

FULL WANG INTERNATIONAL DEVELOPMENT
COMPANY LIMITED

2022
Annual report

Notice to readers

This English-version annual report is a summary translation of the Chinese version and is not an official document of the shareholders' meeting. If there is any discrepancy between the English and Chinese versions, the Chinese version shall prevail.

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This annual report is available at the website: [https:// mops.twse.com.tw](https://mops.twse.com.tw)
Company website:<https://www.fwgroup.com.tw>



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Deputy spokesperson

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II. Headquarters and branches

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V. Overseas Securities Exchange: Not applicable

VI. Corporate Website: <http://www.fwgroup.com.tw>

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ONE. Letter to shareholders

In recent years, the real estate market has been limited by the unfavorable policy environment of the housing market, the impact of inflation disruption driving a sharp rise in raw materials and construction costs, and the general shortage of work in various work items, and the total revenue of the Company and its subsidiaries has shrunk to NT\$578,022 thousand in 2022.

The following is a report to shareholders on the Company's operating results for 2022:

I. Business results

(I) Implementation Results of Business Plans:

Unit: NTD thousand

Year	2022	2021	Increase (decrease) change	
			Amount	Percentage %
Sales revenue	578,022	3,185,720	(2,607,698)	-81.86%
Operating costs	423,833	2,484,992	(2,061,159)	-82.94%
Net operating margin	154,189	700,728	(546,539)	-78.00%
Total operating expenses	258,927	322,963	(64,036)	-19.83%
Operating (loss) profit	(104,738)	377,765	(482,503)	-127.73%
Total nonoperating revenue and expenses	(866,860)	(279,956)	(586,904)	209.64%
Profit (loss) before income tax	(971,598)	97,809	(1,069,407)	-1093.36%
Profit (loss) for the year	(977,659)	67,822	(1,045,481)	-1541.51%

(II) Budget Implementation:

The Company did not prepare 2022 financial forecasts and therefore there was no budget implementation.

(III) Financial receipts and expenditures and profitability analysis:

International Financial Reporting Standards - Consolidated Financial Statements

Analysis		2022	2021	
Financial performance (%)	Debt to assets ratio	91.09	82.38	
	Long-term capital to property, plant and equipment ratio	2,441.01	10,647.98	
Solvency (%)	Current ratio	109.95	135.53	
	Quick ratio	17.58	57.58	
	Times interest earned	(7.99)	1.32	
Profitability (%)	Return on assets	(9.32)	1.04	
	Return on Equity	(71.30)	3.39	
	to paid-in capital	Operating profit	(6.80)	24.53
		Income before tax	(63.08)	6.35
	Profit margin	(169.14)	2.13	
Earnings per share (NT\$)	(6.35)	0.44		

(IV) Research and Development:

- 1. Land development ability: Have complete control of the market intelligence and produce accurate judgment and land resource integration through accurate analysis and comparison.
- 2. Product planning ability: Provide quality living space product through accurate market research and product positing.
- 3. Sales integrity ability: Establish sales integrity principles by creating realistic sales advertisements to gain the trust of customers.
- 4. Construction management ability: Enhance the quality in structure and waterproofing of construction works as well as interior decoration to effectively control construction quality.
- 5. Brand image: Enable our customers to enjoy second-to-none living quality by planting a large amount in greenery and integrating the concept of human technology and sustainability.

II. Summary of the 2022 Business Plan

(I) Management Policy

The Company is a comprehensive real estate team. It carries out a full range of research and analysis. It develops various building products based on land attributes, including residential buildings, villa residences, office buildings, and industrial real estate. Based on the idea of constructing classic, green future, and creating living space, we construct buildings that integrate technology facilities and would be standing for hundreds of years.

Full Wang’s common sense of “relationship like siblings and warmth like a family” is deeply rooted within our customers to pursue the Company’s future operational goals. At Full Wang, we adhere to the management philosophy of “responsibility, teamwork, quality and innovation” and implement it into each and every construction project, achieving the Company’s commitment that customers always come first. We fully adopt our corporate core values in a bid to build a win-win situation for our customers, shareholders and employees, and are committed to fulfilling our responsibilities to society.

[Do good deeds]	[Spread positive ideas]
we always strive to do our best;	we contribute what we can anywhere and anytime
[Goodwill]	[Achievement]
Cultivate community in the neighborhood;	Satisfy customers and exceed their expectations

(II) Expected sales volume and its basis

Our Company's construction division has purchased the land for the next 3 years as plann to be developed. Construction projects are plan according to the construction period in the short, medium and long term. These projects are expecte to be complete in 2023, 2024 and 2025, respectively, to contribute to each year's operating income and profitability. And actively develop the complex mall located in the Wuri high-speed railway special zone, attract well-known manufacturers at home and abroad to enter the cooperation, so as to create the long-term and stable development of the company's future operation.

(III) Important production and marketing policies

Production strategy: The development strategy for Company’s construction business division regarding construction projects is focuse on self-occupied projects, supplemented by home exchange and investment products. The company's products meet the market demand and our current development projects are the metropolitan

areas in Hsinchu County, Yunlin County, Taichung City, and Kaohsiung City. To solve the issue of the lack of land for industrial use, we provide industries with production bases and develop land in industrial real estates centered on areas where the transportation is convenient and where industries are concentrated. These places include Taoyuan, Hsinchu, Changhua, Nantou, and Tainan.

Sales strategy: We adopt the pre-sale method and integrate different a variety of marketing channels to achieve the sales objective of “zero remaining empty houses” after the completion of the contraction project. At the same time, we also establish a robust customer service system and provide our customers with sustainable services to enhance customer satisfaction and recognition, establishing the Company's brand image as a sustainable service.

III. The Company’s future development strategy

- (I) Customer service: We understand the customer’s perspective and create maximum benefits for them. Our goal is to satisfy customers with our service.
- (II) Sustainable management: We regularly hold community events to give back and care for those in need and maintain customer relations.
- (III) Give back to society: Full Wang dedicates itself to public welfare activities, adhering to the philosophy of “taking from society and giving back to society.” We do our utmost to give back to society as well as helping the disadvantaged as a means to implement corporate social responsibility.
- (IV) High-quality Buildings: To continue providing quality architectural products, the Company considers the suitable function of living space and the convenience for occupants at the stage of the design planning.

IV. Effects by external competitive, regulatory and overall operating environments

(I) External competition

The development of Taiwan’s real estate market is centered on the Greater Taipei area. Given the reason, most construction sectors are concentrated in Taipei City and New Taipei City, competing with each other for land. Due to the increasing scarcity of land available for construction and the supply of land is limited, land in prime areas is hard to come back these days, resulting in a constant increase in land prices. The Company has sufficient land in Hsinchu, Yunlin, and Taichung for new construction projects. Since 2020, the Company has also been developing land in Kaohsiung, Yunlin and Miaoli for residential construction projects.

In this competitive environment, in order to respond to the competition in the real estate market, the Company takes into account the future demand for mobility in the “racetrack economy.” Land close to MRT, large public buildings, newly re-planned areas, and important transportation projects will be the focus to build houses, villa-type buildings, and community building-type housing. We have the advantages of land cost and product planning. We offer fair prices to attract the attention of those in need while also actively engaged in the development of commercial real estate, and the complex mall located in the Wuri high-speed railway special zone is in full swing to cope with the competition in the external market.

(II) Regulatory environment

Although the current government policy is not favorable to the housing market, it still manages to generate profits. Through implementing ethical corporate management and social responsibility, not only are investors protected and management risk reduced, we have also enhanced our audit management to prevent internal fraud risks. Related information disclosure measures or material financial operations rules have been formulated, expecting to improve the Company’s information transparency and timeliness.

Full Wang has set up an investor service section to publish important information,

which is released on the public information website designated by the competent authority and the Company's website. We also comply with the amendments or promulgation of laws and regulations formulated by the competent authorities to make our internal regulations more stringent. By taking such an approach, we aim to strengthen corporate governance and the protection of shareholders' rights.

(III) Overall operation

Looking back at the global economic situation in 2022. Under the influence of factors such as variant virus, Russia-Ukraine war, high inflation and climate change, the global economic performance in 2022 is not ideal, most countries implement monetary policy tightening to control high inflation, and negative shocks such as rising inflation, policy tightening and financial stress have darkened the global economic outlook. In terms of real estate industry, due to the general environment, the confidence of the real estate market has been disturbed, which not only caused investors to continue to exit the market, but also lengthened the assessment time for self-occupied property purchases, and it is obvious that the real estate market is still conservative. The company actively provides reasonable prices and high-quality products for consumers to choose, hoping to drive the overall sales amount to grow steadily.

With the support of each and every of our shareholder, all board members, and chairman will lead our employees and do our utmost to continue to innovate and refine ourselves to create the highest value for the Company and return it to our shareholders. I express my deepest gratitude to all shareholders and hope you stay well and healthy.

Chairman: Lin Cheng-Hsiung



General manager: Lin Tsung-Yi



TWO. Company profile

I. Date of Incorporation: April 23, 1997

II. Company History

- 1997 Initiated the establishment of the company with a capital of NT\$1,000,000. The company and factory are located in Nangang, Taipei.
The paid-in capital was increased to NT\$150 million.
Official mass production of 12.1" and 14.5" color LCD MONITOR.
- 1998 Official mass production of 15" LCD MONITOR
Self-produced 15" LCD MONITOR won the Best Buy Award from PC World.
Self-produced 15" LCD MONITOR won the Best Product Award from Mac World Magazine
The paid-in capital was increased to NT\$195 million.
- 1999 Official mass production of 17" and 18" high end LCD monitors.
Passed ISO9001 quality certification.
Self-produced 15" PT1503A won Mikro Data's Best Product Award.
- 2000 The Securities and Futures Commission of the Ministry of Finance approved the Company to carry out the retroactive public issuance procedures as a public company.
Completed the relocation to the Neihu office and expansion of the Company.
The automatic production line of Zhongli plant completed the trial run and joined the operations.
Icom Inc. of Japan and Planar System Inc. of the U.S. participated in the investment and became the corporate shareholders of the Company.
The paid-in capital was increased to NT\$405 million.
- 2001 Nangang factory moved and merged into Zhongli factory.
Passed ISO14001 quality certification.
Official mass production of 19" and 23" high end LCD monitors.
42" plasma TV development was completed.
- 2002 The Investment Commission of the Ministry of Economic Affairs approved the investment in Mainland China to establish a factory.
LCD TV development was completed
The paid-in capital was increased to NT\$600 million.
- 2003 The Investment Commission of the Ministry of Economic Affairs approved to increase the total amount of investment in Mainland China to US\$5 million.
The Company was officially listed on the TPEX on February 26.
In June, increased capital from capital surplus and employee bonus of NT\$80,500,000, and the paid-in capital was increased to NT\$680,500 thousand.
The Investment Commission of the Ministry of Economic Affairs approved to increase the total amount of investment in Mainland China to US\$7 million.
- 2004 The Board of Directors resolved to cease the production of LCD monitors, with February 27 as the measurement date for the cessation of production at the Zhongli plant. The production of LCD monitors would be outsourced to overseas subsidiaries, and the Company would focus on product development and marketing.
- 2005 Convened an extraordinary shareholder meeting to re-elect all directors and supervisors.

