28, 2021~ September 28,2026
Coupon rate	0%
Trust institution	Mega Securities Co., Ltd.
Repayment method	Except for the conversion of bonds into the Company's common shares upon application by the bondholders in accordance with the Company's conversion rules, or early redemption by the Company or cancellation by purchase from the securities firms 's sales counter in accordance with the conversion rules. The Company will repay the bonds in cash in one lump sum upon maturity at the face value plus interest compensation (101.26% of the face value).
Rule for redemption	From the day following the period of 3 months the issuance of the Company's convertible corporate bonds has elapsed (December 29, 2021) to 40 days before the expiration of the issuance period (August 19, 2026), if the closing price of the Company's ordinary shares, in the period of 30 consecutive business days, exceeds the current conversion price by 30% (inclusive); in the period of 30 consecutive business days, the outstanding balance of the convertible bonds is less than 10% of the original issuance total, the Company may redeem the bond in advance.
Rule for creditors request for sell back	The bondholders may request the issuing company to redeem the bonds at 100% of their face value plus interest compensation on September 28, 2024, the maturity date of three years from the date of issuance of the bonds.
Rule for conversion (Conversion period)	From the day following the period of 3 months the issuance of the Company's convertible bond has elapsed (December 29, 2021) to the maturity date (September 28, 2026), in accordance with the rule of conversion, the bondholder shall be converted into the company's ordinary share.
Conversion price	$34.9

The main rights and obligations of outstanding secured ordinary corporate bond issued by the Group in 2020 are as follows:

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

17) Operating leases

The Group leases its investment property. Since almost all risks and rewards belonging to the ownership of the underlying asset have not been transferred and paid, these lease contracts are classified as operating leases. Please refer to Note 6(10)-Investment property for details.

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

	December 31, 2024	December 31, 2023
Less than a year	$ 32,247	29,800
Between one and two years	30,877	18,209
Between two and three years	25,111	17,867
Between three and four years	19,822	17,154
Between four and five years	7,912	11,600
More than five years	2,126	1,120
Total amount of undiscounted lease payments	**$ 118,095**	**95,750**

For the rental income generated from investment properties in 2024 and 2023, please refer to Note 6(21). The maintenance expenses incurred by investment property (recognized in "cost of goods sold and operating expenses") are as follows:

	2024	2023
Those generating rental income	**$ 1,880**	**1,701**

18) Income taxes

1. Income tax expense

The components of the Group's income tax for 2024 and 2023 were as follows:

		2024	2023
Current income tax expense:			
Current period incurred	$	122,421	113,509
Adjustments in respect of current income tax of prior periods		356	9,634
Land appreciation tax		13,872	52,348
		136,649	175,491
Deferred income tax expense			
The origination and reversal of temporary differences		5,999	(2,802)
Income tax expense	**$**	**142,648**	**172,689**

2. The reconciliation of the Group's pre-tax profit and income tax expense for the years ended December 31, 2024 and 2023 were as follows:

		2024	2023
Profit before income tax	$	210,827	331,729
Income tax on pre-tax financial income calculated at the domestic rates applicable to profits in the country concerned	$	126,264	116,554
Tax exemption on income from land transactions		(69,771)	(127,182)
Investment income-equity method		(78,824)	(38,479)
Book-tax-difference in interest capitalization		(10,328)	(822)
Gains on valuation of financial assets and liabilities		(7,899)	-
Gains on transactions of securities		(3,666)	(4,629)
Interest expenditures of convertible bonds		1,836	-
Dividend income		(120)	-
Underestimation from prior year		356	9,635
Change in unrecognized temporary differences		(4,986)	(2,761)
Current-year losses for which no deferred tax asset was recognized		184,715	168,782
Land appreciation tax		13,872	52,348
Realized losses on investments		(12,633)	-
Non-deductible expenses		3,841	-
Others		(9)	(757)
Total	**$**	**142,648**	**172,689**

3. Deferred tax assets and liabilities

(1) Unrecognized deferred tax assets

The Group's unrecognized deferred tax assets were as follows:

		December 31, 2024	December 31, 2023
Temporary differences of tax losses	$	553,131	476,152
Deductible temporary differences		22,344	30,302
	$	**575,475**	**506,454**

(2) Recognized deferred tax assets and liabilities

The movements in deferred tax assets in 2024 and 2023 were as follows:

	Deferred tax assets					Deferred tax liabilities	
	Unrealized provisions for contingent service cost	Unrealized Impairment losses	Unrealized reduce inventory to market	Others	Total	Unrealized construction profits	Total
Balance on January 1, 2024	$ 9,914	10,464	14,986	99,927	135,291	(525,862)	(525,862)
Debit (Credit) in income statement	(228)	(512)	-	(9,641)	(10,381)	4,382	4,382
Balance on December 31, 2024	**$ 9,686**	**9,952**	**14,986**	**90,286**	**124,910**	**(521,480)**	**(521,480)**
Balance on January 1, 2023	$ 6,986	10,977	16,736	95,809	130,508	(523,881)	(523,881)
Debit (Credit) in income statement	2,928	(513)	(1,750)	4,118	4,783	(1,981)	(1,981)
Balance on December 31, 2023	**$ 9,914**	**10,464**	**14,986**	**99,927**	**135,291**	**(525,862)**	**(525,862)**

The Group recognized investment deductions that are likely to be used to deduct future tax payables as a deferred tax asset. The Group must make significant accounting judgments regarding recognizable deferred tax assets based on the possible period of time and amount of future tax payables and future tax planning. Some items are not recognized as deferred income tax assets because the Group is not likely to have sufficient taxable income for the temporary difference in the future.

4. Status of approval of income tax

(1)The Company's income tax settlement and filing through 2022 have been assessed and approved by the Tax Authority.

(2)The years that the domestic subsidiaries' income tax settlement and filings of the Company have been assessed and approved by the Tax Authority were as follows:

Approval year	Company
2022	Re-use Environmental Co., Ltd.
2022	Lealea Mingchih Resort Co., Ltd.
2022	Lealea Hotel Co., Ltd.
2022	LeaLea Environmental Enterprise Co., Ltd.
2022	Lealea Hotels & Resorts Co., Ltd.
2022	Lea Ho Investment Co., Ltd.
2022	Forest Water Environmental Engineering Ltd.
2022	Perfection Forest Development Enterprise Co., Ltd.
2022	Lealea Eagle Travel Service Co., Ltd.
2022	Grain Forest Green Energy Co., Ltd.
2022	Easy Development Co., Ltd.
2022	Yilan Lealea Hotels & Resorts Co., Ltd.
2022	Orient Forest Development Enterprise Co., Ltd.
2022	Eastern Forest Environmental Technology Co., Ltd.
2022	Green Forest Development Enterprise Co., Ltd.
2022	Rich Forest Leisure Development Co., Ltd.
2022	Lea Ching Co., Ltd.
2022	Ho Ching Enterprises Co., Ltd.

(3)The subsidiary, Mundus Smart Energy Co., Ltd.'s income tax settlement and filing through 2023 have been filed.

5. The loss from taxation is in accordance with the Income Tax Act, taxation may be made on its net income after deduction of losses incurred in the preceding ten years as verified and determined by the local collection authority-in-charge. These items are not recognized as deferred income tax assets because the Group is not likely to have sufficient taxable income for the temporary difference in the future. As of December 31, 2024, the deduction periods of the Group's unused tax losses were as follows:

Year of losses incurred	Losses not yet deducted	Final year of taxation
2015	$ 34,845	2025
2016	577,220	2026
2017	294,555	2027
2018	176,132	2028
2019	193,143	2029
2020	176,307	2030
2021	227,806	2031
2022	184,641	2032
2023	422,098	2033
2024	478,908	2034
	$ 2,765,655	

19) Share capital and other equity interests

As of December 31, 2024 and 2023, the authorized capital of the Company both was $10,100,000 thousand with par value of $10 per share. The total outstanding shares are 766,313 thousand shares and 743,993 thousand shares, respectively, and the capital that rose from the shares had all been retrieved.

The reconciliation of the numbers of outstanding shares for the years ended December 31, 2024 and 2023 are as follows:

(Expressed in thousand shares)

	Ordinary shares	
	2024	2023
Beginning balance as of January 1	743,993	743,993
Capital increase by earnings	22,320	-
Ending balance as of December 31	**766,313**	**743,993**

1. Issue of ordinary shares

The Company has resolved by the shareholders meeting on June 19, 2024 to issue 22,320 thousand new shares by capital increase by retained earnings of $223,198 thousand, with par value of $10 per share. The base date of the capital increase is September 10, 2024. The relevant legal registration procedures have been completed.

2. Capital surplus

The components of the capital surplus were as follows:

	December 31, 2024	December 31, 2023
Conversion of corporate bonds at premium	$ 12,949	12,949
Treasury stock transactions	3,337	3,337
Difference between consideration and carrying amount of subsidiaries acquired or disposed	435,895	436,499
Recognition of changes in ownership interest in subsidiaries	289,745	230,518
Employee stock options	210	-
	$ 742,136	**683,303**

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

3. Retained earnings

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

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

(1) Legal reserve

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

(2) Special reserve

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

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

The Company resolved at the shareholders' meeting on June 19, 2024 to reverse the special reserve of $187,364 thousand for the decrease in equity and reverse special reserve of $7,061 thousand for the change in market value of the parent company's shares held by its subsidiaries. In addition, the Company resolved at the shareholders' meeting on June 16, 2023 to set aside the special reserve of $123,966 thousand and set aside special reserve of $5,611 thousand for the change in market value of the parent company's shares held by its subsidiaries.

(3) Earnings distribution

The Company has resolved the earnings distribution proposal for the year ended December 31, 2023 by the regular shareholders meeting on June 19, 2024. The amounts of dividends distributed to shareholders are as follows. Besides, the Company has resolved the earnings distribution proposal for the year ended December 31, 2022 by the regular shareholders meeting on June 16, 2023. Considering the market condition and the fund requirement for construction in progress, no dividend for the year ended December 31, 2022 was distributed to shareholders.

	2023	
	Amount per share($)	Amount
Dividends distributed to ordinary shareholders:		
Cash (distribution date 2024.10.09)	$ 0.24	178,558
Stock	0.30	223,198
Total		**$ 401,756**

4. Treasury shares

(1) Treasury shares held by the Company in accordance with the Securities and Exchange Act shall not be pledged. Before the shares have been transferred, the shareholder's rights shall not be enjoyed.

(2) The details of treasury shares held by the subsidiary, Lea Ho Investment Co., Ltd., invested by the Company, as of December 31, 2024 and 2023 are as follows:

	December 31, 2024	December 31, 2023
Share of the Company held by subsidiaries	**$ 6,494**	**6,305**
Acquisition costs	**$ 98,392**	**98,392**
Market prices	**$ 62,926**	**61,346**

Note: the amount of treasury shares recognized in proportion to the percentage of ownership is $98,195 thousand.

5. Other equity interests (net of tax)

	Exchange differences on translation of foreign financial statements	Unrealized gains (losses) on financial assets measured at fair value through other comprehensive income	Non-controlling interests	Total
Balance on January 1, 2024	$ (1,651)	(72,737)	(13,196)	(87,584)
Shares of differences on translation of associates accounted for using equity method	1,880	-	1,996	3,876
Unrealized gains (losses) on financial assets measured at fair value through other comprehensive income	-	44,249	(14,410)	29,839
Disposal of equity instruments measured at fair value through other comprehensive income	-	(121)	(136)	(257)
Balance on December 31, 2024	**$ 229**	**(28,609)**	**(25,746)**	**(54,126)**
Balance on January 1, 2023	$ (778)	(260,972)	(33,819)	(295,569)
Shares of differences on translation of associates accounted for using equity method	(1,437)	-	(413)	(1,850)
Exchange differences on translation foreign operations' net assets	627	-	(275)	352
Unrealized gains (losses) on financial assets measured at fair value through other comprehensive income	-	173,612	21,356	194,968
Disposal of investments accounted for using equity method	(70)	-	(45)	(115)
Disposal of equity instruments measured at fair value through other comprehensive income	-	14,293	-	14,293
Difference between the price and carrying amount of subsidiary's equity actually acquired or disposed	7	330	-	337
Balance on December 31, 2023	**$ (1,651)**	**(72,737)**	**(13,196)**	**(87,584)**

20) Share-based payments

The subsidiary, Lealea Hotels & Resorts Co., Ltd., has resolved by the board of directors on August 12, 2024 to issue 6,000,000 shares of employee stock options, which are limited to be granted to eligible full-time employees of Lealea Hotels & Resorts Group. The issue has received effective registration from the Securities and Futures Bureau, FSC. And the board of directors has resolved to issue 3,000,000 shares on November 12, 2024. The fair value at the grant date is $14.43.

Transactions of the aforementioned share-based payments that the employees of Lealea Hotels & Resorts Group participated in as of December 31, 2024 are as follows:

	Employee stock option plan in 2024
Grant date	2024.12.10
Grant quantity (unit)	3,000
Contract period	5 years
Recipients	Eligible full-time employees of Lealea Hotels & Resorts Group
Vesting condition	Holders of the stock options may subscribe the shares by instalment in each year and exercise

	the subscription right in accordance with the quantity allowed to be subscribed stipulated in the operating procedures of issue since two years after the employee stock options are granted. After two years (since the third year), 50% of the stock options may be exercised. After three years (since the fourth year), 100% of the stock options may be exercised.

Note: Each unit is allowed to subscribe 1,000 shares.