- 2006 The first capital reduction of NT\$280,480,910 and the elimination of 28,048,091 common shares in 2006 resulted in a capital of NT\$400,019,090 after the capital reduction.
The first private placement of 31,468,700 common shares in 2006 raised NT\$135,000,723 and the capital after the private placement was NT\$714,706,090.
The second capital reduction of NT\$254,542,850 and the elimination of 25,454,285 common shares in 2006 resulted in a capital of NT\$460,163,240 after the capital reduction.
The second private placement of 10,000,000 common shares in 2006 raised NT\$46,000,000 and the capital after the private placement was NT\$560,163,240.
- 2007 In March, sold offshore investees, Topview Worldwide Inc. and Powerex Technologies Inc.
Mr. Wang Chiu-Ho, the executive deputy general manager, was promoted to the chairman and general manager, to integrate various resources of the Company.
- 2008 The capital reduction of NT\$248,342,080 and the elimination of 24,834,208 common shares resulted in a capital of NT\$311,821,160 after the capital reduction.
The first private placement of 15,151,000 common shares in 2008 raised NT\$99,996,600, resulting in a capitalization of NT\$463,331,160 after the private placement.
The second private placement of 18,000,000 common shares in 2008 raised NT\$22,680,000, resulting in a capitalization of NT\$643,331,160 after the private placement.
Convened an extraordinary shareholder meeting to re-elect all directors and supervisors.
To meet business needs, set up a Taichung branch in the West District of Taichung City.
- 2009 The capital reduction of NT\$447,285,430 and the elimination of 44,728,543 common shares resulted in a capital of NT\$196,045,730 after the capital reduction.
The first private placement of 102,500,000 common shares in 2009 raised NT\$549,400,000 and the capital after the private placement was NT\$1,221,045,730.
The second private placement of 42,920,000 common shares in 2009 raised NT\$222,754,800, resulting in a capital of NT\$1,650,245,730 after the private placement.
To meet business needs, Taoyuan branch was established in Zhongli City, Taoyuan County, Hsinchu branch was established in Zhubei City, Hsinchu County, and Taipei branch was established in Datong District, Taipei City.
- 2010 Convened a regular shareholder meeting to re-elect all directors and supervisors.
To meet business needs, the head office moved to 4F-5, No. 20, Dalong Road, West District, Taichung City
In order to expand the market and in response to future business development needs, we invested 100% in Baoxin Construction Co., Ltd. and set up subsidiaries such as TOPVISION ELECTRONICS, INC., Full Wang Property Agency Co., Ltd. , Full Wang Real Estate Co., Ltd., and Fudakang Development Co., Ltd.. We are committed to integrating the most complete management team with the resources.
Received the Job Creation Contribution Award.
- 2011 The capital reduction of NT\$284,737,900 and the elimination of 28,473,790 shares of common stock resulted in a capital of NT\$1,365,507,830.
Received the 13th National Construction Gold Award.

- 2012 After the cash capital increase of NT\$200,000,000, the paid-in capital was increased to NT\$1,565,507,830.
In line with the Company's transformation, sold all shares of the subsidiary, TOPVISION ELECTRONICS, INC.
The industrial category was changed to building materials and construction with the approval of the TPEX.
Received the National Excellent Construction Quality Award, the Golden Lion Award for Construction, the 13th National Excellent Builder and the 2012st Taiwan Honest Builder.
- 2013 Convened a regular shareholder meeting to re-elect all directors and supervisors.
Issued the first domestic secured convertible bond in NT\$200,000,000 and the second domestic unsecured convertible bond in NT\$100,000,000.
Received the 15th Golden Peak Award and the 11th Golden Torch Award.
- 2014 Issued the third domestic unsecured convertible bonds in NT\$400,000,000.
The capital was reduced to \$1,499,903,020 by the cancellation of \$125,980,000 of repurchased treasury stock.
- 2015 In order to expand the market and to meet the future business development needs, invested and established a Cambodian subsidiary, FUWONG INTERNATIONAL DEVELOPMENT Co.
Issuance of NT\$300,000,000 for the first time in 2015 with secured ordinary corporate bonds.
Received the National Excellence Construction Quality Award.
- 2016 In 2016, the first secured ordinary corporate bond of NT\$400,000,000, the second secured ordinary corporate bond of NT\$300,000,000, and the third secured ordinary corporate bond of NT\$300,000,000 were issued.
- 2017 Issuance of NT\$400,000,000 of first secured ordinary corporate bonds in 2017
The capital was reduced to \$1,540,162,760 through the cancellation of \$18,550,000 of repurchased treasury stock and a cash capital reduction of \$200,000,000.
- 2018 Issued NT\$300,000,000 for the first secured ordinary corporate bonds in 2018 to repay the principal of the first secured ordinary corporate bonds in 2015.
Received the 6th Taichung City Urban Space Design Award.
- 2019 In 2019, the first secured ordinary corporate bond of NT\$400,000,000, the second secured ordinary corporate bond of NT\$300,000,000, and the third secured ordinary corporate bond of NT\$300,000,000 were issued to repay the principal of each of the secured ordinary corporate bonds in 2016.
- 2020 Issued NT\$400,000,000 of the first secured ordinary bond in 2020 to repay the principal of the first secured ordinary bond in 2017.
Received the 22nd National Architecture Gold Award, the 22nd Gold Award National First Award, the 28th China Architecture Golden Stone Award, the Muse Design Awards Platinum Award, the French NDA Design Award, the American IDA International Design Award and the London LIC International Creative Award.
- 2021 The company bid to obtain the right-of-use assets, officially entered the commercial real estate, and will build the first complex mall in line with ESG goals in the Wuri high-speed railway special zone.
Received the 23rd National Architecture Gold Award, National Construction Excellence Award and Italian A' Design Award Design Award.
- 2022 The shareholders' regular meeting re-elects all Directors and sets up an audit committee to replace the supervisor.

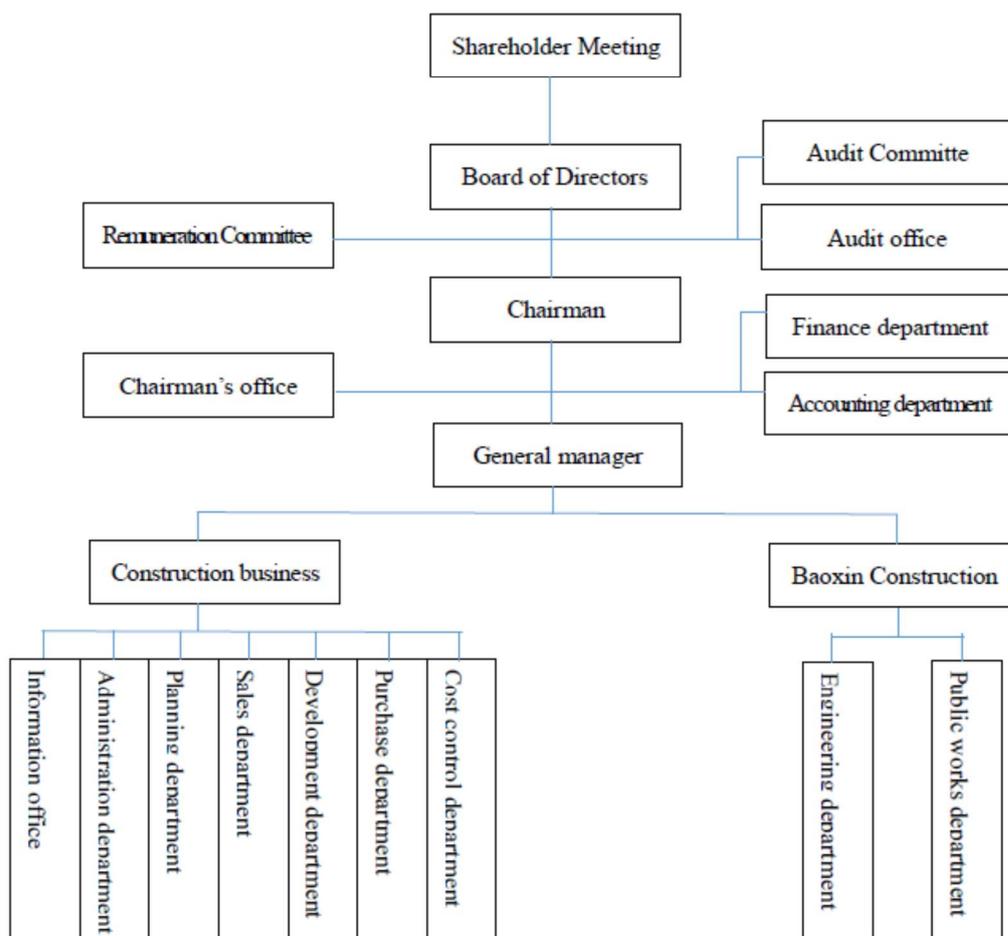
THREE. Corporate governance report

I. Organizational system

(I) Organizational structure



FULL WANG INTERNATIONAL DEVELOPMENT COMPANY LIMITED



(II) Businesses by major departments

Department	Main business	
Audit office	Schedule the internal audit plan and implement the internal audit work. Report the implementation of internal audit work Assure the effectiveness of the internal control system and make recommendations for implementation.	
General manager's office	Assist general manager in daily affairs and project management.	
Finance department	Use of Funds and Fundraising. The execution of cashier operations. Cash management, bank financing planning and management. Planning and execution of investment activities, capital planning for overseas subsidiaries, etc. The convening and operations of shareholder meetings Stock affairs	
Accounting department	Development and implementation of general accounting, cost accounting and tax accounting systems, and preparation and provision of management reports. Receipt and payment invoicing operations and review, property transfer and inventory control, annual accounting reporting preparation and filing, and various tax returns.	
Construction business	Administration department	Legal affairs: Review of contracts and collection of laws and regulations. Handling of company-related legal issues and disputes. Human Resources: Human resources development planning, implementation and management of personnel administration. Human resource management system development, process rationalization, establishment and implementation. Planning and execution of training programs. Employee welfare care and concern. General Administration: Assistance in all administrative matters. Management and execution of general affairs. Fixed assets list establishment and management. Counter service and customer reception.
	Planning department	Land development planning Construction license application Analysis and compilation of land and building related regulations.
	Sales department	Evaluation of sales agencies, market research, setting of sales targets, preparation operations and sales and advertising strategy development. Related business crisis prevention and responsive measures. Assist and manage the administrative operation of each sales site. Assist in contracting, customization, house delivery, after-sales service, overall community building, property management and community relationship management. Facilitate and execute the signing of sales contracts, payment collection, bank loan guarantee, funding, house delivery, transfer of property rights, etc.
	Development department	Evaluate and propose new businesses and products for the construction business
	Purchase department	Procurement operations for construction.
	Cost control department	Various cost control operations of construction.
	Information office	Develop, maintain, and implement computer information management system. Planning, integration, development and updating of computer information application systems. Planning and execution of the computerization of various operation processes.
	Baoxin	Responsible for construction design and planning, contract and procurement, budgeting and control, project verification, license application, completion and acceptance, preparation of final accounts, scheduling construction progress, directing and supervising construction, coordinating the progress of various projects, and troubleshooting abnormal problems.

II. Directors, Supervisors and Management Team

(I) Information on Directors and Supervisors

Position (Note 1)	Nationality or Place of registration	Name	Gender (Note 2)	Date Elected	Term	Date first elected (Note 3)	Shareholding at the time of election		Current shareholding		Shareholding of spouse and minor children now		Shareholding in the name of others		Major educations and experiences (Note 4)	Concurr
							Number of shares	Shareholding percentage	Number of shares	Shareholding percentage	Number of shares	Shareholding percentage	Number of shares	Shareholding percentage		
Chairman	R.O.C.	Lin, Cheng-Hsiung	Male 61~70	2022.6.16	3 years	2008.11.28	2,518,648	1.64	2,518,648	1.64	0	0	0	0	School of Management, Tunghai University, Master of Advanced Business Management	Chairpers Full Wan Chairpers Chairpers Ltd. Chairpers CO., LTD Chairpers Person in INTERN Person in INTERN Chairpers Chairpers Chairpers INVEST
Directors	R.O.C.	Chang, Yu-Tuan	Male 51~60	2022.6.16	3 years	2013.5.23	342,494	0.22	288,494	0.19	0	0	0	0	PhD, Department of Geography, Changhua Normal University Master of Urban Planning Institute, Feng Chia University General manager of Construction Business of Full Wang International Co., Ltd Assistant Professor, Department of Land Management, Feng Chia University	None
Directors	R.O.C.	Lin, Tsung-Yi	Male 31~40	2022.6.16	3 years	2010.4.30	0	0	0	0	0	0	0	0	Science in Finance of Shih Chien University Deputy general manager of Construction Business of Full Wang International Co., Ltd	General m Wang Int
Directors	R.O.C.	PAO CHU Investment Co., Ltd	NA	2022.6.16	3 years	2008.8.26	23,684,480	15.38	23,684,480	15.38	0	0	0	0	Science in Finance of Shih Chien University	Deputy g of Full W
		Deputy: Lin, Yu-Jen	Male 31~40	2022.6.16		2016.4.29	0	0	2,655	0	0	0	0	0		
Directors	R.O.C.	PAO CHU Investment Co., Ltd	NA	2022.6.16	3 years	2008.8.26	23,684,480	15.38	23,684,480	15.38	0	0	0	0	Master of Science in Finance, School of Management, Chung Hsing University	Senior fir Intertio
		Deputy: Lin, Yu-Chen (Note 6)	Female 51~60	2022.12.8		2019.5.10	0	0	0	0	0	0	0	0		
Directors	R.O.C.	PAO CHU Investment Co., Ltd	NA	2022.6.16	3 years	2008.8.26	23,684,480	15.38	23,684,480	15.38	0	0	0	0	Department of Civil Engineering, Cheng Shiu University	None
		Deputy: Li, Chun-I (Note 7)	Male 31~40	2022.6.16		2021.8.1	0	0	0	0	0	0	0	0		
Independent Directors	R.O.C.	Wang, Jin-Chun	Male 71~80	2022.6.16	3 years	2008.11.28	0	0	0	0	0	0	0	0	Department of Economics, Tunghai University	General C Directors INDUST Chairpers Consultin Chairpers Ltd.

Position (Note 1)	Nationality or Place of registration	Name	Gender (Note 2)	Date Elected	Term	Date first elected (Note 3)	Shareholding at the time of election		Current shareholding		Shareholding of spouse and minor children now		Shareholding in the name of others		Major educations and experiences (Note 4)	Concurrent positions in the Company and other companies now	Spouse or relatives within second degree of kinship who are officers, directors or supervisors of the Company			Remarks (Note 5)
							Number of shares	Shareholding percentage	Number of shares	Shareholding percentage	Number of shares	Shareholding percentage	Number of shares	Shareholding percentage			Position	Name	Relation	
Independent Directors	R.O.C.	Wang, Chin-Hsiang	Male 61~70	2022.6.16	3 years	2008.11.28	0	0	0	0	0	0	0	0	Master of Accounting - Soochow University	Partner of Yangtze CPAs and Co. Independent director of STRONG H MACHINERY TECHNOLOGY (CAYMAN) INCORPORATION Supervisor of OWIN TECHNOLOGY CORP. Person in charge of DALTON PATENTS CO., LTD. Supervisor of B&V BIOPHARMA CO., LTD.	None	None	None	
Independent Directors	R.O.C.	Chang, Kuo-Hsiung	Male 61~70	2022.6.16	3 years	2017.9.5	0	0	0	0	0	0	0	0	Ph.D., Institute of Business, National Taiwan University	Professor, Department of International Business and Trade, Tunghai University Independent director of GMT GLOBAL INC. and AKER TECHNOLOGY CO., LTD and SUNDER BIOMEDICAL TECH. CO., LTD.	None	None	None	
Independent Directors	R.O.C.	Lii, Yuan-shuh	Male 51~60	2022.6.16	3 years	2010.11.16	0	0	0	0	0	0	0	0	Ph.D. in Marketing, Portland State University, USA	Professor of the Department of Marketing, Feng Chia University	None	None	None	
Supervisor (Note 8)	R.O.C.	Tian-Wei Asset Management Co., Ltd.	NA	2019.5.10	3 years	2010.4.30	21,150,199	13.73	21,150,199	13.73	0	0	0	0	Master of Engineering, Department of Marine Architecture, Faculty of Science and Engineering, Nihon University	Director of TEAM GROUP INC. Director of Zhongzhou University of Science and Technology Independent director of TE CHANG CONSTRUCTION CO., LTD.	None	None	None	
	R.O.C.	Deputy: Yang Lung-Shih	Male 71~80			2015.2.2	0	0	0	0	0	0	0	0	Bachelor of Engineering, Faculty of Science and Engineering, Nihon University Graduated from Taipei Institute of Technology, Department of Architecture Vice President and Senior Vice President of Feng Chia University Chairman of Taichung Science Management Association					
Supervisor (Note 8)	R.O.C.	Tian-Wei Asset Management Co., Ltd.	NA	2019.5.10	3 years	2010.4.30	21,150,199	13.73	21,150,199	13.73	0	0	0	0	Master of Accounting, National Chengchi University PhD in Economics, Beijing Central University of Finance and Economics Assistant Accounting Manager, General Management Office of Yuantai Affiliated Enterprises	Partner of EnWise CPAs & Co.	None	None	None	
	R.O.C.	Deputy: Huang Hsiang-Ying	Male 61~70			2019.1.3	0	0	0	0	0	0	0	0	Lecturer at Chaoyang University of Science and Technology, Lingtung University of Science and Technology, Tunghai University Partner, BDO Taiwan					
Supervisor (Note 8)	R.O.C.	Chiang Hsieh-Hai	Male 71~80	2019.5.10	3 years	2015.6.15	0	0	0	0	0	0	0	0	Taichung City Criminal Police Brigade	None	None	None		

Note 1: The names of corporate shareholders and their representatives should be listed separately (for corporate shareholders, the name of the corporate shareholder should be indicated) and should be listed in the below. Schedule 1:

Note 2: Please list the actual age and use the interval expression, such as 41~50 years old or 51~60 years old.

Note 3: Fill in the time when he first served as a director or supervisor of the company, and if there is any interruption, it should be noted that Lii, Yuan-shuh did not serve as a director or supervisor during the period 2019.6.13~2022.6.15.

Note 4: None of the Directors of the Company with relevant experience in holding their current positions worked for the Company's Certified Public Accountants or its affiliates during the foregoing period.

Note 5: If the chairperson and the general manager or equivalents (the top managerial officers) of the Company are the same person, each other's spouse or relative within first degree of kinship, the reason, rationality, necessity, corresponding measures (such as increasing the number of independent directors and having a majority of directors who are not concurrently serving as employees or managerial officers, etc.) and related information should be described.

Note 6: Reassigned to office on December 8, 2022.

Note 7: Reassigned and resigned on December 8, 2022.