1. Measurement inputs of fair value at the grant date

The inputs of the binomial tree valuation model used by the Group to estimate the fair value of the share-based payments at the grant date are as follows:

	The first year of the employee stock option plan in 2024
Fair value of the stock options at the grant date ($)	$ 14.43
Fair value of the stocks at the grant date ($)	$ 32.35
Exercise price ($)	$ 32.35
Expected volatility	50.12%
Duration of the stock options	5 years
Risk-free interest rate	1.4807%

Note: The volatility is calculated by taking the standard deviation on daily returns of the natural log returns on adjusted stock prices and then annualizing the result. The natural log returns are calculated by the adjusted stock prices, which take the every-day closing price of the subsidiary, Lealea Hotels & Resorts Co., Ltd. in five years before the base date of the valuation as the sample period.

2. Relevant information on the employee stock option plan

The detailed information on the aforementioned employee stock options is as follows:

	2024	
	Weighted average exercise price ($)	Number of stock options (in thousand shares)
Beginning outstanding balance	$ -	-
Granted in the current period	32.35	2,940
Ending outstanding balance	32.35	**2,940**
Ending exercisable balance	-	-

The compensation costs arise from share-base payment transactions for the year ended December 31, 2024 amounted to $603 thousand.

21) Earnings per share

1. Basic earnings per share

The basic earnings per share for the years ended December 31, 2024 and 2023, which are based on the profit attributable to ordinary shareholders and outstanding weighted-average number of ordinary shares, were calculated as follows:

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

	2024	2023
Profit attributable to ordinary shareholders	**$ 128,232**	**240,599**

(2) Outstanding weighted-average number of ordinary shares

	2024	2023
Issued ordinary share as of January 1	743,993	743,993
Effects of treasury stocks	(6,494)	(6,305)
Effects of stock dividends	22,320	22,131
Outstanding weighted-average number of ordinary shares as of December 31	**759,819**	**759,819**
Earnings per share($)	**$ 0.17**	**0.32**

2. Diluted earnings per share

The diluted earnings per share for the years ended December 31, 2024 and 2023, which are based on the net profit attributable to the Company's ordinary shareholders and outstanding weighted-average number of ordinary shares, were calculated as follows:

(1) Profit attributable to ordinary shareholders (diluted)

	2024	2023
Net profit attributable to the Company	$ 128,232	240,599
Effects of issue of convertible bonds by subsidiaries	(12,681)	(651)
Effects of issue of employee stock options by subsidiaries	(Note)	-
Profit attributable to the Company's ordinary shareholders (After adjusting the number of	**$ 115,551**	**239,948**

shares of for the effects of dilutive potential ordinary shares)

Note: As it is anti-dilutive, it is not included in the calculation of diluted earnings per share.

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

	2024	2023
Outstanding weighted-average number of ordinary share(basic)	759,819	759,819
Effect of bonus share to employees	504	163
Outstanding weighted-average number of ordinary. shares(diluted) as of December 31	**760,323**	**759,982**
Earnings per share ($)	**$ 0.15**	**0.32**

22) Revenue from contracts with customers

1. Disaggregation of revenue

	2024	2023
Major geographic markets:		
Taiwan	**$ 5,951,685**	**7,705,541**
Main product/Service lines:		
Rentals from investment property (Note)	$ 50,012	48,077
Revenue from real estate sales	1,521,835	3,142,764
Revenue from water treatment contractor-service concession arrangement	97,978	99,167
Revenue from water treatment contractor-Public construction	980,551	1,430,240
Revenue from water treatment and maintenance	1,185,337	1,123,804
Revenue from service concessions	643,807	661,013
Revenue from waste treatment	458,065	346,191
Revenue from hotel rooms	915,965	835,022
Revenue from sales and installments of energy storage equipment	15,090	-
Revenue from energy storage projects	61,905	-
Revenue from other businesses	21,140	19,263
	$ 5,951,685	**7,705,541**

	2024	2023
Timing of revenue recognition:		
Service gradually transferred over time	$ 1,235,349	1,233,414
Construction gradually transferred over time	1,140,340	1,529,407
Recognized using effective interest method over time	643,807	661,013
Service transferred at a point in time	1,410,354	1,138,943
Goods transferred at a point in time	1,521,835	3,142,764
	$ 5,951,685	**7,705,541**

Note: The Company recognized rental revenue by applying IFRS 16.

2. Balance of contract

		December 31, 2024	December 31, 2023	January 1, 2023
Notes receivable	$	14,549	3,214	5,021
Account receivable		1,251,895	1,610,262	1,501,390
Less: allowance for loss		(53)	(26)	(26)
Total	**$**	**1,266,391**	**1,613,450**	**1,506,385**
Contract assets-construction completed not yet entitled right to payment	$	910,711	573,311	1,336,540
Contract assets-retention for contracted construction		157,354	120,036	255,310
Less: allowance for loss (Note 9(2))		-	-	(320,576)
Total	**$**	**1,068,065**	**693,347**	**1,271,274**
The amount expected to be recovered after more than 12 months	**$**	**4,405**	**16,452**	**282,127**
Contract liabilities-construction receipts exceeds construction completed	$	245,439	125,755	110,935
Contract liabilities- advance construction receipts		751	6,221	9,942
Contract liabilities-advance hotel booking receipts		143,570	144,920	117,244
Contract liabilities-advance real estate receipts		316,445	482,191	501,965
Contract liabilities-advance energy storage equipment receipts		5,417	-	-
Total	**$**	**711,622**	**759,087**	**740,086**
The amount expected to be settled after more than 12 months	**$**	**14,925**	**14,925**	**14,925**

3. For the disclosure of notes receivable, account receivable and their impairment, please refer to Note 6(d).
4. For the credit risk information of contract assets, please refer to Note 6(y).
5. Changes in contract assets and contract liabilities are mainly due to the difference between the time when the Group transfers goods or services to customers to satisfy the performance obligations and the time when customers pay. For disputes related to contract assets, please refer to Note 9 for details.

23) Remuneration of employees and directors

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

For the years ended December 31, 2024 and 2023, remuneration of employees of $4,578 thousand and $1,513 thousand respectively, and remuneration of directors of $4,578 thousand and $9,078 thousand respectively, which were estimated on the basis of the Company's net profit before tax, excluding the remuneration of employees and directors of each period, multiplied by the percentage of remuneration of employees and directors as specified in the Company's Articles of Incorporation, and recognized as operating expenses for the respective periods. If the actual distribution amount differs from the estimated amount in the following year, the difference is treated as a change in accounting estimate and recognized as profit or loss in the following year. For further information, please refer to Market Observation Post System.

The appropriated amount of remuneration for employees and directors for 2023 were $1,513 thousand and $9,078 thousand respectively, and the actual distribution amount were overestimated by $1 thousand and $6 thousand respectively. The appropriated amount of remuneration for employee and director for 2022 were $219 thousand and $1,315 thousand respectively, which were underestimated by $167 thousand and underestimated by $1,004 thousand from the actual distribution amount of $386 thousand and $2,319 thousand, respectively. For further information, please refer to Market Observation Post System.

24) Non-operation income and expense

1. Interest income

The details of the Group's interest income for the years ended December 31, 2024 and 2023 were as follows:

		2024	2023
Interest income of bank deposits	$	32,648	19,914
Interest income from the preferred stock		3,510	3,537
Interest income from termination of the Beitou Airbus cable project		-	9,638
Other interest income		5,778	1,835
	$	**41,936**	**34,924**

2. Other income

The details of the Group’s other income for the years ended December 31, 2024 and 2023 were as follows:

		2024	2023
Dividend income	$	9,322	6,033
Lease income		2,008	2,350
Other income		14,237	13,977
	$	**25,567**	**22,360**

3. Other gains and losses

The details of the Group’s other gains and losses for the years ended December 31, 2024 and 2023 were as follows:

		2024	2023
Net gains or losses on financial assets and liabilities at fair value through profit or loss	$	42,008	16,793
Gains on disposal of investments		-	115
Gains on lease modifications		1,588	1,247
Gains on disposal of property, plant and equipment		818	326
Gains (losses) on disposal of intangible assets		11,942	(5)
Impairment losses on contract assets		-	(25,926)
Gains on reversal of impairment (losses)		(23,441)	8,190
Gains (losses) on foreign exchange		2,924	(211)
Miscellaneous expenses		(14,669)	(899)
	$	**21,170**	**(370)**

4. Financial costs

The details of the Group's finance costs for the years ended December 31, 2024 and 2023 were as follows:

	2024	2023
Interest expenses		
Bank loans	$ 422,944	407,522
Fixed royalty payables	2,960	3,282
Amortizations for corporate bond discount	8,810	13,320
Interest of corporate bonds	13,444	14,308
Amortizations for liability provision discount	1,004	1,396
Interest of lease liability	3,523	5,375
Other interest expenses	172	125
Capitalized borrowing cost	(188,313)	(180,953)
Financial expenses	72,742	73,532
	337,286	**337,907**
Capitalization rates	**2.3%~3.29%**	**2.23%~3.6492%**

25) Financial instruments

1. Credit risks

(1) Maximum amount of credit risk exposure

The carrying amount of financial assets and contract assets represents the maximum credit risk exposure.

(2) Concentration of credit risks

As of December 31, 2024 and 2023, the concentration of credit risk on government agency due to BOT and public works tenders of the Group accounted for 95% and 96% of total receivables.

(3) Credit risk of account receivable and debt securities

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

Other financial assets measured at amortized cost include other receivables (recognized as other financial assets - current), which are mainly due to advances made on behalf of jointly contracted projects and are due for payment in accordance with the progress of the projects. The Group measures the expected credit losses, taking into account the historical default loss rate, the debtor's current financial position and the forecast of the industry in which the debtor operates, and there is no impairment.

Debt instrument investments measured at fair value through profit and loss include foreign private equity funds, beneficiary certificate - open end funds and convertible corporate bonds - call options and put options. Please refer to Note 6(b) for the relevant investment valuation gains or losses.

The above are financial assets with low credit risk, so the allowance for the period is measured based on the amount of expected credit loss in twelve months (please refer to Note 4(g) to the consolidated financial statements for the explanation of how the Group determines that the credit risk is low). There is no change in the allowance for losses in 2024 and 2023.

(4) Contract assets

The customers of the Group are concentrated in public constructions, BOT and ROT tenders, etc. As of December 31, 2024 and 2023, the concentration of the Group's credit risk on government agency due to BOT and public construction tenders accounted for 99% of the total contract assets. Since the counterparty is mainly a government agency, there is no risk of credit risk.

2. Liquidity risk

The following table shows the contractual maturities of financial liabilities, including estimated interest but excluding the impacts of net agreements.

	Carrying amount	Contractual cash flows	Within a year	Between 1-2 years	Between 2-5 years	Over 5 years
December 31, 2024						
Non-derivative financial liabilities						
Variable interest rate instruments	$ 15,164,200	16,629,590	4,866,434	3,889,606	2,688,169	5,185,381
Fixed interest rate instruments	4,173,714	4,222,947	3,907,035	11,100	292,327	12,485
Non-interest bearing liabilities	1,932,108	1,932,108	1,804,769	124,475	2,864	-
Lease liabilities	117,619	159,325	24,270	18,349	15,969	100,737
	$ 21,387,641	**22,943,970**	**10,602,508**	**4,043,643**	**2,999,329**	**5,298,603**
December 31, 2023						
Non-derivative financial liabilities						
Variable interest rate instruments	$ 13,748,180	14,493,323	6,040,218	3,498,701	4,039,899	914,505
Fixed interest rate instruments	4,769,999	4,867,048	1,877,198	2,021,625	944,640	23,585
Non-interest bearing liabilities	2,351,771	2,351,771	2,236,313	18,326	97,132	-
Lease liabilities	193,198	230,420	88,981	13,914	19,685	107,840
	$ 21,063,148	**21,942,562**	**10,242,710**	**5,552,566**	**5,101,356**	**1,045,930**

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

3. Interest rate analysis

For the exposure to interest rate risk of the Group's financial assets and liabilities, please refer to the note on liquidity risk management.

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

If the interest rate increases/decreases by 1%, with all other variable factors that remaining constant, for the years ended December 31, 2024 and 2023, the Group's net profit after tax would have decreased/increased by $83,851 thousand and $78,391 thousand respectively. This is mainly due to the Group's borrowings and deposits in variable rate.

4. Other price risks

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

Prices of securities on the reporting date	2024		2023	
	Other comprehensive income after tax	Net profit after tax	Other comprehensive income after tax	Net profit after tax
Increase by 10%	$ 66,356	28,677	62,647	39,883
Decrease by 10%	$ (66,356)	(28,677)	(62,647)	(39,883)

5. Fair value information

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

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

When measuring its assets and liabilities, the Group uses market observable inputs whenever possible. The level of fair value is categorized as follows based on the input value used in the valuation technology:

·Level 1: fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities;

·Level 2: fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and

·Level 3: inputs for the assets or liability that are not based on observable market data. (unobservable inputs).