Note 8: On June 16, 2022, the directors were re-elected and an Audit Committee was established to replace the Supervisors

Schedule 1: Major shareholders of corporate shareholders

February 10, 2023

Corporate shareholder name (Note 1)	Major shareholders of corporate shareholders (Note 2)
PC Securities Financial Group	PEARL TREASURE INVESTMENT LIMITED (98.8%), Qinghong Investment Co., Ltd. (0.6%), Hongfu Investment Co., Ltd. (0.6%)
Tian-Wei Asset Management Co., Ltd.	Lin Chan-Jui (41.7%), Chen Mei-Hui (30%), Lin Cheng-Hsiung (21.7%), Lin Chun-Chin (3.3%), Lin Tsung-Yi (1.65%), Lin Yu-Jen (1.65%)

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

Note 2: Enter the names of the major shareholders of the corporate shareholders (whose shareholdings are among the top ten) and their shareholdings. If the major shareholder is a corporation, the following Schedule 2 should be completed.

Note 3: If the corporate shareholder is not an organizer of the company, the name of the shareholder and shareholding ratio that should be disclosed in the previous opening are the name of the investor or donor (you can refer to the announcement of the Judicial Yuan for inquiries) and its capital contribution or donation ratio, and if the donor has passed away, it is marked "deceased".

Schedule 2: Where the major shareholders are corporations in Schedule 1, the major shareholders

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Corporation name (Note 1)	Major shareholders of corporations (Note 2)
PEARL TREASURE INVESTMENT LIMITED	Tai Baoli Investment Co., Ltd. (95.7%), Lin Cheng-Hsiung (4.3%)
Qinghong Investment Co., Ltd.	Lin Chun-Chin (95.24%), Hope Investment Co., Ltd. 4.76%
Hongfu Investment Co., Ltd.	Hope Investment Co., Ltd. (72.22%), Su Yin-Xi (27.78%)

Note 1: If the major shareholder in Schedule 1 above is a corporation, the name of the corporation should be filled in.

Note 2: Enter the names of the major shareholders of the corporations (whose shareholdings are among the top ten) and their shareholdings.

Note 3: If the corporate shareholder is not an organizer of the company, the name of the shareholder and shareholding ratio that should be disclosed in the previous opening are the name of the investor or donor (you can refer to the announcement of the Judicial Yuan for inquiries) and its capital contribution or donation ratio, and if the donor has passed away, it is marked "deceased".

(II) Information of Directors

1. Disclosure of professional qualifications of directors and independent director independence:

Criteria Name	Professional Qualifications and Experience (Note 1)	Status of Independence (Note 2)	Number of Other Public Companies where the Individual Concurrently Serves as an Independent Director
Lin, Cheng-Hsiung	Deeply engaged in the real estate industry, more than 30 years, under the leadership of the chairman's professional practical experience and extraordinary foresight, from housing agency sales to the construction project, has repeatedly created good achievements in the industry, has a proud reputation, and has always been at the forefront of the industry. Looking forward to the future, we hope to lead the company to become the largest integrator of the industrial chain such as construction, consignment, land development, industrial and commercial real estate in the real estate industry, and provide people with the most secure living environment with careful construction. There are no cases under article 30 of the Companies Act.	-	None
Chang, Yu-Tuan	Has the qualification of a tertiary lecturer in the relevant departments required for the company's business, and is currently an assistant professor in the Department of Land Management of Feng Chia University. There are no cases under article 30 of the Companies Act.	-	None

Name	Criteria	Professional Qualifications and Experience (Note 1)	Status of Independence (Note 2)	Number of Other Public Companies where the Individual Concurrently Serves as an Independent Director
Lin, Tsung-Yi		The general manager of the Company and the general manager of the Construction Business Division, responsible for managing all related affairs of the Company's operations, and has financial, business, operation and management practical capabilities. There are no cases under article 30 of the Companies Act.	-	None
PAO CHU Investment Co., Ltd. deputy : Lin, Yu-Jen		The deputy general manager of the Company's construction business office, responsible for managing the company's business marketing-related affairs, and has financial, business, operation and management practical capabilities. There are no cases under article 30 of the Companies Act.	-	None
PAO CHU Investment Co., Ltd. deputy : Lin, Yu-Chen		The financial assistant of the Company, responsible for managing the use of funds and raising related affairs, and has the practical ability of finance, operation and management. There are no cases under article 30 of the Companies Act.	-	None
Jin Chun Wang		Professional occupations and technical personnel with working experience in accounting and crisis management ability, passing the national examination required by accountants and obtaining certificates. General Counsel of Crowe (TW) CPAs. In the exercise of the duties and powers of independent directors, their expertise in financial accounting can enhance the quality of corporate governance management and supervision functions of the board. There are no cases under article 30 of the Companies Act.	Be an independent director, who meets the circumstances of independence, including but not limited to his/herself, spouse, second parent, etc.,	None
Chin Hsiang Wang		Professional occupations and technical personnel with working experience in accounting and crisis management ability, passing the national examination required by accountants and obtaining certificates. The Partner of Yangtze CPAs and Co. In the exercise of the duties and powers of independent directors, their expertise in financial accounting can enhance the quality of corporate governance management and supervision functions of the board. There are no cases under article 30 of the Companies Act.	relatives: who are not directors, supervisors or employees of the Company or affiliated enterprises; does not hold shares in the Company; not serve as a director, supervisor or employee of a company with which the Company has a specific relationship; The amount of remuneration received for providing commercial, legal, financial, accounting and other services provided by the Company or its affiliates in the past two years.	1
Chang, Kuo-Hsiung		With more than five years of working experience required for the Company's business, currently serves as a professor in the Department of International Management and Trade of Tunghai University, and Independent director of GMT GLOBAL INC. and AKER TECHNOLOGY CO., LTD and SUNDER BIOMEDICAL TECH. CO., LTD. There are no cases under article 30 of the Companies Act.		3
Lii, Yuan-shuh		With more than five years of working experience required for the company's business, he is currently serving as a professor in the Department of Marketing of Feng Chia University. There are no cases under article 30 of the Companies Act.		None

Note 1: Professional qualifications and experience: Specify the professional qualifications and experience of individual directors and supervisors, and if they are members of the Audit Committee with accounting or financial expertise, their accounting or financial background and work experience, and whether there are no circumstances under Article 30 of the Company Law.

Note 2: Independent directors should state the circumstances that meet the circumstances of independence, including but not limited to whether he, his spouse or his second relative is a director, supervisor or employee of the Company or its affiliates; The number and proportion of shares held by the company, such as the person, spouse, second parent, etc. (or in the name of others); Whether he or she is a director, supervisor or employee of a company with a specific relationship with the Company (refer to the provisions of Article 3, Paragraph 1, Paragraph 5~8 of the Regulations on

the Establishment of Independent Directors of a Public Offering Company and Matters to be Complied with); The amount of remuneration obtained for providing commercial, legal, financial, accounting and other services of the Company or its affiliates in the past two years.

2. Board Diversity and Independence:

(1) Board Diversity: Describe the diversity policy, goals and achievement of the Board of Directors. The diversity policy includes, but is not limited to, the selection criteria for directors, the professional qualifications and experience expected of the board, gender, age, nationality and culture, etc., and sets out the specific objectives of the company and their achievement in relation to the foregoing policy.

The Company stipulates in the Corporate Governance Practice Manual that the composition of the Board of Directors should consider diversity, except for directors who are also managers of the Company, should not exceed one-third of the number of directors, and formulate appropriate diversity policies in light of their own operations, modes of operation and development needs, including 1. basic conditions and values: gender, age, nationality and culture; 2. Professional knowledge and skills: professional background (such as law, accounting, industry, finance, marketing or technology), professional skills and industry experience.

The implementation of the diversity policy of the current Board of Directors of the Company is as follows:

Name	Gender	Nationality	Concurrent positions the Company manager	Age			Tenure of Independent Director			Industrial experience	Business Administration	Decision Making	Risk Administration	Finance and Accounting	Legal matters	Marketing
				30~45	46~60	61~75	Under 3 years	3 to 9 years	Over 9 years							
Lin Cheng-Hsiung	Male	R.O.C	✓			✓				✓	✓	✓	✓			✓
Chang Yu-Tuan	Male	R.O.C			✓					✓	✓	✓	✓			✓
Lin Tsung-Yi	Male	R.O.C	✓	✓						✓	✓	✓	✓	✓		✓
Legal representative of PC Securities Financial Group: Lin Yu-Jen	Male	R.O.C	✓	✓						✓	✓	✓	✓			✓
Legal representative of PC Securities Financial Group: Lin Yu-Chen	Female	R.O.C	✓		✓					✓	✓	✓	✓			
Wang Jih-Chun	Male	R.O.C				✓		✓		✓	✓	✓	✓	✓	✓	✓
Wang Chin-Hsiang	Male	R.O.C				✓		✓		✓	✓	✓	✓	✓	✓	✓
Chang, Kuo-Hsiung	Male	R.O.C				✓	✓			✓	✓	✓				✓
Lii, Yuan-shuh	Male	R.O.C			✓		✓			✓	✓	✓				✓

(2) Independence of the board of directors: Describe the number and proportion of independent directors, explain the independence of the board of directors, and explain whether there are no circumstances stipulated in Items 3 and 4 of Article 26-3 of the Securities and Exchange Act, including the circumstances in which there is a relationship between directors, supervisors, or between directors and supervisors within spouses and second parents.

The 16th Board of Directors of the Company consists of 9 members, including 4 independent directors, which meets the target of not less than two independent directors and no less than one-fifth of the number of directors. At present, only 3 directors of the Company have a second relative relationship, and more than half of the seats have no spouse or second parent. In summary, the Company's objective of independence of the Board of Directors is in line with the requirements.