(2) Categories and fair value of financial instruments

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

	December 31, 2024				
		Fair value			
	Carrying amount	Level 1	Level 2	Level 3	Total
Financial assets at fair value through profit or loss					
Non-derivative financial assets mandatorily measured at fair value through profit or loss (current and non-current)	$ 286,772	232,058	-	54,714	286,772
Embedded derivative financial assets – redemption rights and put options	281	-	-	281	281
Subtotal	287,053	232,058	-	54,995	287,053
Financial assets at fair value through other comprehensive income					
Stocks of domestic listed companies and emerging market companies	$ 89,639	1,519	88,120	-	89,639
Equity instruments without public quoted prices at fair value	573,916	-	-	573,916	573,916
Subtotal	663,555	1,519	88,120	573,916	663,555
Total	**$ 950,608**	**233,577**	**88,120**	**628,911**	**950,608**
Financial liabilities at amortized cost					
Bond payables	**$ 2,248,667**	**1,999,050**	**248,651**	**-**	**2,247,701**

	December 31, 2023				
		Fair value			
	Carrying amount	Level 1	Level 2	Level 3	Total
Financial assets at fair value through profit or loss					
Non-derivative financial assets mandatorily measured at fair value through profit or loss (current and non-current)	$ 398,828	381,442	-	17,386	398,828
Embedded derivative financial assets – redemption rights and put options					
Subtotal	153,416	1,672	151,744	-	153,416
Financial assets at fair value through other comprehensive income	473,056	-	-	473,056	473,056
Stocks of domestic listed companies and emerging market companies	626,472	1,672	151,744	473,056	626,472
Equity instruments without public quoted prices at fair value	**$ 1,025,300**	**383,114**	**151,744**	**490,442**	**1,025,300**
Subtotal					
Total	**$ 4,590**	**-**	**-**	**4,590**	**4,590**
Financial liabilities at amortized cost					
Bond payables	**$ 2,864,029**	**1,997,977**	**855,000**	**-**	**2,852,977**

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

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

(3.1) Financial assets and liability measured at amortized cost

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

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

(4.1) Non-derivative financial instruments

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

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

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

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

(4.2) Derivative financial instruments

The fair value is based on a valuation model that is widely accepted by market users. The fair value is estimated using the market approach and a binary tree model for convertible bonds valuation.

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

(6) The details of movement of Level 3:

	At fair value through profit or loss			At fair value through other comprehensive income
	Equity instruments without public quoted prices	Debt instruments without public quoted prices	Embedded derivative financial instruments of financial assets (liabilities) held for trading	Equity instruments without public quoted prices
January 1, 2024	$ -	17,386	(4,590)	473,056
Recognized in profit or loss	7,650	1,178	5,775	-
Recognized in other comprehensive income	-	-	-	93,617
Conversion of corporate bonds	-	-	(904)	-
Acquisitions	28,500	-	-	7,500
Disposals	-	-	-	(257)
December 31, 2024	**$ 36,150**	**18,564**	**281**	**573,916**
January 1, 2023	$ -	17,522	(16,200)	359,098
Recognized in profit or loss	-	(136)	10,910	-
Recognized in other comprehensive income	-	-	-	144,172
Conversion of corporate bonds	-	-	700	-
Acquisitions (Note)	-	-	-	89,105
Disposals	-	-	-	(119,319)
December 31, 2023	**$ -**	**17,386**	**(4,590)**	**473,056**

Note: The unpaid amounts as of December 31, 2024 and 2023 are $56,235 thousand, recognized as other payables.

The above total profits or losses were recognized in "other gains and losses " and "unrealized gains (losses) on valuation of financial assets at fair value through other comprehensive income". Among them, those related to the assets still held as of December 31, 2024 and 2023 were as follow

	2024	2023
Recognized in profit or loss (recorded in Other Profits or Losses)	$ 14,603	10,774
Recognized in other comprehensive income (recorded in Unrealized Valuation Loss of Financial Assets Measured at Fair Value through Other Comprehensive Profits and Losses)	93,617	124,693

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

The Group's fair value categorized as level 3 are financial assets measured at fair value through other comprehensive income-investments in debt instruments, private placement stocks of listed companies, and equity securities investments, and financial assets and liabilities at fair value through profit or loss - derivative financial instruments. Most of the Group's fair values categorized as level 3 have only one significant unobservable input.

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

Item	Valuation technique	Significant unobservable input	Relationship between significant unobservable input and fair value
Financial assets at fair value through other comprehensive income – investments in equity instruments without an active market	Market approach and asset approach	·Discount on liquidity (14.73%~30% and 11.21%~30%, respectively, as of December 31, 2024 and 2023) ·Net asset value(December 31, 2024 and 2023) ·Volatility (18.63%~32.35% and 17.48%~26.91%, respectively, as of December 31, 2024 and 2023)	·The higher the discount on liquidity, the lower the fair value. ·The higher the net asset value, the higher the fair value. ·The higher the volatility, the lower the fair value.
Financial assets at fair value through profit or loss – investments in debt instruments without an active market	Asset approach	·Discount on liquidity (both 10% as of December 31, 2024 and 2023)	·The higher the discount on liquidity, the lower the fair value.
Financial assets at fair value through profit or loss – investments in equity instruments without an active market	Black-Scholes model	·Volatility (42.23% as of December 31, 2024) ·Discount on liquidity (25.56% as of December 31, 2024)	·The higher the volatility, the lower the fair value. ·The higher the discount on liquidity, the lower the fair value.
Financial liabilities at fair value through profit or loss – embedded derivative financial instruments	Binomial tree convertible bond valuation model	·Volatility (44.11% and 21.22%, respectively, as of December 31, 2024 and 2023)	·The higher the volatility, the higher the fair value.

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

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

			Changes in fair value reflected in profit or loss		Changes in fair value reflected in other comprehensive income	
	Inputs	Change upwards or downwards	Favorable change	Unfavorable change	Favorable change	Unfavorable change
December 31, 2024						
Financial assets at fair value through profit or loss						
Investments in debt instruments without an active market	Discount on liquidity	+1%	-	(206)	-	-
	Discount on liquidity	-1%	206	-	-	-
Financial assets at fair value through profit or loss						
Investments in equity instruments without an active market	Volatility	+1%		(300)		
	Volatility	-1%	300			
Financial assets at fair value through other comprehensive income						
Investments in equity instruments without an active market	Discount on liquidity and volatility	+1%	-	-	-	(7,473)
	Discount on liquidity and volatility	-1%	-	-	7,455	-
Financial liabilities at fair value through profit or loss						
Embedded derivative financial instruments	Volatility	+1%	(51)	-	-	-
	Volatility	-1%	-	51	-	-

	Inputs	Change upwards or downwards	Changes in fair value reflected in profit or loss		Changes in fair value reflected in other comprehensive income	
			Favorable change	Unfavorable change	Favorable change	Unfavorable change
December 31, 2023						
Financial assets at fair value through profit or loss						
Investments in debt instruments without an active market	Discount on liquidity	+1%	-	(193)	-	-
	Discount on liquidity	-1%	193	-	-	-
Financial assets at fair value through other comprehensive income						
Investments in equity instruments without an active market	Discount on liquidity and volatility	+1%	-	-	-	(5,361)
	Discount on liquidity and volatility	-1%	-	-	5,361	-
Financial liabilities at fair value through profit or loss						
Embedded derivative financial instruments	Volatility	+1%	360	-	-	-
	Volatility	-1%	-	(360)	-	-

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

26) Financial risk management

1. Overview

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

(1) Credit risk

(2) Liquidity risk

(3) Market risk

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

2. Risk management framework

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

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

3. Credit risk

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

(1) Accounts receivable and other receivables

Since the Group's main business is pre-sales of real estate, it has a large customer base and geographically dispersed sales territories, and has not significantly concentrated transactions with a single customer, so the credit risk of accounts receivable is not likely to be significantly concentrated; the Group's construction engineering follows the rule of the Group's contracting project operation, subcontracting reputable construction manufacturers with construction technology that meets the requirements, so its construction quality and progress can be fully controlled. In addition, the Group's customers for the transactions in the business of sewage treatment operation are concentrated in public constructions, BOT and ROT tenders, etc. As of December 31, 2024 and 2023, the concentration of the Group's credit risk on government agency due to BOT and public construction tenders accounted for 97% and 96% of the total account receivables, respectively. Since the counterparty is mainly a government agency, there is no concern of credit risk.

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

(2) Investment

The exposure to credit risk for bank deposits, fixed income investments, and other financial instruments, is measured and monitored by the Group's finance department. The Group only deals with banks, other external parties, corporate organizations, government agencies and financial institutions with good credit rating. The Group does not expect any of the counterparties above to fail in meeting their obligations; hence, there is no significant credit risk arising from these counterparties. However, the Group continues to evaluate changes in the economic environment and establish a valuation profit and loss account for the investment it holds.

4.Liquidity risk

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

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

5. Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates, and equity instrument prices, that will affect the 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 interest rate risk of the Group mainly arises from its bank borrowings. Interest-bearing loans with floating interest rates will create cash flow risks for the Group, and fixed-rate borrowings will cause fair value risks for the Group. In recent years, the business environment in which the Group assesses the interest rate level has remained stable, which should not create significant interest rate risks.

27) Capital management

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

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

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

The Group's strategy for capital management in 2024, which is same as that of 2023, is to maintain a reasonable ratio in order to raise capital with reasonable cost. The debt to capital ratios as of December 31, 2024 and 2023 were as follows:

	December 31, 2024	December 31, 2023
Total debt	$ 22,890,347	22,912,405
Less: cash and cash equivalents	(3,716,903)	(2,617,536)
Net debt	19,173,444	20,294,869
Total equity	18,442,821	17,367,946
Total capital after adjustment	**$ 37,616,265**	**37,662,815**
Debt to capital ratios	**50.97%**	**53.89%**

28) Investment and financing activities of non-cash transactions

The Group's financing activities through non-cash transactions for the years ended December 31, 2024 and 2023 were as follows:

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

	January 1, 2024	Cash flow	Non-cash changes		December 31, 2024
Lease Liability	$ 193,197	(89,695)	14,117	(Note 1)	117,619
Convertible bonds	866,052	-	(616,435)	(Note 1)	249,617
	$ 1,059,249	**(89,695)**	**(602,318)**		**367,236**

	January 1, 2023	Cash flow	Non-cash changes		December 31, 2023
Lease Liability	**$ 288,311**	**(96,848)**	**1,735**	**(Note 2)**	**193,198**

Note 1: Non-cash changes in bond payables: primarily the conversion to ordinary shares of subsidiaries resulting in increase in capital surplus.

Non-cash changes in lease liabilities: additions in the current period amounting to $37,577 thousand, reductions arising from lease terminations and modifications amounting to $23,440 thousand.

Note 2: Additions in the current period amounting to $39,631 thousand, discount on rentals amounting to $3,898, and reductions arising from lease terminations amounting to $33,998 thousand.

VII. Related-party transactions

1)Names and relationship with related parties

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

Related party	Relationship with the Group
Kuo, Shu-Cheng	Director of the Company (Note 1)
Garden Square Co., Ltd.	Other related party
APEX FONG YI TECHNOLOGY CO., LTD.	Other related party
LEALEA TECHNOLOGY CO., LTD.	Other related party
JET GOAL ENTERPRISES CO., LTD.	Other related party
Jia Rui Development Co., Ltd.	Other related party
Lealea Evergreen Long-Term Care Association Corporation	Other related party
About Design Interior Decoration Co., Ltd.	Other related party
Yilan County, private Li Li Lohas long-term care center for the elderly (care type)	Other related party
Ching Shan Lin Corporation	Other related party
Musheng Yunduo Interior Decoration Design Co., Ltd.	Other related party
Howsler Food Co., Ltd.	Other related party
Ju Shan Lin Information Technology Co., Ltd.	Other related party
Yu Ching Home Health Co., Ltd.	Other related party
Chi Mao International Co., Ltd.	Other related party
Liwei International Development Co., Ltd.	Other related party
Taiwan Green Power Corporation	Other related party
Guo, Musheng Cultural and Educational Center Funds Affiliated Art Center	Other related party
Chimei International Enterprise Co., Ltd.	Other related party
Zhantang Cultural and Creative Co., Ltd.	Other related party
Lealea Enterprise Co., Ltd.	Other related party
Yilan County Li Social Welfare and Charity Funds	Other related party
FIRICH ENTERPRISES CO.,LTD.	Other related party
Neng Pang Construction Co., Ltd.	Other related party
DYX CONSTRUCTION CO., LTD.	Other related party
Li Peng Enterprise Co., Ltd.	Other related party
Honlin Heavy Industries Co ., Ltd	Other related party
HUNG'S FORTUNE INTERNATIONAL CO., LTD.	Other related party
Leader Construction Co., Ltd.	Other related party (Note 3)
Forest Water Sustainability Tech EP Eng' g Co., Ltd.	Other related party
Lead U Education Co., Ltd.	Other related party
Penghu Green Power Co., Ltd.	Other related party
Buy Chow Food Co., Ltd.	Other related party
Lianda Wushih Marina Resort Co., Ltd	Other related party (Note 2)
Shun Yu Investment Co., Ltd.	Other related party
Yi Lea Hotels Co., Ltd.	Other related party
Hope Jet Engineering Co., Ltd.	Other related party
S.T.Y Steels Co., Ltd.	Other related party
LEA YOUNG ENGINEERING CO., LTD.	Other related party

Related party	Relationship with the Group
Li Yang Electric Development Co., Ltd.	Other related party
Yang, Jiang	Other related party
BHL Taipei Limited	Other related party
Qing Yi Development Co., Ltd.	Other related party
Learned Winner Enterprise Co., Ltd.	Other related party
Lealea Development Enterprise Co., Ltd.	Other related party
Guozhu Development Co., Ltd.	Other related party
Teamphon Energy Co.,Ltd.	Other related party
Lineng Energy Co., Ltd.	Other related party
Shing Yi Energy Co., Ltd.	Other related party
Sheng Er Energy Co., Ltd.	Other related party
Duo Shan Energy Co., Ltd.	Other related party
De Ba Energy Co., Ltd.	Other related party
Ru Jiu Energy Co., Ltd	Other related party
Truthful Energy Co., Ltd.	Other related party
Triple Cube Agriculture Co., Ltd.	Other related party
Sheng Fang Agriculture Co., Ltd.	Other related party
Zeng Fang Agricultural Co., Ltd.	Other related party
Di Yuan Agricultural Products Co., Ltd.	Other related party
Regiant Industrial Co., Ltd.	Other related party
Lea Long Enterprise Co., Ltd.	Other related party
Richforest Garden Hotels Kentin Co., Ltd.	Other related party
Kai Jie Energy Co., Ltd.	Other related party (Note 4)
Li De An Co., Ltd.	Other related party
KAI LAN ENERGY CO., LTD.	Associate of the Company
Ya Ni Development Enterprise Co., Ltd.	Associate of the Company

Note 1: The Company elected new chairman on June 19, 2024. This is director of the Company now.

Note 2: After the director resigned in December 2023, it is not the related party of the Group.

Note 3: The change of the company name has been approved on October 24, 2024, to become Leader Construction Co., Ltd.

Note 4: Kai Jie Energy Co., Ltd. became related party of the Group since July 2024.

2)Significant Transactions with related parties

1. Operating revenue

(1) Sales of house and land

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

	Contracts of pre-sales of house and sales and purchase of land		Revenue from sales of house and land		Contract liabilities	
	December 31, 2024	December 31, 2023	2024	2023	December 31, 2024	December 31, 2023
Shun Yu Investment	$ -	130,153	-	130,153	-	-

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

(2) Total amount and settlement of establishment of energy storage project contract contracted from related parties are as follows:

	Contract amount		Settlement		Contract liabilities	
	December 31, 2024	December 31, 2023	2024	2023	December 31, 2024	December 31, 2023
Kai Jie Energy	$ 190,476	-	61,905	-	-	-

A. The contracted prices of the establishment of energy storage projects contracted from the related parties are based on the project budget plus reasonable profit. The payments terms are in accordance with the contracts.

B. Revenue from projects recognized by percentage of completion method for the year ended December 31, 2024 amounted to $61,905 thousand.

C. Guaranteed deposits paid for the aforementioned projects contracted as of December 31, 2024 amounted to $10,000 thousand.

D. Contract assets (liabilities) arising from the aforementioned construction contracts as of December 31, 2024 amounted to $0.

2. Purchase of Goods from Related Parties

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

	Contract amount		Purchase (settlement in the current period)	
	December 31, 2024	December 31, 2023	2024	2023
Leader Construction	$ 1,928,406	2,498,442	520,616	449,421
Neng Pang Construction	18,103	92,210	18,103	(1,223)
Lealea Development	109,568	138,785	7,537	24,445
Li Yang Electric	-	142,008	-	10,684
S.T.Y Steels	981	36,132	-	935
Hope Jet Engineering	169,142	124,136	20,870	31,069
Hon Lin Heavy	-	12,721	-	(561)
Forest Water Sustainability	448,340	377,497	120,119	101,647
Other related Parties	17,944	16,843	6,868	7,059
	$ 2,692,484	**3,438,774**	**694,113**	**623,476**

The price of the project contracted by the Group to the related party is based on the project budget plus reasonable management costs and profits, determined after the price comparison and negotiation between the two parties, and paid in accordance with the contractual payment terms; some related parties will prepay the pre-operation fee after signing the contract. After receiving the billing requests, which will be calculated every month, half of the amount for demand notes and half of the amount for 30-day promissory notes will be issued for the payment. For the payment to other related parties, it is paid by a 30-day promissory note, and there is no significant difference compared to the terms of transactions with non-related parties.

(2) The Group has resolved by the board of directors on September 10, 2024 to purchase the land held for construction from the related party, Ya Ni Development Enterprise Co., Ltd., and the contract of purchase and sale has been completed on October 9, 2024. The total amount is $840,000 thousand. The aforementioned acquisition price is based on the property appraisal report. As of December 31, 2024, partial payment of $252,000 thousand (recognized under inventories) has been made in accordance with the contract. Please refer to Note 13(1)5. The aforementioned balance payment has been made in February 2025. The procedures of transfer of ownership have been completed.

(3) In December 2023, the Group purchased land from Kuo, Shu-Cheng to build a commercial building for sale or lease at a total price of NT $561,390 thousand. As of December 31, 2023, the building is recognized under inventories. The aforementioned acquisition price is based on the property appraisal report.

(4) The amounts of pharmaceuticals and filters (recognized as other current assets) purchased from related parties are as follows:

	2024	2023
Other related party-Forest Water Sustainability Tech	**$ 47,817**	**41,152**

The transaction price with related parties are determined by negotiation between both parties. The transaction terms are sending billing requests every month, and the Company will pay by cash or 30-day promissory notes in the next month.

3. Receivables from related parties

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

Account Items	Categories of related party	December 31, 2024	December 31, 2023
Notes receivables	Other related parties	$ -	113
Account receivables	Other related parties	26	158
Other receivables	Leader Construction (Note)	3,510	7,037
Other receivables	Other related parties	5,573	716
		$ 9,109	**8,024**

Note: This is dividend receivables of preferred shares.

4.Prepayments

Details of the prepayments made by the Group to related parties for contracted projects were as follows:

	December 31, 2024	December 31, 2023
Other related party-Forest Water Sustainability	$ 32,278	15,822
Other related party-Hope Jet Engineering	8,931	92
Other related party-BHL Taipei	-	6,868
	$ 41,209	**22,782**

5. Payables-related parties

Details of the Group's payables-related parties were as follows:

Account items	Categories of related parties	December 31, 2024	December 31, 2023
Notes payable	Leader Construction	$ 10,757	14,343
Notes payable	Lealea Development	-	4,469
Notes payable	Forest Water Sustainability Tech	13,608	22,986
Notes payable	Other related party	4,998	4,980
Accounts payable	Li Yang Engineering	18,007	18,007
Accounts payable	Lealea Development	-	8,299
Accounts payable	Hope Jet Engineering	5,767	1,245
Accounts payable	Leader Construction	135,665	68,728
Accounts payable	Forest Water Sustainability Tech	53,086	17,707
Accounts payable	Other related party	85,947	833
Other payables	DYX Construction	74,718	321,349
Other payables	Mu Sheng Yun Duo	20,713	37,134
Other payables	About Design	8,431	12,103
Other payables	Li Yang Engineering	10,089	60,790
Other payables	Ju Shan Lin	1,530	29,351
Other payables	Shun Yu Investment (discount on payment for decoration)	-	6,405
Other payables	Other related party	2,393	7,754
		$ 445,709	**636,483**

6. Acquired or disposed of other assets

The contractual commitments of the Group to other related parties for the construction of the hotel were as follows:

	Contracts signed (pre-tax)		Settled amount	
	December 31, 2024	December 31, 2023	December 31, 2024	December 31, 2023
DYX Construction	$ 1,466,140	1,466,140	1,466,140	1,466,140
Mu Sheng Yun Duo	195,021	219,344	195,021	219,344
Li Yang Engineering	121,298	119,196	121,298	115,436
About Design	56,975	-	56,975	-
Other related party	59,715	153,160	59,715	147,794
	$ 1,899,149	**1,957,840**	**1,899,149**	**1,948,714**

Note: The prepayment for the above contracted construction projects as of December 31, 2024 and 2023 was $0 thousand and $1,494 thousand respectively.

7. Leases

(1) Lease as a lessor:

The Group leases office buildings, parking spaces and hotels to associates and other related parties, and signs lease contracts for a period of 1 ~ 6 years with reference to the lease prices of neighboring areas. The rental income in 2024 and 2023 were $4,518 thousand and $5,109 thousand, respectively. As of December 31, 2024 and 2023, the deposited amount for lease guarantees was $588 thousand and $682 thousand, respectively.

(2) Lease as a lessee:

The Group leases office buildings and parking spaces from other related parties and signs a 10 years lease contract with reference to the lease prices of offices and parking spaces in neighboring areas. The recognized interest expenses in 2024 and 2023 were $466 thousand and $662 thousand respectively, and the balance of lease liabilities as of December 31, 2024 and 2023 were $15,237 thousand and $0 thousand, respectively.

The Group leases office buildings from other related party, Leader Construction Co., Ltd. , and signs a 10 years lease contract with reference to the lease prices of buildings in neighboring areas. The total amount of the contract is $32,585 thousand. Afterwards, the Group purchased the underlying target of the lease in 2023. After the transfer of ownership is completed, there is no need to lease. Therefore, both parties signed an agreement of early termination to terminate the lease contract on December 31, 2023, and gains on modification of lease contract amounting to $777 thousand was recognized.

8. Others

(1)The Group paid other related party, Ju Shan Lin, software lease setting maintenance fees of $20,763 thousand and $19,390 thousand as of 2024 and 2023 respectively (recognized as operating costs and operating expenses).

(2)The Group paid $14,141 thousand and $12,167 thousand for operating expenses, management fees and employee travel to associates and other related parties due to operating requirements as of 2024 and 2023 respectively.

(3)The Group donated $5,276 thousand and $6,501 thousand to other related parties as of 2024 and 2023respectively.

(4) On December 1, 2023, the Group purchased the real estate located at No. 182 Xiushui Road, Yuchi Township, Nantou County from Leader Construction. The total contract price is $126,781 thousand. As of December 31, 2024, the amount has been paid in full, and the relevant transfer of ownership procedures have been completed.

(5) On August 12, 2019, the Group subscribed for 10,000 thousand cumulative preference shares issued by Leader Construction, totaling $100,000 thousand. In addition, in accordance with the issuance method, the preference share dividend rate is 3.5% per annum. If there is no dividend distribution in the current year, the interest rate of 1.06% per annum should be added and accumulated to the future earnings and priority to make up for it. Interest revenue recognized for preferred stock dividends amounted to $3,510 thousand and $3,537 thousand for the years ended December 31, 2024 and 2023, respectively. The aforementioned preferred stocks are recognized as financial assets at amortized cost – non-current. As of December 31, 2024 and 2023, the accumulated dividends from preferred stocks amounted to $3,510 thousand and $7,037 thousand, respectively.

(6) The Group sold the shares of Howsler Food Co., Ltd. to other related party, Li De An Co., Ltd., on April 29, 2024. Please refer to Note 6(3)

(7) The Group acquired the shares of KAI LAN ENERGY from other related party, Kai Jie Energy, in July 2024. Please refer to the explanations in Note 6(6).

3)Key management personnel transactions

Remuneration for key management personnel

	2024	2023
Short-term employee benefits	$ 72,976	67,690
Share-based payments	127	-
	$ 73,103	**67,690**

VIII. Pledged assets

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

Pledged assets	Subject of pledge	December 31, 2024	December 31, 2023
Other financial assets-current	Credit account	$ 229,181	502,630
Other financial assets-current	Bank borrowing, Bank performance guarantee	324,695	410,175
Other financial assets-current	Gift certificate guarantee	-	15,949
Other financial assets-current	Bond payables	1,153,180	-
Inventory	Commercial paper payable and Bank borrowing	13,041,953	13,595,232
Financial assets measured at fair value through profit or loss-current	Bank borrowing	34,776	40,082
Other financial assets-non-current	Bank borrowing, Bond payable	31,518	592,837
Other financial assets-non-current	Bank performance guarantee	8,728	13,119
Property, plant, and equipment	Bank borrowing, short-term notes and bills payable	5,830,104	6,268,387
Special concession arrangement	Bank borrowing	1,110,296	1,136,318
Net investment property	Bank borrowing	373,946	382,625
Long-term account receivable	Bank borrowing	3,005,390	3,091,234
		$ 25,143,767	**26,048,588**

IX. Significant Contingent Liabilities and Unrecognized Contract Commitments

1)Significant unrecognized contract commitments:

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

	December 31, 2024	December 31, 2023
Signed contracts		
Sales premises and sold floor areas	$ 2,158,951	665,461
Purchase land for construction	1,028,486	197,486
Hotel construction and renovation contract	-	150,751
Contract issuance of premises under construction	1,928,406	1,745,504
Acquisition of property, plant and equipment	-	126,781
Price received or paid		
Sales premises and sold floor areas	$ 316,445	482,191
Purchase land for construction	389,142	138,143
Hotel construction and renovation contract	-	38,922
Contract issuance of premises under construction	898,560	377,944
Acquisition of property, plant and equipment	-	13,000

2.Details of the joint construction contract or joint investment construction contract signed by the Group as of December 31, 2024 and 2023 are as follows:

Project Name	Nature of joint construction	Joint Construction Guarantee (Recognized as other financial assets-current) December 31, 2024	December 31, 2023
Rich Feng Mu	Jointly-constructed with house divided	11,000	11,000
Yong An Section, Yong He District	〃	89,495	86,100
Chong De Section, Xizhi District	〃	430,000	430,000
Daye Road Project, Beitou District	〃	65,000	35,000
Sec. 1, Zhong Cheng Rd.	〃	4,980	3,310
Residential area of Wenzaizun	〃	12,661	-
Commercial area of Wenzaizun	〃	120,547	31,793
Fuyang St. Project	〃	18,161	17,932
		$ 751,844	**615,135**

3.Unrecognized contract commitment of the contracted construction by the Group were as follows：

	December 31, 2024	December 31, 2023
Signed but price not received yet (pre-tax)	**$ 3,416,431**	**3,724,909**
Signed but price not paid yet (pre-tax)	**$ 2,362,284**	**2,485,927**

4.The Group signed a contract with an unrelated party to sell 2,500 shares of Tengsen Energy Co., Ltd. on December,10 2021, to facilitate the planning and development of offshore wind farm site No. 28 in Changhua County. The procedures of settlement of shares have been completed on June 30, 2022, and the Group has received the contract amount of $21,000 thousand. Afterwards, as the counterparty planned to withdraw from the offshore wind farm site No. 28 in Changhua County project, and sold the shares, the Group signed the termination agreement with the counterparty on October 26, 2023.