(III) Information on general manager, deputy general manager, senior managers, and officers of all departments and branches

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Position (Note 1)	Nationality	Name	Gender	Date elected	Shareholding		Shareholding of spouse and minor children now		Shareholding in the name of others		Major educations and experiences (Note 2)	Concurrent positions in other companies now	Managerial officers with spouses or relatives with second degree of kinship			Remarks (Note 3)
					Number of shares	Shareholding percentage	Number of shares	Shareholding percentage	Number of shares	Shareholding percentage			Position	Name	Relation	
General manager	R.O.C.	Lin, Cheng-Hsiung	Male	2008.11.28 (Note 4)	2,518,648	1.64	0	0	0	0	School of Management, Tunghai University, Master of Advanced Business Management	Chairperson of Baoxin Construction Co., Ltd. Full Wang Property Agency Co., Ltd. Chairperson of Full Wang Real Estate Co., Ltd. Chairperson of Full Xin Global Real Estate Co., Ltd. Chairperson of BIFINITY BIOTECHNOLOGY CO., LTD. Chairperson of Sindar Technologies, Inc. Person in charge of FULL WANG INTERNATIONAL DEVELOPMENT CO., LTD. Person in charge of FUTURE WORLD INTERNATIONAL DEVELOPMENT Co., Ltd. Chairperson of PC Securities Financial Group Chairperson of Baoxin Investment Co., Ltd. Chairperson of PEARL TREASURE INVESTMENT LIMITED	General manager of construction business/deputy general manager of construction business	Lin Tsung-Yi / Lin Yu-Jen	Father and son / Father and son	The chairman and general manager of the company are one generation relatives, because the organizational structure of the Company is relatively lean and the nature of the business is pure, and the Chairman is well acquainted with the industry to which the Company belongs. Under the management objective of maximizing corporate value and returning it to shareholders, it is still necessary. Response measures: In line with the relevant
General Manager and General manager of Construction business	R.O.C.	Lin, Tsung-Yi	Male	2023.1.12 (Note 5) 2019.11.8	0	0	0	0	0	0	Science in Finance of Shih Chien University Deputy general manager of Construction Business of Full Wang International Development Co., Ltd.	None	General manager/deputy general manager of construction business	Lin Cheng-Hsiung / Lin Yu-Jen	Father and son / Relative within 2nd degree of kinship	competent authorities to promote and implement corporate governance, one additional independent director has been established, and more than half of the directors are not concurrently employees or managers, in addition, the Company has planned to prepare a sustainability report to properly disclose the Company's
Deputy general manager of sales of construction business	R.O.C.	Lin, Yu-Jen	Male	2020.1.1	0	0	0	0	0	0	Science in Finance of Shih Chien University Sales manager of Construction Business of Full Wang International Development Co., Ltd.	None	General manager/Construction business	Lin Cheng-Hsiung/ Lin Tsung-Yi	Father and son / Relative within 2nd degree of kinship	implementation of sustainable development and corporate social responsibility.
Finance officer	R.O.C.	Lin, Yu-Chen	Female	2015.1.23	0	0	0	0	0	0	Master of Science in Finance, School of Management, Chung Hsing University Department of Sociology, Tunghai University Senior finance director of LIEN JADE Group Senior finance manager of Full Wang International Development Co., Ltd.	None	None	None	None	
Accounting officer	R.O.C.	Huang, Hsiu-Hua	Female	2021.3.31	0	0	0	0	0	0	Master of Advanced Business Management, School of Management, Tunghai University. Accounting Associate of Full Wang International Development Co., Ltd.	None	None	None	None	
Audit officer	R.O.C.	Chen, Yung-Ho	Male	2015.8.11	0	0	0	0	0	0	Department of Accounting, Feng Chia University Accounting manager of Full Wang International Development Co., Ltd.	None	None	None	None	
Corporate governance officer	R.O.C.	Li, Yu-Feng	Female	2022.2.23	10,000	0.006	0	0	0	0	Judicial Group, Faculty of Law, Chung Hsing University Manager of the Management Department of Full Wang International Development Co., Ltd.	None	None	None	None	

Note 1: Information on general manager, deputy general manager, senior manager, department and branch heads, and anyone whose position is equivalent to that of general manager, deputy general manager or senior manager, regardless of title, should also be disclosed.

Note 2: None of the general manager, deputy general manager, senior managers and officers of departments and branches of the Company had worked for the Company's attesting CPA firm or its affiliates during the previously-mentioned audit period.

Note 3: If the chairperson and the general manager or equivalents (the top managerial officers) of the Company are the same person, each other's spouse or relative within first degree of kinship, the reason, rationality, necessity, corresponding measures (such as increasing the number of independent directors and having a majority of directors who are not concurrently serving as employees or managerial officers, etc.) and related information should be described.

Note 4: The Board of Directors resolved to reassign and step down on January 12, 2023.

Note 5: The Board of Directors resolved to reassign the appointment on January 12, 2023.

(IV) Remuneration of directors (including independent directors), supervisors, general manager and deputy general manager
1. Remuneration of directors (including independent directors)

Position (Note 1)	Name	Remuneration of directors								A, B, C and D as a % of the net profits after tax (Note 8)		Remuneration for employees with concurrent positions in the Company and other companies								A, B, C, D, E, F and G as a % of the net profits after tax (note 8)		Remuneration from reinvested enterprises other than subsidiaries (Note 9)
		Base remuneration (A) (Note 2)		Severance and pension (B)		Remuneration for directors (C) (note 3)		Business execution expenses (D) (Note 4)				Remuneration, bonus, special allowance (E) (Note 5)		Severance and pension (F)		Remuneration for employees (G) (Note 6)						
		The Company	All companies in the financial statements (Note 7)	The Company	All companies in the financial statements (Note 7)	The Company	All companies in the financial statements (Note 7)	The Company	All companies in the financial statements (Note 7)	The Company	All companies in the financial statements (Note 7)	The Company	All companies in the financial statements (Note 7)	The Company	All companies in the financial statements (Note 7)	The Company		All companies in the financial statements (Note 7)		The Company	All companies in the financial statements (Note 7)	
															Cash bonus amount	Stock bonus amount	Cash bonus amount	Stock bonus amount				
Chairman	Lin, Cheng-Hsiung	120	120	0	0	0	0	70	70	-0.02%	-0.02%	2,400	2,400	0	0	0	0	0	0	-0.26%	-0.26%	None
Directors	Lin, Tsung-Yi	120	120	0	0	0	0	60	60	-0.02%	-0.02%	1,771	1,771	0	0	0	0	0	0	-0.20%	-0.20%	None
Directors	Chang, Yu-Tuan	120	120	0	0	0	0	60	60	-0.02%	-0.02%	0	0	0	0	0	0	0	0	-0.02%	-0.02%	None
Directors	PAO CHU Investment Co., Ltd. deputy : Lin, Yu-Jen	120	120	0	0	0	0	60	60	-0.02%	-0.02%	766	766	0	0	0	0	0	0	-0.10%	-0.10%	None
Directors	PAO CHU Investment Co., Ltd. deputy : Li, Chun-I	112.5	112.5	0	0	0	0	50	50	-0.02%	-0.02%	1,958	1,958	0	0	0	0	0	0	-0.22%	-0.22%	None
Directors	PAO CHU Investment Co., Ltd. deputy : Lin, Yu-Chen	7.5	7.5	0	0	0	0	0	0	-0.001%	-0.001%	977	977	0	0	0	0	0	0	-0.10%	-0.10%	None
Independent Director	Wang, Jin-Chun	180	180	0	0	0	0	70	70	-0.03%	-0.03%	0	0	0	0	0	0	0	0	-0.03%	-0.03%	None
Independent Director	Wang, Chin-Hsiang	180	180	0	0	0	0	70	70	-0.03%	-0.03%	0	0	0	0	0	0	0	0	-0.03%	-0.03%	None
Independent Director	Chang, Kuo-Hsiung	97.5	97.5	0	0	0	0	50	50	-0.02%	-0.02%	0	0	0	0	0	0	0	0	-0.02%	-0.02%	None
Independent Director	Lii, Yuan-shuh	97.5	97.5	0	0	0	0	40	40	-0.01%	-0.01%	0	0	0	0	0	0	0	0	-0.01%	-0.01%	None

Note 1: The names of directors should be listed separately (the names of corporate shareholders and their representatives should be listed separately), and the amount of each payment should be disclosed in a summary manner. If a director is also the general manager or deputy general manager, this schedule and the following schedule (3-1) or (3-2) should be filled in.

Note 2: This refers to the remuneration for directors in the most recent year (including salaries, duty allowance, severance, various bonuses and incentive payments, etc.).

Note 3: This is the amount of the remuneration for directors approved by the Board of Directors in the most recent year.

Note 4: This refers to directors' business execution expenses in the most recent year (including transportation fee, special allowance, various stipends, dormitory, company car, etc.). The nature and cost of the assets provided, the actual or fair market value of rent, fuel and other payments should be disclosed when housing, automobiles and other means of transportation or personal expenditures are provided. In addition, if a driver is provided, please note the relevant compensation paid by the Company to the driver, but do not include it in the remuneration for directors.

Note 5: This refers to the salary, duty allowance, severance, various bonuses, incentive payments, transportation fee, special allowance, various stipends, dormitory, company car and other provisions, etc., received by a director who is concurrently serving as an employee (including part-time general manager, deputy general manager, other officers and employees) in the most recent year. The nature and cost of the assets provided, the actual or fair market value of rent, fuel and other payments should be disclosed when housing, automobiles and other means of transportation or personal expenditures are provided. In addition, if a driver is provided, please note the relevant compensation paid by the Company to the driver, but do not include it in the remuneration for directors.

Note 6: The amount of employee remuneration (including stock and cash) received by a director who is concurrently an employee (including part-time general manager, deputy general manager, other officers and employees) in the most recent year should be disclosed as approved by the Board of Directors in the most recent year, and if the amount cannot be estimated, the proposed payment amount for this year should be calculated in proportion to the actual payment amount last year, and should also be listed in schedule 1-3.

Note 7: The total amount of remuneration paid to the directors of the Company by all companies in the consolidated statements (including the Company) should be disclosed.

Note 8: The net profits after tax refer to the net profits after tax of the most recent year for standalone or unconsolidated financial statements.