5.The Group has established a service concession arrangement with government agencies under BOT (build-operate-transfer) arrangement for sewage treatment services for Nanzi Sewerage in Kaohsiung and Luodong Sewerage in Yilan. The main contents are as follows:

(1) During the service concession period, the Group shall provide construction, operation and maintenance of such sewage treatment facilities in accordance with the service method designated by the government agency;

(2) And the Group has the right to use these facilities and related land to provide sewage treatment services during the service concession period, and get remuneration according to the price and price adjustment index agreed in the construction operation contract;

(3) The government agency will control and supervise the scope of services that the Group needs to provide when using these facilities;

(4) Both the Group and the government agency have the right to terminate the relevant agreement if the terms of the agreement are severely violated;
(5) During the service concession period, the Group is the nominal registrant of the relevant land rights and the ownership of sewage treatment facilities; at the end of the service concession period, the designated plant and equipment will be restored to normal operation in accordance with the provisions of the construction and operation contract request, transfer and return free of charge;
(6) The Group may apply for a right of priority renewal four years prior to the expiration of the term.
(7) In addition, in the construction and operation contract signed between the Group and the Yilan County Government, in accordance with Article 8.4.7 of the contract, the Yilan County Government shall, in the agreed month, deduct the difference between the yield of tap water distributed users and the actual yield of incoming water from the sewage treatment plant. Relevant information needs to be clarified by the water plant; however, the Yilan County government deducted all the actual water entering the water plant in the agreed month, and the payment will be made after the water plant reviewed the yield that were distributed for the user's actual water consumption. According to historical experience, the Group will receive in about two years, and it should estimate the deduction of revenue according to the historical deduction proportions.
(8) The Group and the Economic Development Bureau of Kaohsiung City Government provide wastewater treatment services for the Nanzhi Industrial Park as an ancillary Business under the original wastewater treatment project for a concession period of 2023 to 2027 years.

6.The Group has entered into a service concession arrangement with government agencies under ROT (Rehabilitate-Operate-Transfer) arrangement for sewage treatment services in Guanyin Industrial Park, Taoyuan. The main contents are as follows:
(1) During the service concession period, the Group shall provide additional, reconstructed, repaired and operated sewage treatment facilities in accordance with the service methods designated by the government agency; and in accordance with the provisions of the contract, the Group shall pay a fixed royalty, variable royalties, and equipment transfer funds every year during the operation period;
(2) And has the right to use these facilities and related land to provide sewage treatment services during the service concession period. In addition, as agreed in the investment contract, the Group will receive remuneration at the rate of sewage treatment system approved by the government agency;
(3) The government agency will control and regulate the scope of services to be provided by the Group using such facilities;
(4) Both the Group and the government agency have the right to terminate the relevant agreement if the terms of the agreement are severely violated;
(5) At the end of the service concession period of the Group, in accordance with the provisions of the contract, restore the designated plant and equipment to the operating requirements stated in the contract, and transfer and return it free of charge;
(6) The Group may apply for the right of priority renewal of the new contract before the end of November, 2029, and the new contract period shall not exceed 15 years.

7.The Group has entered into a service concession arrangement with government agencies under ROT (Rehabilitate-Operate-Transfer) arrangement for Taichung compost kitchen waste removal and rice pole treatment services. The main contents are as follows:
(1) During the service concession period, the Group shall provide the reconstruction, operation and maintenance of the composting food waste treatment facilities in accordance with the service designated by the government agency; and the Group shall pay a fixed annual royalty and a variable royalty during the operation period under the agreement;
(2) And has the right to use these facilities and related land to provide composting food waste treatment and rice pole treatment services during the service concession period. In addition, the waste treatment is paid according to the contractual price and treatment quantity; the rice pole treatment is paid according to the contractual price and the treatment quantity provided by the government agency.
(3) The government agency will control and regulate the scope of services to be provided by the Group using such facilities;
(4) Both the Group and the government agency have the right to terminate the relevant agreement if the terms of the agreement are severely violated;

(5) At the end of the service concession period of the Group, in accordance with the provisions of the contract, restore the designated plant and equipment to the operating requirements stated in the contract, and transfer and return it free of charge;

(6) The Group may apply for the right of priority renewal of the new contract before the end of August, 2039, and the new contract period shall not exceed 20 years, and is limited to one time.

The Group submitted a letter to the owner, Environmental Protection Bureau of Taichung City Government, on September 7, 2021, agreeing to terminate the subsidiary project agreement (rice pole treatment service). Both parties have agreed to terminate the contract relationship of the ancillary facilities of the gasification system. Please refer to Note 6(11).

8. The Group has entered into a BTO (Build-Transfer-Operate) service contract with a government authority in relation to the Nanzi Reclaimed Water Treatment Service in Kaohsiung. The major contents of the arrangement are summarized as follows:

(1) During the service concession period, the Group provides construction, operation and maintenance of these wastewater treatment facilities in the form of services designated by the government authorities;

(2) The Company has the right to use the facilities and related land to provide reclaimed water treatment services during the service concession period, and is compensated based on the price and price adjustment index agreed in the construction and operation contract;

(3) The government authorities will control and supervise the scope of services to be provided by the Consolidated Company using the facilities;

(4) During the service concession period, the government authorities agreed to lease the relevant land and buildings to the Group for use in the construction and operation plan; At the end of the service concession period, the designated plant and equipment are restored to the normal operation requirement in accordance with the provisions of the construction and operation contract, and are transferred and returned at no cost;

(5) The consolidated company may apply for a preferential right of renewal three years before the expiration of the term.

The Group paid performance bond by performance bond letter issued by the bank amounting to $100,000 thousand and the pledged certificates of time deposits amounting to $100,000 thousand (recognized under other financial assets – non-current).

9. Service concession arrangement signed by the Group with government agencies were as follows:

Subsidiary that operates	Location	Name of Grantor	Type of arrangement	Service concession period
Green Forest Development Enterprise Co., Ltd.	Kaohsiung	Kaohsiung city government	Sewer construction system BOT	April 2006 to April 2041
Green Forest Development Enterprise Co., Ltd.	Kaohsiung	Kaohsiung city government	Entrusted treatment contract for waste (sewage) water in Nanzi Industrial Park	January 2023 to June 2027
Orient Forest Development Enterprise Co., Ltd.	Yilan	Yilan County government	Sewer construction system BOT	December 2005 to December 2040
Perfection Forest Development Enterprise Co., Ltd.	Guanyin Industrial park	Bureau of Industrial Parks, Ministry of Economic Affairs	Sewer construction system BOT	August 2016 to July 2031
Grain Forest Green Energy Co., Ltd.	Taichung	Environmental Protection Bureau of Taichung City Government	Composting food waste removal ROT	August 2017 to August 2042
Grain Forest Green Energy Co., Ltd.	Taichung	Taiwan Power Company	Contract of biomass energy power generating system and purchase and sale of electricity	June 2020 to June 2040
Top Forest Water Co., Ltd.	Kaohsiung	Kaohsiung city government	Nanzi Reclaimed Water Plant BTO	December 2023 to December 2044.
Top Forest Water Co., Ltd.	Kaohsiung	Southern Taiwan Science Park Bureau, NSTC	Contract for the operation and management of high-end treatment facilities, water distribution tanks and distribution pipelines for reclaimed water in Nanzi	16 years from the date of notification by government authority

10. The major agency operations contracts undertaken by the Group were as follows:

Owner	Project Name	Contract amount	Contract completion period
Yilan County Government	Agency operated maintenance work of Yilan Water Resources Recycling Center	Part of income is fixed, and part of it is based on the monthly invested amount.	December 2023 to November 2026
Central Taiwan Science Park Bureau, Ministry of Science and Technology	Agency operated maintenance work of the sewage sewer system in Taichung Park	Part of income is fixed, and part of it is based on the monthly invested amount, and the annual invoice will not exceed the maximum amount specified in the contract.	January 2020 to December 2024 January 2025 to December 2029
Changhua County Government	Changhua County Sewage Piping System and Water Resource Recycling Center	Part of income is fixed, and part of it is based on the monthly invested amount, and the annual invoice will not exceed the maximum amount specified in the contract.	September 2022 to September 2032 November 2022 to December 2025
Chiayi City Government	Chiayi City Water Recycling Center Acting Operation	Part of income is fixed, and part of it is based on the monthly invested amount, and the annual invoice will not exceed the maximum amount specified in the contract.	November 2022 to December 2025
Bureau of Water Resources, Tainan City Government	Entrusted operation and maintenance of Yongkang Water Resources Recycling Center and Reclaimed Water Plant in Tainan City	Part of income is fixed, and part of it is based on the monthly invested amount, and the annual invoice will not exceed the maximum amount specified in the contract.	December 2022 to December 2037
Southern Taiwan Science Park Bureau, NSTC	Entrusted operation and maintenance of the high-end management facility, pool and distribution network of Yongkang reclaimed water in Tainan City	Part of income is fixed, and part of it is based on the monthly invested amount, and the annual invoice will not exceed the maximum amount specified in the contract.	December 2022 to December 2037
Taiwan Water Corporation	Additional establishment of the 6,000-ton seawater desalination plant, and commissioned operation and maintenance in Magong	Part of income is fixed, and part of it is based on the monthly invested amount, and the annual invoice will not exceed the maximum amount specified in the contract.	October 2023 to October 2038
Taiwan Water Corporation	Establishment of the 900-ton seawater desalination plant, and commissioned operation and maintenance in Cimeiyu	Part of income is fixed, and part of it is based on the monthly invested amount, and the annual invoice will not exceed the maximum amount specified in the contract.	15 years from the date of notification by government authority

Contingent liability:

1.As of December 31, 2024 and 2023, the Group issued $1,807,377 thousand and $1,553,825 thousand, respectively, of notes of guaranteed refundable deposits for the contracting projects and borrowings.

2.As of December 31, 2024 and 2023, letters for performance bonds issued by the banks for the requirement for performance bonds amounted to $1,160,955 thousand and $1,897,765 thousand, respectively.

3.On January 19, 2019, the Group signed the "Tainan City Yongkang Water Resources Recycling Center and Renewable Water Plant Construction Turnkey Project" (hereinafter referred to as the “Water Resources Center”) and "Tainan City Yongkang Recycled Water Advanced Treatment Facility Plant, Distribution Pond and Distribution Pipe to New Construction Turnkey Project" (hereinafter referred to as the “Distribution Pipe Construction”) with Construction and Planning Agency, MOI. As of December 31, 2024, due to the late progress of construction, an amount of $515,000 thousand (recognized as accounts receivable) have been withheld from the owner. However, the project is affected by the neighboring projects during the construction process, impact of COVID pandemic, the GIS map provided by Southern Taiwan Science Park Bureau does not match the reality and makes the review process cumbersome and the extension in the construction period caused by weather and administrative factors, therefore, the Group is now actively negotiating with the owner for the extension of the construction period which is not attributable to the Group.

The Group submitted to mediation on January 5, 2023, and received the deduction amount of $120,968 thousand for the Water Resources Center in the partial mediation suggestions from the Complaint Review Board for Government Procurement on October 9, 2024. The Group has announced to agree with the mediation suggestions, and estimated the fine to be $120,968 thousand ($41,812 thousand and $79,156 thousand have been recognized as the deductions to operating revenue for the years ended December 31, 2024 and 2022, respectively). National Land Management Agency, MOI has accepted the mediation suggestion on December 30, 2024. However, the Group has not yet received the certification for the successful mediation.

Regarding the Distribution Pipe Construction, based on the mediation suggestion of the Water Resources Center and the assessment by the lawyer, considering the aforementioned reasons not attributable to the Group, the Group deemed the extension of the construction period is reasonable, not of no substance. Therefore, the Group estimate the fine to be $31,074 thousand (recognized as the deductions to operating revenue) for the year ended December 31, 2024. After the relief is final, the Group will apply for mediation.

4.The project of the "Agency operated maintenance work of Dihua sewage treatment plant Phase 6" contracted by the Taipei City Government was fined $23,750 thousand by the owner for failure of equipment and water quality to meet the standards of the Water Pollution Prevention and Control Act. However, some of the fines were still in dispute. The amount of the related penalty is estimated to be $11,875 thousand (recognized as deductions to operating revenue for the year ended December 31, 2022) based on the settlement result of the previous similar penalty, and the application for settlement will be made in the future, but the final decision will depend on the outcome of the subsequent relief.

5. The Beitou Line Aerial Tramway BOT case conditionally passed the environmental impact assessment review at the 123rd meeting of the Environmental Impact Assessment Review Committee on December 21, 2012. The conditional approval by the aforementioned EIA committee's decision was later revoked by the Taipei High Administrative Court's 2015 Su Geng Yi Zi No. 14 judgment. However, Taipei City Government did not appeal, so the conclusion of the environmental assessment was determined to be revoked by the judgment. According to the contract, the Group is not required to perform an EIA, so the fees for the EIA that have been implemented should be paid by Taipei City Government. After the Group's claim in accordance with the contract was rejected, it claimed the refund $10,358 thousand against Taipei City Government to refund in accordance with the law on July 20, 2018. Although Taipei City Government appealed to the Supreme Court on July 30, 2020, the litigation was terminated because the Group was required to abandon the litigation in accordance with Letter No. 1113020583 in the "Minutes of the 4th Session of the 2nd Coordination Meeting of the Beitou Line Aerial Tramway BOT case" submitted on March 21, 2022.