Note 9: a. This column should explicitly state whether the directors of the Company "have" or "have not" received remuneration from investees other than subsidiaries

b. If a director of the Company receives remuneration from reinvested enterprises other than subsidiaries, the remuneration received by the director of the Company from reinvested enterprises other than subsidiaries should be included in column I of the schedule of remuneration ranges, and the name of the column should be changed to "all reinvested enterprises."

c. Remuneration refers to the compensation or payment (including remuneration to employees, directors and supervisors) and business execution expenses of the directors of the Company in their capacity as directors, supervisors or officers of a reinvested enterprise other than a subsidiary.

2. Remuneration of Supervisors

Position (Note 1)	Name	Remuneration of Supervisors						A, B, and C as a % of the net profits after tax (Note 6)		Remuneration from reinvested enterprises other than subsidiaries (Note 7)
		Base remuneration (A) (Note 2)		Remuneration (B) (Note 3)		Business execution expenses (C) (Note 4)		The Company	All companies in the financial statements (Note 5)	
		The Company	All companies in the financial statements (Note 5)	The Company	All companies in the financial statements (Note 5)	The Company	All companies in the financial statements (Note 5)			
Supervisor	Chiang Hsieh-Hai	55	55	0	0	30	30	-0.01%	-0.01%	None
Supervisor	Tian-Wei Asset Management Co., Ltd. representative: Yang Lung-Shih	55	55	0	0	10	10	-0.01%	-0.01%	None
Supervisor	Tian-Wei Asset Management Co., Ltd. representative: Huang Hsiang-Ying	55	55	0	0	30	30	-0.01%	-0.01%	None

Note 1: The names of supervisors should be listed separately (the names of corporate shareholders and their representatives should be listed separately), and the amount of each payment should be disclosed in a summary manner.

Note 2: This refers to the remuneration for supervisors in the most recent year (including salaries, duty allowance, severance, various bonuses and incentive payments, etc.).

Note 3: This is the amount of the remuneration for supervisors approved by the Board of Directors in the most recent year.

Note 4: This refers to supervisors' business execution expenses in the most recent year (including transportation fee, special allowance, various stipends, dormitory, company car, etc.). The nature and cost of the assets provided, the actual or fair market value of rent, fuel and other payments should be disclosed when housing, automobiles and other means of transportation or personal expenditures are provided. In addition, if a driver is provided, please note the relevant compensation paid by the Company to the driver, but do not include it in the remuneration for directors.

Note 5: The total amount of remuneration paid to the supervisors of the Company by all companies in the consolidated statements (including the Company) should be disclosed.

Note 6: The net profits after tax refer to the net profits after tax of the most recent year for standalone or unconsolidated financial statements.

Note 7: a. This column should explicitly state whether the supervisors of the Company "have" or "have not" received remuneration from investees other than subsidiaries
b. If a supervisor of the Company receives remuneration from reinvested enterprises other than subsidiaries, the remuneration received by the supervisor of the Company from reinvested enterprises other than subsidiaries should be included in column D of the schedule of remuneration ranges, and the name of the column should be changed to "all reinvested enterprises."
c. Remuneration refers to the compensation or payment (including remuneration to employees, directors and supervisors) and business execution expenses of the supervisors of the Company in their capacity as directors, supervisors or officers of a reinvested enterprise other than a subsidiary.

3. Remuneration of general manager and deputy general manager

Position	Name	Base salary (A) (Note 2)		Severance and pension (B)		Bonus and allowance (C) (Note 3)		Remuneration for employees (D) (Note 4)				A, B, C and D as a % of the net profits after tax (Note 6)		Remuneration from reinvested enterprises other than subsidiaries (Note 7)
		The Company	All companies in the financial statements (Note 5)	The Company	All companies in the financial statements (Note 5)	The Company	All companies in the financial statements (Note 5)	The Company		All companies in the financial statements (Note 5)		The Company	All companies in the financial statements (Note 5)	
								Cash bonus amount	Stock bonus amount	Cash bonus amount	Stock bonus amount			
General manager	Lin, Cheng-Hsiung	2,400	2,400	0	0	0	0	0	0	0	0	-0.25%	-0.25%	None
General manager and General manager of Construction business	Lin, Tsung-Yi	1,440	1,440	0	0	331	331	0	0	0	0	-0.18%	-0.18%	None
Deputy general manager of sales of construction business	Lin, Yu-Jen	766	766	0	0	0	0	0	0	0	0	-0.08%	-0.08%	None
Deputy general manager of Baoxin Construction Co., Ltd.	Li, Chun-I	1,090	1,090	0	0	868	868	0	0	0	0	-0.20%	-0.20%	None

* Regardless of title, any position equivalent to that of a general manager or deputy general manager (e.g., president, chief executive officer, director...etc.) shall be disclosed.

Note 1: The names of general manager and deputy general manager should be listed separately and the amount of each payment shall be disclosed in a summary manner. If a director is also the general manager or deputy general manager, this schedule and the schedule (1-1) or (1-2) should be filled in.

Note 2: This is for the salary, duty allowance and severance of general manager and deputy general manager in the most recent year.

Note 3: This is for various bonuses, incentive payments, transportation fee, special expenses, various stipends, dormitories, company cars and other provisions for general manager and deputy general manager in the most recent year. The nature and cost of the assets provided, the actual or fair market value of rent, fuel and other payments should be disclosed when housing, automobiles and other means of transportation or personal expenditures are provided. In addition, if a driver is provided, please note the relevant compensation paid by the Company to the driver, but do not include it in the remuneration for directors.

Note 4: The amount of employee remuneration (including stock and cash) received by general manager and deputy general manager in the most recent year should be disclosed as approved by the Board of Directors, and if the amount cannot be estimated, the proposed payment amount for this year should be calculated in proportion to the actual payment amount last year, and should also be listed in Schedule 1-3. The net profits after tax refer to the net profits after tax of the most recent year; if IFRSs have been adopted, the net profits after tax refer to the net profits after tax of the most recent year for individual or standalone financial reports.

Note 5: The total amount of remuneration paid to the general manager and deputy general manager of the Company by all companies in the consolidated statements (including the Company) should be disclosed.

Note 6: The net profits after tax refer to the net profits after tax of the most recent year; if IFRSs have been adopted, the net profits after tax refer to the net profits after tax of the most recent year for individual or standalone financial reports.

Note 7: a. This column is for the amount of remuneration received by the general manager and deputy general manager of the Company from investees other than subsidiaries.

b. If a general manager or deputy general manager of the Company receives remuneration from reinvested enterprises other than subsidiaries, the remuneration received by the general manager or deputy general manager of the Company from reinvested enterprises other than subsidiaries or from the parent company should be included in column I of the schedule of remuneration ranges, and the name of the column should be changed to "all reinvested enterprises."

c. Remuneration refers to the compensation or payment (including remuneration to employees, directors and supervisors) and business execution expenses of the general manager and deputy general manager of the Company in their capacity as directors, supervisors or officers of a reinvested enterprise other than a subsidiary.

4、Remuneration of the top five managers of the Company (individual disclosure of names and remuneration methods) (Note 1)

Position	Name	Base salary (A) (Note 2)		Severance and pension (B)		Bonus and allowance (C) (Note 3)		Remuneration for employees (D) (Note 4)				A, B, C and D as a % of the net profits after tax (Note 6)		Remuneration from reinvested enterprises other than subsidiaries (Note 7)
		The Company	All companies in the financial statements (Note 5)	The Company	All companies in the financial statements (Note 5)	The Company	All companies in the financial statements (Note 5)	The Company		All companies in the financial statements (Note 5)		The Company	All companies in the financial statements (Note 5)	
								Cash bonus amount	Stock bonus amount	Cash bonus amount	Stock bonus amount			
General manager	Lin, Cheng-Hsiung	2,400	2,400	0	0	0	0	0	0	0	0	-0.25%	-0.25%	None
General manager and General manager of Construction business	Lin, Tsung-Yi	1,440	1,440	0	0	331	331	0	0	0	0	-0.18%	-0.18%	None
Deputy general manager of Baoxin Construction Co., Ltd.	Li, Chun-I	1,090	1,090	0	0	868	868	0	0	0	0	-0.20%	-0.20%	None
Finance officer	Lin, Yu-Chen	960	960	0	0	104	104	0	0	0	0	-0.11%	-0.11%	None
Accounting officer	Huang, Hsiu-Hua	864	864	0	0	113	113	0	0	0	0	-0.10%	-0.10%	None

Note 1: The so-called "top five remuneration executives" refer to the company's managers, and the criteria for identifying the relevant managers are handled in accordance with the scope of application of "managers" stipulated in the former Securities and Futures Commission of the Ministry of Finance Securities and Futures Commission Letter No. 0920001301 dated March 27, 2003. As for the calculation and determination principle of "top five highest remuneration", it is determined by the sum of salaries, retirement pensions, bonuses and special expenses, etc., as well as the amount of employee remuneration (i.e. the total of the four items A+B+C+D) received by the company's managers from all companies in the consolidated financial report, and the top five highest remunerations are determined after ranking. If a director is also a former officer, he or she should complete this form and the above table (1-1).

Note 2: This is for the salary, duty allowance and severance of top five remuneration executives in the most recent year.

Note 3: This is for various bonuses, incentive payments, transportation fee, special expenses, various stipends, dormitories, company cars and other provisions for top five remuneration executives in the most recent year. The nature and cost of the assets provided, the actual or fair market value of rent, fuel and other payments should be disclosed when housing, automobiles and other means of transportation or personal expenditures are provided. In addition, if a driver is provided, please note the relevant compensation paid by the Company to the driver, but do not include it in the remuneration for directors.

Note 4: The amount of employee remuneration (including stock and cash) received by top five remuneration executives in the most recent year should be disclosed as approved by the Board of Directors, and if the amount cannot be estimated, the proposed payment amount for this year should be calculated in proportion to the actual payment amount last year, and should also be listed in Schedule 1-3. The net profits after tax refer to the net profits after tax of the most recent year; if IFRSs have been adopted, the net profits after tax refer to the net profits after tax of the most recent year for individual or standalone financial reports.

Note 5: The total amount of remuneration paid to the top five remuneration executives of the Company by all companies in the consolidated statements (including the Company) should be disclosed.

Note 6: The net profits after tax refer to the net profits after tax of the most recent year; if IFRSs have been adopted, the net profits after tax refer to the net profits after tax of the most recent year for individual or standalone financial reports.