   In addition, the Group suggested that Taipei City Government consider whether to terminate the contract. Taipei City Government replied to the Group that the case was handed over to the 4th Coordination Committee of the Beitou Line Aerial Tramway BOT for coordination. After repeated discussions with the Coordination Committee, on March 8, 2022, the Coordination Committee concluded that the contract should be terminated by both parties and the Group submitted a request for commercial arbitration in the amount of $250,327 thousand as compensation for the termination of the contract. The Group has received the judgement letter of the commercial arbitration on May 15, 2023. Based on the judgement letter, the Taipei City Government should paid the Group $224,074 thousand for compensation, interests of $9,638, and the attributable arbitration expenses of $1,303 thousand (recognized as other income). And for the year ended December 31, 2023, the Group recognized the losses on arbitration difference in compensation for contract termination of $25,926 thousand (recognized as other gains and losses), interest income of $9,638 thousand and transferred the balance of the aforementioned arbitration expenses offsetting the arbitration expenses in the current period of $1,274 to other income. The aforementioned payment for compensation, including business tax of $10,670 thousand, has been collected in full on February 2, 2024.
6. The Group filed a lawsuit against the counterparties in September 2022 due to the long delay in the progress of the project of No. 28 and No. 30 Dihua Street. The total contract price of the project was $57,183 thousand, and the price had been paid for $40,751 thousand and was recognized as prepayment for the land. The estimated claim amount is $69,343 thousand for the paid price plus the liquidated damages. The attorneys assessed that the Group already holds a substantial guarantee, so there is no concern about the impairment of the amount. The Group has received a favorable judgment in the lawsuit on December 12, 2024. However, the defendant has declared the appeal. The lawsuit is subject to the judgement by the second instance court.
7. The Group filed a lawsuit against the counterparties in January 2023 to claim for the return of unjust enrichment for the underlying target in No. 302 Dihua Street. Afterwards, the Group received the certificate of the obligatory claim amounting to $2,862 thousand issued by Taiwan Shilin District Court on June 26, 2024. However, as the Group has collected payment for bulk receivables of $450 thousand, losses of $2,412 thousand (recognized as administrative expenses) have been recognized for the year ended December 31, 2024.
8. In 2022, the Group purchased the land in Shuiyuan Section, Xizhi District from the natural person with surname of Xie for the transfer of the building capacity in Chongde Section, Xizhi. Since the land has been listed as a protected land by the New Taipei City Government, it is impossible to transfer the capacity. Therefore, on January 3, 2024, the Group filed a lawsuit with the Taiwan Taipei District Court to return the paid land purchase price of $23,183 thousand. The case has been dismissed by the Taiwan Taipei District Court on September 4, 2024. The layer of the case indicated that the land in Shuiyuan Section, Xizhi District has been announced to become the protected land by the New Taipei City Government before signing the contract; however, the natural person with surname of Xie did not notice and breach the guarantee agreement in the contract. The truth is very clear. Therefore, the Group filed a lawsuit with the High Court to return the paid land purchase price of $23,183 thousand in September 2024, pending the court's hearing.

X. Significant losses due to major disasters: None
XI. Significant subsequent Events: None
XII. Others

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

By Function / By item	2024			2023		
	Operating cost	Operating expenses	Total	Operating cost	Operating expenses	Total
Employee benefits						
Salary	606,707	220,630	827,337	579,286	216,493	795,779
Labor and health insurance	64,702	17,684	82,386	61,732	17,596	79,328
Pension	29,264	9,135	38,399	28,335	8,986	37,321
Other employee remunerations	35,399	12,446	47,845	33,956	12,746	46,702
Depreciation	314,897	14,694	329,591	291,357	18,669	310,026
Amortization	124,900	26,455	151,355	129,981	26,557	156,538

XIII. Other disclosures:

1) Information on significant transactions:

The following information regarding significant transactions should be disclosed by the Group in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers for the year ended December 31, 2024:

1. Loaning of funds to others:

Unit:$ thousand

No.	Financing company	Counter party	Financial statement account	Related Party	Maximum balance	Ending balance	Amount actually drawn	Interest rate	Nature for financing	Transaction amount	Reason for financing	Allowance for bad debt	Collateral	Financing limits for each borrowing company	Total Financing limits
													Item		
1	Ho Ching Enterprises Co., Ltd.	Top Forest Water Co., Ltd.	Other receivables	Yes	100,000	-	-	2.45%	2	-	Operating capital	-	None	765,312	1,530,623
1	Ho Ching Enterprises Co., Ltd.	Forest Water Environmental Engineering Ltd.	Other receivables	Yes	300,000	-	-	2.4%	2	-	Operating capital	-	None.	765,312	1,530,623
2	Lealea Hotel Co., Ltd.	Lea Ching Co., Ltd.	Other receivables	Yes	60,000	-	-	4%	2	-	Operating turnover	-	None.	54,508	109,017

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

(1) Loans of funds to companies or firms with short-term financing needs shall be limited to 40 percent of the Company's net worth, and individual loans shall be limited to 20 percent of the Company's net worth.
Maximum amount of loaning funds to others: $3,826,558 thousand×40%＝$1,530,623 thousand.
The individual limits of funds loaned to others: $3,826,558 thousand×20%＝$765,312 thousand.

Note 2: According to Operational Procedures for Loaning Funds to Others of Lealea Hotel Co., Ltd.:

(1) Loans of funds to companies or firms with short-term financing needs shall be limited to 20 percent of the Company's net worth, and individual loans shall be limited to 20 percent of the Company's net worth.
Maximum amount of loaning funds to others: $545,084 thousand×20%＝$109,017 thousand.
The individual limits of funds loaned to others: $545,084 thousand×10%＝$54,508 thousand.

Note 3: Description of the loan of funds:

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

Note 4: The amount has been written off as of the date of preparation of the consolidated financial statements.

2. Endorsement/Guarantee provided to others:

Unit: $ thousand

No.	Endorsement/ Guarantee Provider	Guaranteed party		Limits on Endorsement/ Guarantee Amount	Maximum Balance for the Period	Ending balance	Amount actually drawn	Amount of Endorsement / Guarantee Collateralized by Properties	Ratio of Accumulated Endorsement / Guarantee to Net Equity per Latest Financial Statements	Maximum Endorsement/Guarantee Amount Allowed	Guarantee Provided by Parent Company	Guarantee Provided by A Subsidiary	Guarantee Provided to Subsidiaries in Mainland China
		Name	Relationship										
0	The Company	Orient Forest Development Enterprise Co., Ltd.	2	54,742,892	665,055	594,969	594,969	-	4.35%	82,114,338	Y	N	N
0	The Company	Top Forest Water Co., Ltd.	2	54,742,892	650,000	650,000	650,000	-	4.75%	82,114,338	Y	N	N

1	Forest Water Environmental Engineering Co., Ltd.	Grain Forest Green Energy Co, Ltd.	2	1,312,389	826,556	462,278	462,278	-	7.04%	3,280,974	Y	N	N
1	Forest Water Environmental Engineering Co., Ltd.	Top Forest Water Co., Ltd.	2	1,312,389	100,000	100,000	100,000	-	1.52%	3,280,974	Y	N	N

Note 1: No. 0 represents the Company

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

(1) A company with which it does business.

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

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

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

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

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

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

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

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

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

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

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

Maximum amount of endorsement and guarantee for an individual enterprise: $6,561,947 thousand×20%＝$1,312,389 thousand.

Maximum amount of total endorsement and guarantee provided: $6,561,947 thousand×50%＝$3,280,974 thousand.

3. Securities held as of December 31, 2024 (excluding those investments in subsidiaries, associates and joint ventures):

Unit: $ thousand

Holding Company Name	Marketable Securities Type and Name	Relationship with the Company	Financial Statement Account	December 31, 2024				Highest interim shareholding or investment	Note
				Shares/Units	Carrying Value	Percentage of Ownership	Fair Value		
The Company	Trade-Van Information Services Co., Ltd.	-	Financial assets at fair value through profit or loss- current	85,535	7,313	0.06%	7,313	0.06%	
The Company	Far EasTone Telecommunications Co., Ltd.	-	Financial assets at fair value through profit or loss- current	153,109	13,688	-%	13,688	-%	
The Company	Beijing Enterprises Medical and Health Industry Group Limited	-	Financial assets at fair value through profit or loss- current	60,192,000	19,568	0.99%	19,568	0.99%	
The Company	Beijing Sports and Entertainment Industry Group Limited	-	Financial assets at fair value through profit or loss- current	1,972,500	750	0.14 %	750	0.14%	

Holding Company Name	Marketable Securities Type and Name	Relationship with the Company	Financial Statement Account	December 31, 2024				Highest interim shareholding or investment	Note
				Shares/Units	Carrying Value	Percentage of Ownership	Fair Value		
The Company	Agate-Jt Healthcare Fund L.P.		Financial assets at fair value through profit or loss- non-current	-	18,564	-%	18,564	-%	
The Company	Honyi International Company Limited	-	Financial assets at fair value through profit or loss- non-current	2,500,000	24,100	3.60%	24,100	3.60%	
The Company	Lealea Tourism Development Co., Ltd.	Other related party	Financial assets at fair value through other comprehensive income- non-current	200,000	619	7.69%	619	7.69%	
The Company	CANDO CORPORATION	-	Financial assets at fair value through other comprehensive income- non-current	1,745,772	-	0.45%	-	0.45%	
The Company	Hon Lin Heavy Industries Co., Ltd.	-	Financial assets at fair value through other comprehensive income- non-current	1,875,000	22,350	6.44%	22,350	6.44%	
The Company	Millenmin Ventures Inc.	-	Financial assets at fair value through other comprehensive income- non-current	2,479,000	-	5.89%	-	5.89%	
The Company	Li Ling Film Co., Ltd.	-	Financial assets at fair value through other	1,200,000	2,076	2.61%	2,076	8.70%	

Holding Company Name	Marketable Securities Type and Name	Relationship with the Company	Financial Statement Account	December 31, 2024				Highest interim shareholding or investment	Note
				Shares/Units	Carrying Value	Percentage of Ownership	Fair Value		
			comprehensive income- non-current						
The Company	Taiya Renewable Energy Co., Ltd.	-	Financial assets at fair value through other comprehensive income- non-current	2,382,000	91,183	1.62%	91,183	1.68%	
Lea Ho Investment Co., Ltd.	Rich Development Co., Ltd.	Parent company of the Company	Financial assets at fair value through profit or loss- current	6,493,959	62,926	0.85%	62,926	0.85%	
Lea Ho Investment Co., Ltd.	Li Peng Enterprise Co., Ltd.	Other related party	Financial assets at fair value through profit or loss- current	3,720,820	26,492	0.41%	26,492	0.41%	Note 1
Lea Ho Investment Co., Ltd.	Lealea Enterprise Co., Ltd.	Other related party	Financial assets at fair value through profit or loss- current	3,702,547	32,805	0.37%	32,805	0.37%	Note 2
Lea Ho Investment Co., Ltd.	Lealea Technology Co., Ltd.	Other related party	Financial assets at fair value through other comprehensive income-non-current	4,456,420	234,541	7.20%	234,541	7.20%	
Lea Ho Investment Co., Ltd.	Tien Li Offshore Wind Technology Co., Ltd.	-	Financial assets at fair value through other comprehensive income-non-current	608,015	16,131	0.80%	16,131	0.80%	
Lea Ho Investment Co., Ltd.	Asia Renewable Energy (Cayman) Ltd.	-	Financial assets at fair value through other comprehensive income-non-current	1,257,500	16,926	1.23%	16,926	1.23%	
Lea Ho Investment	Information Technology Total Services Co., Ltd.	-	Financial assets at fair value through other	33,750	1,519	0.12%	1,519	0.12%	

Holding Company Name	Marketable Securities Type and Name	Relationship with the Company	Financial Statement Account	December 31, 2024				Highest interim shareholding or investment	Note
				Shares/Units	Carrying Value	Percentage of Ownership	Fair Value		
Co., Ltd.			comprehensive income-non-current						
Lea Ho Investment Co., Ltd.	BOOK4U CO., LTD.	-	Financial assets at fair value through other comprehensive income-non-current	6,250	-	0.12%	-	0.12%	
Lea Ho Investment Co., Ltd.	Hua Zi Venture Capital Co., Ltd.	-	Financial assets at fair value through other comprehensive income-non-current	5,435	-	1.09%	-	1.09%	
Lea Ho Investment Co., Ltd.	Shin Kong Mitsukoshi Department Store	-	Financial assets at fair value through other comprehensive income-non-current	274,079	12,040	0.02%	12,040	0.02%	
Lea Ho Investment Co., Ltd.	Lealea Tourism Development Co., Ltd.	-	Financial assets at fair value through other comprehensive income-non-current	200,000	619	7.69%	619	7.69%	
Ho Ching Enterprises Co., Ltd.	Leader Construction Co., Ltd.	Other related party	Financial assets at amortized cost – non-current	10,000,000	100,000	-%	100,000	-%	
Ho Ching Enterprises Co., Ltd.	Lealea Enterprise Co., Ltd.	Other related party	Financial assets at fair value through profit or loss- current	166,400	1,474	0.02%	1,474	0.02%	
Ho Ching Enterprises Co., Ltd.	Teamphon Energy Co.,Ltd.	Other related party	Financial assets at fair value through profit or loss- current	317	18	-%	18	-%	
Blossom Increase	Asia Renewable Energy (Cayman) Ltd	-	Financial assets at fair value through other	2,710,398	36,482	2.66%	36,482	2.66%	