Note 7: a. This column is for the amount of remuneration received by the top five remuneration executives manager of the Company from investees other than subsidiaries.

b. Remuneration refers to the compensation or payment (including remuneration to employees, directors and supervisors) and business execution expenses of the top five remuneration executives of the Company in their capacity as directors, supervisors or officers of a reinvested enterprise other than a subsidiary.

5. The name of the managerial officer in charge of the distribution of employee remuneration and the status of the distribution

February 10, 2023

	Position (Note 1)	Name (Note 1)	Stock amount	Cash amount	Total	Total amount as a % of the net profits after tax
Managerial officer	General manager	Lin, Cheng-Hsiung				
	General manager and General manager of Construction business	Lin, Tsung-Yi				
	Deputy general manager of sales of construction business	Lin, Yu-Jen				
	Deputy general manager of Baoxin Construction Co., Ltd.	Li, Chun-I	0	0	0	0
	Finance officer	Lin, Yu-Chen				
	Accounting officer	Huang, Hsiu-Hua				
	Audit officer	Chen, Yung-Ho				
	Corporate governance officer	Li, Yu-Feng				

Note 1: Individual names and titles should be disclosed, but the distribution of earnings should be disclosed in aggregate.

Note 2: The amount of employee remuneration (including stock and cash) received by managerial officers in the most recent year should be disclosed as approved by the Board of Directors. If the amount cannot be estimated, the proposed payment amount for this year should be calculated in proportion to the actual payment amount last year. The net profits after tax refer to the net profits after tax of the most recent year; if IFRSs have been adopted, the net profits after tax refer to the net profits after tax of the most recent year for individual or standalone financial reports.

Note 3: The scope of application of the Managerial Officers, as stipulated in the order Tai-Cai-Zheng-Zi No. 0920001301 dated March 27, 2003 of the competent authority, is as follows.

- (1) General Manager and equivalent
- (2) Deputy general manager and equivalent
- (3) Senior Manager and equivalent
- (4) Finance department officer
- (5) Accounting department officer
- (6) Other persons who have the authority to manage and sign for the company

Note 4: If the directors, general manager and vice general manager receive employee remuneration (including stock and cash), this schedule in addition to Schedule 1-2 should be filled in.

(V) Compare and describe the total remuneration paid to directors, supervisors, general managers, and deputy general managers in the most recent 2 years by the Company and all companies in the consolidated financial statements as a % of the net profits after tax, and explain the policies, criteria, combination, the procedures for determining remuneration and the correlation to operating performances and future risks.

(1) Analysis of the total amount of remuneration paid to the Company's directors, supervisors, general manager and deputy general manager as a percentage of after-tax profit or loss for the last two years by the Company and all companies in the consolidated statements.

Unit: %

	2022 Analysis of total remuneration as a percentage of profit or loss after tax for the year		2021 Analysis of total remuneration as a percentage of profit or loss after tax for the year	
	The Company	All companies in the consolidated statements	The Company	All companies in the consolidated statements
Director (Note)	-0.98%	-0.98%	21.94%	21.94%
Supervisor	-0.03%	-0.03%	0.93%	0.93%
General manager and deputy general manager	-0.71%	-0.71%	16.79%	16.79%

Note: Including the remuneration of the part-time manager.

(2) The Company's policy, criteria, and combination of the remuneration, the procedures for determining remuneration and the correlation to operating performances and future risks.

The remuneration of directors of the Company includes the fixed remuneration paid monthly, the vehicle and horse expenses for the execution of business and the remuneration of the surplus distribution year, of which the fixed remuneration and carriage expenses paid monthly are in accordance with the general market conditions, and the remuneration of the surplus distribution is handled in accordance with the provisions of the articles of association of the Company, and no change remuneration has been paid in 2022.

The salary structure of the general manager and deputy general manager of the company is basic salary and meal allowance, and their salaries are paid according to the differences in their job rank, work performance and seniority, and are submitted to the company's salary and remuneration committee for regular review every year.

A. Remuneration policy for directors and supervisors

The articles of association of the company stipulate: if the company makes a profit in the year, it may allocate no more than 3% of the profit amount for directors' remuneration, and after consideration by the company law and the relevant provisions of the competent authority, the remuneration committee of the company considers the relevant provisions of the company law and the competent authority, and after the committee deliberates and approves on February 23, 2023, it submits to the board of directors to resolve that no employee remuneration and directors' remuneration will be distributed for 2022.

B. Managerial officer remuneration distribution policy

The company's remuneration policy, the remuneration policy of balancing salary and bonus, taking into account the salary level of the position in the interindustry market, the scope of authority and responsibility of the position in the company and the degree of contribution to the company's operating objectives, and after deliberation and approval by the company's remuneration committee, submit it to the board of directors to resolve the payment standard. In addition to the overall operating performance of the company, the remuneration procedure of the Company also refers to the individual performance achievement rate and the degree of contribution to the company's performance, and gives reasonable remuneration, and the remuneration committee of the Company reviewed in the committee on December 16, 2022 the content and amount of the individual remuneration of the Company's managers are reasonable compared with similar companies

III. The operations of corporate governance

(I) The operations of the Board of Directors

Information on the operations of the Board of Directors

The Board of Directors held 7 meetings (A) in the most recent year (2022), and the attendance of directors is as follows:

Position	Name (Note 1)	Attendance in Person (B)	Attendance by Proxy	Actual Attendance (%) 【B/A】 (Note 2)	Remarks
Chairman	Lin, Cheng-Hsiung	7	0	100%	Re-elected, Date of re-Appointment:2022.6.16
Directors	Chang, Yu-Tuan	6	1	85.7%	Re-elected, Date of re-Appointment:2022.6.16
Directors	Lin, Tsung-Yi	6	1	85.7%	Re-elected, Date of re-Appointment:2022.6.16
Directors	PAO CHU Investment Co., Ltd. deputy : Lin, Yu-Jen	6	1	85.7%	Re-elected, Date of re-Appointment:2022.6.16
	PAO CHU Investment Co., Ltd. deputy : Li, Chun-I	5	2	71.4%	Newly-designated representative dismissal:2022.12.8
Directors	PAO CHU Investment Co., Ltd. deputy : Lin, Yu-Chen	0	0	-	Newly-designated representative Appointment:2022.12.8
Independent Director	Wang, Jin-Chun	6	1	85.7%	Re-elected, Date of re-Appointment:2022.6.16
Independent Director	Wang, Chin-Hsiang	6	1	85.7%	Re-elected, Date of re-Appointment:2022.6.16
Independent Director	Chang, Kuo-Hsiung	4	1	80.0%	Elected, Date of new position:2022.6.16
Independent Director	Lii, Yuan-shuh	3	2	60.0%	Elected, Date of new position:2022.6.16

Other matters to be recorded:

I. If the operation of the Board of Directors is under any of the following circumstances, the date, period, proposal content, all independent directors' opinions and the Company's handling of their opinions should be described:

- (I) Matters listed in Article 14-3 of the Securities and Exchange Act:
- (II) In addition to the previous matters, other board meeting resolutions that have been opposed or reserved by independent directors with records or written statements.

Board of Directors	Proposal content	Matters specified in Article 14-3 of the Securities and Exchange Act	The independent directors hold an opposing or qualified opinion
15th term 17th meeting 2022/3/28	1. 2021 remuneration distribution to employees, directors and supervisors.	✓	None
	2. "Statement of Internal Control System" of the Company for 2021.	✓	None
	3. Amendments to the Articles of Incorporation.	✓	None
	4. Amendment of the Company's "Procedures for Acquisition or Disposal of Assets."	✓	None
	5. Amendment to the Company's internal control system.	✓	None
	6. Amendment to the Company's Accountant system.	✓	None
Independent directors' opinion: None.			
The Company's handling of independent directors' opinion: None.			
Resolution: Approved by all Directors present at the meeting.			
15th term 18th meeting 2022/5/11	1. Transfer of funds from a loan to the subsidiary, BIFINITY BIOTECHNOLOGY CO., LTD., to a capital increase in that subsidiary.	✓	None
	2. Lending of funds to the subsidiary, Full Xin Global Real Estate Co., Ltd.	✓	None
Independent directors' opinion: None.			
The Company's handling of independent directors' opinion: None.			
Resolution: Approved by all Directors present at the meeting.			
16th term 1st meeting 2022/6/16	1. Election of the Chairman.	✓	None
Independent directors' opinion: None.			
The Company's handling of independent directors' opinion: None.			
Resolution: Approved by all Directors present at the meeting.			

16th term 2nd meeting 2022/8/12	1. Amendment of the Company's "Procedures for Acquisition or Disposal of Assets."	✓	None
Independent directors' opinion: None.			
The Company's handling of independent directors' opinion: None.			
Resolution: Approved by all Directors present at the meeting.			
16th term 3rd meeting 2022/10/4	1. Capital reduction to offset losses.	✓	None
	2. Issuance new shares through cash capital increase.	✓	None
Independent directors' opinion: None.			
The Company's handling of independent directors' opinion: None.			
Resolution: Approved by all Directors present at the meeting.			
16th term 4th meeting 2022/10/26	1. Cancel the Capital reduction to offset losses.	✓	None
	2. Cancel the cash capital increase.	✓	None
Independent directors' opinion: None.			
The Company's handling of independent directors' opinion: None.			
Resolution: Approved by all Directors present at the meeting.			
16th term 5th meeting 2022/11/11	1. The Company's Annual audit plans of 2023.	✓	None
	2. Amendment of the Company's internal control system.	✓	None
	3. Cancel the Lending of funds to the subsidiary, Full Xin Global Real Estate Co., Ltd.	✓	None
	4. Entrusting a subsidiary Baoxin Construction Co., Ltd. to construct the project.	✓	None
Independent directors' opinion: None.			
The Company's handling of independent directors' opinion: None.			
Resolution: Approved by all Directors present at the meeting.			
II.	In the implementation of a director's recusal for being an interested party in a proposal, the director's name, the proposal content, the recusal reasons and his or her participation in voting should be stated: None.		
III.	Assessment of the objectives of strengthening the functions of the Board of Directors (such as establishing an audit committee, enhancing information transparency, etc.) and their implementation during the current and most recent years. On June 16, 2022 the Company re-elected all the Directors at the regular meeting of shareholders and established an audit committee to replace the Supervisors.		