Holding Company Name	Marketable Securities Type and Name	Relationship with the Company	Financial Statement Account	December 31, 2024				Highest interim shareholding or investment	Note
				Shares/Units	Carrying Value	Percentage of Ownership	Fair Value		
Limited			comprehensive income-non-current						
Blossom Increase Limited	Tien Li Offshore Wind Technology Co., Ltd.	-	Financial assets at fair value through other comprehensive income-non-current	1,331,100	35,314	1.76%	35,314	1.76%	
Forest Water Environmental Engineering Ltd.	Millenmin Ventures Inc.	-	Financial assets at fair value through other comprehensive income-non-current	1,648,000	-	3.91%	-	3.91%	
Forest Water Environmental Engineering Ltd.	Taiya Renewable Energy Co., Ltd.	-	Financial assets at fair value through other comprehensive income-non-current	1,693,000	64,808	1.15%	64,808	1.19%	
Forest Water Environmental Engineering Ltd.	Honyi International Company Limited	-	Financial assets at fair value through profit or loss- non-current	1,250,000	12,050	1.80%	12,050	1.80%	
Re-use Environmental Co., Ltd.	Teamphon Energy Co.,Ltd.	Other related party	Financial assets at fair value through profit or loss- current	107,000	6,174	0.33%	6,174	1.52%	
Re-use Environmental Co., Ltd.	Yung Fu Co., Ltd.	-	Financial assets at fair value through other comprehensive income-non-current	558,973	10,906	0.62%	10,906	0.62%	
Orient Forest	Jih Sun Money Market Fund	-	Financial assets at fair	3,334,156	51,581	-%	51,581	-%	

Holding Company Name	Marketable Securities Type and Name	Relationship with the Company	Financial Statement Account	December 31, 2024				Highest interim shareholding or investment	Note
				Shares/Units	Carrying Value	Percentage of Ownership	Fair Value		
Development Enterprise Co., Ltd.			value through profit or loss- current						
Orient Forest Development Enterprise Co., Ltd.	Capital Money Market Fund	-	Financial assets at fair value through profit or loss- current	4,292,113	72,195	-%	72,195	-%	
Modern Rich Investment Limited	Asia Renewable Energy (Cayman) Ltd.	-	Financial assets at fair value through other comprehensive income-non-current	2,820,278	37,961	2.77%	37,961	2.77%	
Modern Rich Investment Limited	Tien Li Offshore Wind Technology Co., Ltd.	-	Financial assets at fair value through other comprehensive income-non-current	1,382,400	36,675	1.83%	36,675	1.83%	
Lealea Hotels & Resorts Co., Ltd.	Stocks - Tengsen 1 Co., Ltd.	-	Financial assets at fair value through other comprehensive income - non-current	4,496,740	43,405	5.00%	43,405	5.00%	

Note 1: 1,400,000 shares have been pledged as collateral.

Note 2: 2,800,000 shares have been pledged as collateral.

4. The cumulative transaction amount of acquisitions and disposals of the same type of marketable securities reaches at least $300 million or 20% or more of the paid-in capital:

Unit: thousand shares/$ thousand

Trading company	Type and name of marketable security	Account	Counterparty	Relationship	Beginning of period		Purchases		Sales				Gains and losses on investments (Note)	End of period	
					Number of shares	Amount	Number of shares	Amount	Number of shares	Price	Carrying amount	Gains and losses on disposal		Number of shares	Amount
Lealea Hotels & Resorts Co., Ltd.	Stocks - Lea Ching Co., Ltd.	Financial assets at fair value through other comprehensive income-non-current	Cash capital increase	-	-	-	10,000	100,000	-	-	-	-	(52,100)	10,000	47,900
Mundus Smart Energy Co., Ltd.	Stocks - KAI LAN ENERGY CO., LTD.	Investments accounted for using equity method	Cash capital increase	-	-	-	5,708	57,085	-	-	-	-	(320)	36,000	359,680
Mundus Smart Energy Co., Ltd.	Stocks - KAI LAN ENERGY CO., LTD.	Investments accounted for using equity method	Kai Jie Energy Co., Ltd.	Other related party	-	-	30,292	302,915	-	-	-	-			
Lealea Hotels & Resorts Co., Ltd.	Stocks - Mundus Smart Energy Co., Ltd.	Investments accounted for using equity method	Cash capital increase	-	-	-	38,000	380,000	-	-	-	-	22,212	38,000	400,357

Note: The amounts have been eliminated in preparing the consolidated financial statements, and treated by the regulations on changes in ownership interests of parent to subsidiaries.

5. Acquisition of real estate reaching $300 million or 20 percent of paid-in capital or more:

Unit: $ thousand

The acquiring company	Name of the property	Date of factual occurrence	Amount of the transaction	Details of the receipt or payment of the transaction price	Counterparty	Relationship	Information on the last preceding transfer				Reference basis upon which the price was determined	The specific purpose of the acquisition or disposal and the usage status of the object	Other special stipulations
							Owner	Relationship with the issuer	Date of transfer	Amount			
The Company	Land and targets on the terrain in No. 286, 2th Subsection, Xisong Section, Songshan District, Taipei City	2024.09.10 (board of directors)	840,000	252,000	Ya Ni Development Enterprise Co., Ltd.	Associate	Regiant Industrial Co., Ltd.	Substantive related party	99.02.08	600,000	Appraisal report	Build residential buildings and sell	
Re-use Environmental Co., Ltd.	Land and building in Ligang Township, Pingtung County	2024.03.14	300,000	300,000	YING CHERNG ENTERPRISE CO., LTD.	Non-related party	-	-	-	-	Appraisal report	For operation	

6. Disposal of real estate reaching $300 million or 20 percent of paid-in capital or more:

Unit: $ thousand

The disposing company	Name of the property	Date of factual occurrence	Original acquisition date	Carrying amount	Amount of the transaction	Details of the receipt or payment of the transaction price	Gains or losses on disposal	Counterparty	Relationship	Purpose of disposal	Reference basis upon which the price was determined	Other special stipulations
Forest Water Environmental Engineering Ltd.	Land in Ligang Township, Pingtung County	2024.03.14	2017.07.11	326,058	326,058	326,058	-	UTOP CO., LTD.	Non-related party	Enhance working capital	Appraisal report	

7. Purchases or sales of goods from or to related parties reaching $100 million or 20 percent of paid-in capital or more:

Unit: $ thousand

Company Name	Related Party	Nature of Relationships	Transaction Details				Abnormal Transaction		Notes/Accounts Payable or Receivable		Note
			Purchases/ Sales	Amount	% to Total	Payment Terms	Unit Price	Payment Terms	Ending Balance	% to Total	
The Company	Leader Construction Co., Ltd.	Other related party	Purchases	520,616	72.81%	Same as general transactions	-	-	(146,423)	55.10%	
Forest Water Environmental Engineering Co., Ltd.	Forest Water Sustainability Tech EP Eng'g Co., Ltd.	Other related party	Purchases	150,106	8.07%	Monthly bases	-	-	(63,968)	7.12%	
Forest Water Environmental Engineering Co., Ltd.	Green Forest Development Enterprise Co., Ltd.	Parent and subsidiary	Sales	(148,132)	(7.93)%	Monthly bases	-	-	62,186	8.97%	

Note: Except for the transactions with other related parties, the amounts have been eliminated in preparing the consolidated financial statements.

8. Receivables from related parties amounting to at least $100 million or 20% of the paid- in capital: None.
9. Transactions of derivative financial products: None.
10. Inter-company business relationships and significant Inter-company transactions

Unit: $ thousand

No.	Company Name	Counterparty	Nature of Relationships	Intercompany Transactions			
				Financial Statements Item	Amount	Terms	Percentage of Consolidated Net Revenue or Total Assets
1	Forest Water Environmental Engineering Co., Ltd.	Orient Development Enterprise Co., Ltd.	3	Sales revenue	90,793	After the related party bills the owner for payment, notify the company to collect the payment 10 days after the invoice is issued.	1.53%
1	Forest Water Environmental Engineering Co., Ltd.	Orient Development Enterprise Co., Ltd.	3	Notes and accounts receivable	37,710	〃	0.09%
1	Forest Water Environmental Engineering Co., Ltd.	Green Development Enterprise Co., Ltd.	3	Sales revenue	148,132	〃	2.49%
1	Forest Water Environmental Engineering Co., Ltd.	Green Development Enterprise Co., Ltd.	3	Notes and Accounts receivable	62,186	〃	0.15%

Note 1: The way to code is as follows:

1. The parent company is coded as 0.
2. Subsidiaries are coed sequentially starting from Arabic numeral 1 by companies.

Note 2: The relationship with counterparty is indicated as follows:

1. Parent to subsidiary.
2. Subsidiary to parent.
3. Subsidiary to subsidiary.

Note 3: The amounts have been eliminated in preparing the consolidated financial statements.

2)Information on investee companies:

The Group investee companies as of December 31, 2024 were as follows:

Unit: $ thousand

Investor estor	Investee company	Location	Main Businesses	Original Investment Amount		Balance as of December 31, 2024			Highest interim shareholding or investment	Net Income (Losses) of the Investee	Share of Profits/Losses of Investee	Note
				December 31, 2024	December 31, 2023	Shares	Percentage of Ownership	Carrying Amount				
The Company	Lea Ho Investment Co., Ltd.	Taiwan	Investing various manufacturing or financial business operations	454,536	454,536	45,447,854	100.00%	472,306	100.00%	(3,140)	(4,720)	
The Company	Green Forest Development Enterprise Co., Ltd.	Taiwan	Water treatment engineering, piping engineering, waste (sewage) water treatment and other businesses	387,324	672,000	65,133,921	30.00%	808,943	30.00%	281,679	84,503	
The Company	Rich Forest Leisure Development Co., Ltd.	Taiwan	Construction and operation of aerial tramway	347,933	426,911	34,793,258	52.38%	51,801	52.38%	(16,822)	(8,811)	
The Company	Lealea Hotel Co., Ltd.	Taiwan	General Hotel Management, etc.	395,592	395,592	35,053,747	42.23%	191,335	42.23%	(83,840)	(35,409)	
The Company	Yilan Lealea Hotels & Resorts Co., Ltd.	Taiwan	General Hotel Management, etc.	585,000	585,000	58,500,000	63.59%	171,889	63.59%	(55,922)	(35,559)	
The Company	Ho Ching Enterprises Co., Ltd.	Taiwan	Waste cleaning, waste treatment, environmental testing services, waste-water treatment	1,657,619	1,657,619	68,511,940	68.44%	2,619,030	68.44%	110,365	75,538	
The Company	Lealea Hotels & Resorts Co., Ltd.	Taiwan	General Hotel Management, etc.	400,649	297,593	23,123,230	36.21%	306,561	36.21%	(76,177)	(40,198)	

Investor estor	Investee company	Location	Main Businesses	Original Investment Amount		Balance as of December 31, 2024			Highest interim shareholding or investment	Net Income (Losses) of the Investee	Share of Profits/Losses of Investee	Note
				December 31, 2024	December 31, 2023	Shares	Percentage of Ownership	Carrying Amount				
The Company	Forest Water Environmental Engineering Ltd.	Taiwan	Environmental Protection engineering and industrial waste-water treatment	78,798	78,798	1,831,081	1.01%	66,439	1.01%	167,187	1,853	
The Company	Lea Ching Enterprise Co., Ltd	Taiwan	General Hotel Management, etc.	820,200	820,200	82,020,000	51.26%	610,397	51.26%	(180,063)	(93,616)	
The Company	Grain Forest Green Energy Co., Ltd.	Taiwan	Waste cleaning and renewable energy for power generation equipment	136,500	136,500	13,650,000	30.00%	65,445	30.00%	(7,518)	(2,255)	
The Company	Re-Use Environmental Co., Ltd.	Taiwan	Waste cleaning, etc.	274,567	274,567	2,957,240	43.49%	317,320	43.49%	150,830	56,822	
The Company	Ya Ni Development Enterprise Co., Ltd.	Taiwan	General Hotel Management, etc.	63,240	63,240	6,200,000	32.46%	66,139	32.46%	4,018	1,305	Associate
The Company	Lea Long Energy Co., Ltd.	Taiwan	Renewable energy for power generation equipment	1,836	9,000	183,600	30.00%	2,181	30.00%	(2,139)	(642)	Associate
The Company	Top Forest Water Co., Ltd.	Taiwan	Water treatment engineering, piping construction, and waste water (sewage) treatment, etc.	10,000	10,000	1,000,000	10.00%	9,386	10.00%	(4,943)	(495)	
Lea Ho Investment Co., Ltd	Blossom Increase Limited	Samoa	Oversea holding company	154,479	154,479	5,445,000	100.00%	71,806	100.00%	(60)	(60)	
Lea Ho Investment Co., Ltd	Rich Forest Leisure Development Co., Ltd.	Taiwan	Construction and operation of aerial tramway	26,149	32,145	2,641,193	3.98%	3,932	3.98%	(16,822)	(669)	

Investor estor	Investee company	Location	Main Businesses	Original Investment Amount		Balance as of December 31, 2024			Highest interim shareholding or investment	Net Income (Losses) of the Investee	Share of Profits/Losses of Investee	Note
				December 31, 2024	December 31, 2023	Shares	Percentage of Ownership	Carrying Amount				
Lea Ho Investment Co., Ltd	Lealea Hotels Co., Ltd.	Taiwan	General Hotel Management, etc.	33,000	33,000	3,300,000	3.98%	18,012	3.98%	(83,840)	(3,333)	
Lea Ho Investment Co., Ltd	Ho Ching Enterprise Co., Ltd.	Taiwan	Water treatment engineering, piping engineering, waste (sewage) water treatment and other businesses	3,414	3,414	144,695	0.14%	5,531	0.14%	110,365	159	
Ho Ching Enterprise Co., Ltd.	Forest Water Environmental Engineering Co., Ltd.	Taiwan	Environmental protection engineering construction	3,187,545	3,187,545	108,587,854	60.04%	3,939,941	66.87%	167,187	109,901	Note 2
Ho Ching Enterprise Co., Ltd.	Richone Holdings Ltd.	Samoa	Investing various financial business operations	14,070	14,070	487,600	30.10%	19,314	30.10%	8,217	2,473	Associate
Lealea Hotels Co., Ltd.	Yilan Lealea Hotels & Resorts Co., Ltd.	Taiwan	General Hotel Management, etc.	335,000	335,000	33,500,000	36.41%	98,432	-%	(55,922)	(20,363)	
Lealea Hotels Co., Ltd.	Lea Ching Enterprise Co., Ltd.	Taiwan	General Hotel Management, etc.	580,000	580,000	58,000,000	36.25%	339,641	-%	(180,063)	(66,200)	
Forest Water Environmental Engineering Co., Ltd.	Orient Forest Development Enterprise Co., Ltd.	R.O.C.	Water treatment engineering, piping engineering, waste (sewage) water treatment and other businesses	1,773,984	1,773,984	223,013,980	100.00%	3,116,104	100.00%	184,261	184,261	
Forest Water Environmental Engineering Co., Ltd.	Green Forest Development Enterprise Co., Ltd.	R.O.C.	Water treatment engineering, piping engineering, waste (sewage) water treatment and other businesses	1,133,597	1,797,842	151,979,149	70.00%	1,887,536	70.00%	281,679	197,175	

Investor estor	Investee company	Location	Main Businesses	Original Investment Amount		Balance as of December 31, 2024			Highest interim shareholding or investment	Net Income (Losses) of the Investee	Share of Profits/Losses of Investee	Note
				December 31, 2024	December 31, 2023	Shares	Percentage of Ownership	Carrying Amount				
Forest Water Environmental Engineering Co., Ltd.	Perfection Forest Development Enterprise Co., Ltd.	R.O.C.	Water treatment engineering, piping engineering, waste (sewage) water treatment and other businesses	240,000	200,000	24,000,000	100.00%	76,061	100.00%	(37,908)	(37,908)	
Forest Water Environmental Engineering Co., Ltd.	Yi Cheng Development Co., Ltd.	R.O.C.	Waste Cleaning, etc.	139,990	139,990	11,000,000	100.00%	3,277	100.00%	(2,334)	(2,334)	
Forest Water Environmental Engineering Co., Ltd.	Grain Forest Green Energy Co., Ltd	R.O.C.	Renewable energy for power generation	318,500	318,500	31,850,000	70.00%	152,705	70.00%	(7,518)	(5,263)	
Forest Water Environmental Engineering Co., Ltd.	Eastern Forest Environmental Technology Co., Ltd.	R.O.C.	Environmental Hygiene and Pollution Prevention	35,000	35,000	3,500,000	70.00%	10,939	70.00%	(2,791)	(1,954)	
Forest Water Environmental Engineering Co., Ltd.	Re-use Environmental Co., Ltd.	R.O.C.	Waste Cleaning, etc.	318,248	318,248	3,427,710	50.41%	367,820	50.41%	150,830	65,863	
Forest Water Environmental Engineering Co., Ltd.	LeaLea Hsing Environmental Co., Ltd	R.O.C.	Waste Cleaning, etc.	500	500	50,000	100.00%	381	100.00%	(75)	(75)	
Forest Water Environmental Engineering Co., Ltd.	LeaLea Environmental Enterprise Co., Ltd	R.O.C.	Waste Cleaning, etc.	244,049	215,549	7,942,000	95.00%	113,187	95.00%	(24,067)	(27,906)	
Forest Water Environmental Engineering Co., Ltd.	Top Forest Water Co., Ltd.	R.O.C.	Water treatment engineering and reclaimed water treatment, etc.	70,000	70,000	7,000,000	70.00%	65,704	70.00%	(4,943)	(3,460)	

Investor estor	Investee company	Location	Main Businesses	Original Investment Amount		Balance as of December 31, 2024			Highest interim shareholding or investment	Net Income (Losses) of the Investee	Share of Profits/Losses of Investee	Note
				December 31, 2024	December 31, 2023	Shares	Percentage of Ownership	Carrying Amount				
Forest Water Environmental Engineering Co., Ltd.	Mordern Rich Investment Limited	Samoa	Investing various manufacturing or financial business operations	273,484 (Note 1) (USD5,610) (RMB20,000)	258,795 (Note 1) (USD5,610) (RMB20,000)	8,568,730	100.00%	196,514	100.00%	6,712	6,712	
Mordern Rich Investment Limited	Faith Honest International Investment Limited	Samoa	Investing various manufacturing or financial business operations	89,724 (Note 1) (USD5) (RMB20,000)	86,694 (Note 1) (USD5) (RMB20,000)	2,963,730	100.00%	121,392	100.00%	6,772	6,772	
Faith Honest International Investment Limited	Loyal Sheen International Limited	British Virgin Islands	Investing various manufacturing or financial business operations	89,560 (Note 1) (RMB20,000)	86,540 (Note 1) (RMB20,000))	40	40.00%	121,371	40.00%	20,134	6,770	Associate
Lealea Hotels & Resorts Co., Ltd.	Lealea Mingchih Resort Co., Ltd.	Taiwan	General Hotel Management, etc.	120,800	40,800	12,080,000	75.50%	14,405	75.50%	(81,093)	(42,354)	
Lealea Hotels & Resorts Co., Ltd.	Lealea Eagle Travel Service Co., Ltd.	Taiwan	Travel agency, etc.	6,600	6,600	660,000	100.00%	3,057	100.00%	520	520	
Lealea Hotels & Resorts Co., Ltd.	Lea Ching Co., Ltd.	Taiwan	General Hotel Management, etc.	100,000	-	10,000,000	6.25%	74,420	6.25%	(180,063)	(8,834)	
Lealea Hotels & Resorts Co., Ltd.	Mundus Smart Energy Co., Ltd.	Taiwan	Energy service	380,000	-	38,000,000	95.21%	400,357	95.21%	21,278	22,212	
Mundus Smart Energy Co., Ltd.	KAI LAN ENERGY CO., LTD.	Taiwan	Energy related business	360,000	-	36,000,000	40.00%	359,680	40.00%	(1,717)	(320)	Associate

Note 1: The amounts are calculated by the original investment amount of the investee companies denominated in original currencies, multiplies by the exchange rate at the end of the period.

Note 2: 13,025 thousand shares have been pledged as collaterals.

Note 3: Except for associates, the amounts have been eliminated in preparing the consolidated financial statements.

3)Information on investments in mainland China:

1.Information on the investee company in Mainland China:

Unit: $ thousand / RMB thousand /USD thousand

Investee Company	Main Businesses	Total Amount of Paid-in Capital	Method of Investment	Accumulated Outflow of Investment from Taiwan as of January 1, 2024	Investment Flows		Accumulated Outflow of Investment from Taiwan as of December 31, 2024	Net Income (Losses) of the Investee Company	Percentage of Ownership	Highest interim shareholding or investment	Share of Profits/Losses	Carrying Amount as of Balance as of December 31, 2024	Accumulated Inward Remittance of Earnings as of December 31, 2024
					Outflow	Outflow							
Lea Zan Shanghai Business Consultancy Limited.	Investing various financial business operations	52,161 (USD1,591)	(Note 1)	15,737 (USD480) (Note 2)	-	-	15,737 (USD480) (Note 2)	8,333 (RMB1,893)	30.10%	30.10%	2,508 (RMB570) (Note 3)	19,165 (RMB4,279)	-
An Ning Beijing Enterprise Water Resource Limited	Water treatment construction and sewage treatment	105,233 (RMB23,500)	(Note 1)	89,560 (RMB20,000) (Note 2)	-	-	89,560 (RMB20,000) (Note 2)	20,205 (RMB4,589)	40.00%	40.00%	8,082 (RMB1,835) (Note 4)	97,169 (RMB21,699)	9,597 (RMB2,180)

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

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

Note 3: The recognition of investment gains or losses is based on the indirect shareholding ratio in the investee's self-assessed financial statements.

Note 4: The recognition of investment gains or losses is based on the indirect shareholding ratio as reviewed by the parent company's CPAs in Taiwan.

2.Upper Limits on Outward Investment in Mainland China:

Company	Cumulative investment amount remitted from Taiwan - End of the current period	Investment Amounts Authorized by Investment Commission, MOEA	Upper Limit on Investment regulated by Investment Commission, MOEA
Forest Water Environmental Engineering Co., Ltd.	89,560 (RMB20,000)	89,560 (RMB20,000)	3,937,168 (Note 5)
Ho Ching Enterprise Co., Ltd.	15,737 (RMB480)	15,737 (RMB480)	2,295,935 (Note 6)

Note 5: Calculation of limit: The subsidiary's net quity×60%=NTD6,561,947 thouasand×60%=NTD3,937,168 thousand.
Note 6: Calculation of limit: The subsidiary's net quity×60%=NTD3,826,558 thouasand×60%=NTD2,295,935 thousand.

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

4)Information on major shareholders:

Unit: share

Shares Shareholders	Total Shares Owned	Ownership Percentage
Lealea Enterprise Co., Ltd.	53,395,090	6.96%
Li Peng Enterprise Co., Ltd.	52,651,387	6.87%

XIV. Segment information

1) General information

The Group has three reportable segments, and as described below, these segments are the strategic operating units of the Group. Each strategic business unit provides different products and services and is managed separately due to the different technologies and marketing strategies it needs. The chief operating decision maker of the Group reviews the internal management reports of each strategic operating unit at least quarterly. The operation summary of each reportable segment of the Group is as follows:

1. Construction segment: commissioning construction companies to build commercial buildings and lease and sale of residential buildings.
2. Sewage treatment segment: water treatment engineering, piping engineering, waste (sewage) water treatment and pollution prevention equipment wholesale.
3. Tourist hotel segment: operating international tourist hotel business.

2) Reconciliation of segment revenue and results:

2024	Construction	Environmental construction and sewage treatment	Tourist hotels	All other segments	Reconciliation and written off	Total
Revenue:						
Revenue from external customers	$ 1,571,847	3,386,878	992,960	-	-	5,951,685
Revenue between segments	14,455	238,925	20,899	-	(274,279)	-
Interest income	11,792	21,756	5,687	4,337	(1,636)	41,936
Total revenue	**$ 1,598,094**	**3,647,559**	**1,019,546**	**4,337**	**(275,915)**	**5,993,621**
Interest expenses	$ 40,142	135,888	84,740	6,848	(3,074)	264,544
Depreciation and amortization	34,123	178,852	267,971	-	-	480,946
Financial valuation loss of assets/liabilities	12,974	35,847	-	(5,231)	(1,582)	42,008
Profit(loss) of reportable segment	**$ 144,636**	**433,417**	**(359,036)**	**(61,663)**	**53,473**	**210,827**
Assets of reportable segments	**$ 18,359,609**	**15,678,647**	**6,664,940**	**635,710**	**(5,738)**	**41,333,168**
Liability of reportable segments	**$ 10,686,785**	**7,845,723**	**4,127,999**	**241,336**	**(11,496)**	**22,890,347**

2023	Construction	Environmental construction and sewage treatment	Tourist hotels	All other segments	Reconciliation and written off	Total
Revenue:						
Revenue from external customers	$ 3,190,841	3,679,679	835,021	-	-	7,705,541
Revenue between segments	11,641	267,537	23,466	-	(302,644)	-
Interest income	8,852	10,980	11,475	4,255	(638)	34,924
Total revenue	**$ 3,211,334**	**3,958,196**	**869,962**	**4,255**	**(303,282)**	**7,740,465**
Interest expenses	$ 71,887	147,418	46,752	481	(2,163)	264,375
Depreciation and amortization	34,123	187,428	245,013	-	-	466,564
Financial valuation loss of assets/liability	499	13,310	-	10,046	(7,062)	16,793
Profit(loss) of reportable segment	**$ 367,418**	**283,795**	**(324,027)**	**33,751**	**(29,208)**	**331,729**
Assets of reportable segments	**$ 17,788,741**	**15,435,445**	**6,443,632**	**612,533**	**-**	**40,280,351**
Liability of reportable segments	**$ 10,539,321**	**7,867,167**	**4,159,759**	**346,158**	**-**	**22,912,405**

3)Product type and labor service type information

Please refer to Note 6(22) for the product and service information of the Group's revenue from external customers.

4)Geographical Information

The main operating base of the Group is located in Taiwan. As of December 31, 2024 and 2023, the revenue from external customers was all in Taiwan.

5)Major customers

	2024	2023
Customer A from sewage treatment segment	$ 642,573	673,917
Customer B from sewage treatment segment	609,549	552,208
Customer D from sewage treatment segment	587,678	554,461
Customer E from sewage treatment segment	391,275	497,928
	$ 2,231,075	**2,278,514**