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

Note 2: (1). If a director or supervisor vacates his or her position before the end of the year, the date of vacating the position should be indicated in the Remarks column, and the actual attendance rate (%) should be calculated based on the number of meetings of the Board of Directors and the actual number of attendance during his or her employment.
(2). If a director or supervisor is re-elected before the end of the year, the new or existing director or supervisor should be listed and the date of re-election should be indicated in the Remarks column. The actual attendance rate (%) is calculated based on the number of meetings of the Board of Directors and the actual number of attendance during the term of his or her employment.

Evaluation of the Board of Directors

The Company's Board of Directors resolved on January 30, 2020 to establish the "Board of Directors' Performance Evaluation Measures" of the Company.

Evaluation frequency	Evaluation period	Evaluation scope	Evaluation method	Evaluation content
Once a year	January 1 to December 31 of each year	Board of Directors Individual Board Member and functional committees	Internal self-evaluation of the Board of Directors Self-evaluation of directors Peer evaluation Appointment of external professional organizations, experts Or other appropriate methods	The performance evaluation of the Board of Directors should include the following five major areas: 1. Participation in the operation of the company; 2. Quality of the Board of Directors' decision making; 3. Composition and structure of the Board of Directors; 4. Election and continuing education of the directors 5. Internal control Performance evaluation of the members of the Board of Directors should include the following six major areas: 1. Alignment of the goals and mission of the Company; 2. Awareness of the duties of a director 3. Participation in the operation of the company; 4. Management of internal relationship and communication; 5. The director's professionalism and continuing education 6. Internal control Performance evaluation of functional committees should include the following six major areas: 1. Participation in the operation of the company; 2. Awareness of the duties of the functional committees 3. Quality of the functional committees' decision making; 4. Composition of functional committees and member selection; 5. Internal control.

Filing of Board of Directors' performance evaluation results

Company code: 6219 Company name: Full Wang International Development Co., Ltd. Year 2022

Sequence No.	Evaluation scope <Multiple choice>	Evaluation method <Note 1>	Evaluation period <Note 2>	Evaluation content <Note 3>	Evaluation result <Note 4>	Remarks <Note 5>
1	<input checked="" type="checkbox"/> Entire Board of Directors <input type="checkbox"/> Individual Board Member <input type="checkbox"/> Functional committees	<input checked="" type="checkbox"/> Internal self-evaluation of the Board of Directors <input type="checkbox"/> Self-evaluation of directors <input type="checkbox"/> Peer evaluation <input type="checkbox"/> External evaluation	From January 1, 2022 To December 31, 2022	1. Participation in the operation of the company; 2. Improvement of the quality of the Board of Directors' decision making; 3. Composition and structure of the Board of Directors; 4. Election and continuing education of the directors; 5. Internal control.	1. Average of 4.58: Good 2. Average of 4.25: Good 3. Average of 4.24: Good 4. Average of 4.0: Good 5. Average of 4.29: Good	Overall rating of 4.29: Good
2	<input type="checkbox"/> Entire Board of Directors <input checked="" type="checkbox"/> Individual Board Member <input type="checkbox"/> Functional committees	<input type="checkbox"/> Internal self-evaluation of the Board of Directors <input checked="" type="checkbox"/> Self-evaluation of directors <input type="checkbox"/> Peer evaluation <input type="checkbox"/> External evaluation	From January 1, 2022 To December 31, 2022	1. Alignment of the goals and mission of the Company; 2. Awareness of the duties of a director; 3. Participation in the operation of the company; 4. Management of internal relationship and communication; 5. The director's professionalism and continuing education; 6. Internal control.	1. Average of 5.0: Good 2. Average of 5.0: Good 3. Average of 4.72: Good 4. Average of 4.89: Good 5. Average of 5.0: Good 6. Average of 5.0: Good	The average rating of all directors is 4.89: Good.
3	<input type="checkbox"/> Entire Board of Directors <input type="checkbox"/> Individual Board Member <input checked="" type="checkbox"/> Functional committees	<input checked="" type="checkbox"/> Internal self-evaluation of the Board of Directors <input type="checkbox"/> Self-evaluation of directors <input type="checkbox"/> Peer evaluation <input type="checkbox"/> External evaluation	From January 1, 2022 To December 31, 2022	1. Participation in the operation of the company; 2. Awareness of the duties of the functional committees; 3. Quality of the functional committees' decision making; 4. Composition of functional committees and member selection; 5. Internal control.	1. Average of 5.0: Good 2. Average of 4.4: Good 3. Average of 4.57: Good 4. Average of 4.67: Good 5. Average of 4.67: Good	Overall rating of 4.63: Good
4	<input type="checkbox"/> Entire Board of Directors <input checked="" type="checkbox"/> Individual Board Member <input checked="" type="checkbox"/> Functional committees	<input type="checkbox"/> Internal self-evaluation of the Board of Directors <input checked="" type="checkbox"/> Self-evaluation of directors <input type="checkbox"/> Peer evaluation <input type="checkbox"/> External evaluation	From January 1, 2022 To December 31, 2022	1. Alignment of the goals and mission of the Company; 2. Awareness of the duties of the functional Committee; 3. Participation in the operation of the company; 4. Management of internal relationship and communication; 5. The functional Committee's professionalism and continuing education; 6. Internal control.	1. Average of 5.0: Good 2. Average of 5.0: Good 3. Average of 4.72: Good 4. Average of 4.92: Good 5. Average of 5.0: Good 6. Average of 5.0: Good	The average rating of all remuneration committee members is 4.89: Good.

(II) Supervisors' participation in the operation of the Board of Directors

Supervisors' participation in the operation of the Board of Directors

The Board of Directors met 7 times (A) in the most recent (2022) year, with the following instances of Supervisor attendance:

Position	Name	Attendance in Person (B)	Actual Attendance (%) 【B/A】 (Note)	Remarks
Supervisor	Chiang Hsieh-Hai	3	100%	Previous position, Date of dismissal:2022.6.16
Supervisor	Tian-Wei Asset Management Co., Ltd. Deputy: Yang Lung-Shih	1	33%	Previous position, Date of dismissal:2022.6.16
Supervisor	Tian-Wei Asset Management Co., Ltd. Deputy: Huang Hsiang-Ying	3	100%	Previous position, Date of dismissal:2022.6.16

Other matters to be recorded:

I. Composition and Responsibilities of Supervisors

- (I) Communication between the Supervisors and the Company's employees and shareholders: The Supervisors actively participate in the regular meetings of shareholders and submit the Supervisor's review report to report relevant matters to shareholders.
- (II) Communication between the supervisors and the internal audit officer and the CPA: The internal audit officer communicates appropriately with the Supervisors through the presentation of each audit report, the quarterly report of the Board of Directors' meeting on the performance of internal audit, and the items required by the competent authorities, so that the Supervisors have a complete grasp of relevant information about the Company.

II. If the supervisors attend the Board of Directors' meeting, the date and period of the Board of Directors' meeting, the content of the motion, the result of the resolution and the Company's handling of the supervisor's opinion should be stated: None.

Note 1: If a Supervisor leaves the company before the end of the year, the date of separation should be indicated in the remarks column, and the actual attendance rate (%) shall be calculated based on the actual number of attendances during the period of service. Before the end of the year, if there is a re-election of a Supervisor, the new or old Supervisor shall be filled in and indicate in the remarks column that the Supervisor is the old, new or re-elected and the date of re-election. The actual attendance rate (%) is calculated based on the actual number of attendances during the period of service.

Note 2: On June 16, 2022, the Company re-elected all directors and established an Audit Committee to replace the Supervisors.

Audit Committee

A total of 3 times (A) Audit Committee meetings were held in the previous period. The attendance of the independent directors was as follows:

Position	Name (Note 1)	Attendance in Person (B)	Attendance by Proxy	Actual Attendance (%) 【B/A】 (Note 2)	Remarks
Independent Director	Wang, Jin-Chun	6	1	85.7%	On June 16, 2022, the Company re-elected all directors and established an Audit Committee to replace the Supervisors.
Independent Director	Wang, Chin-Hsiang	6	1	85.7%	
Independent Director	Chang, Kuo-Hsiung	4	1	80.0%	
Independent Director	Lii, Yuan-shuh	3	2	60.0%	

The functions and powers of the Audit Committee of the Company are as follows:

1. Establish or amend the internal control system in accordance with Article 14-1 of the Securities Exchange Act.
2. Assessment of the effectiveness of the internal control system.
3. In accordance with the provisions of Article 36-1 of the China Securities and Exchange Law, the procedures for major financial business acts such as acquiring or disposing of assets, engaging in derivatives trading, lending funds to others, endorsing or providing guarantees to others, stipulating or amending the procedures for major financial business acts of acquiring or disposing of assets, engaging in derivatives trading, lending funds to others, or providing guarantees to others.
4. Matters involving the directors' own interests.
5. Major asset or derivative commodity transactions.
6. Significant capital loans, endorsements or guarantees.
7. Offering, issuance or private placement of securities with the nature of equity.
8. Appointment, dismissal or remuneration of certified public accountants.
9. Appointment and removal of finance, accounting or internal audit supervisors.
10. Annual financial report signed or sealed by the chairman, manager and accounting supervisor and the second quarter financial report subject to verification by accountants.
11. Other major matters stipulated by the company or the competent authority.

Other mentionable items:

1. If any of the following circumstances occur, the dates of meetings, sessions, contents of motion, resolutions of the Audit Committee and the Company's response to the Audit Committee's opinion should be specified:
 - (1) Matters referred to in Article 14-5 of the Securities and Exchange Act.
 - (2) Other matters which were not approved by the Audit Committee but were approved by two-thirds or more of all directors.

Audit Committee	Content of Motion	Matters specified in Article 14-5 of the Securities and Exchange Act	Other resolutions passed by two-thirds of all Directors but yet to be approved by the Audit Committee	Communication between the Independent Directors, chief internal auditor, and CPAs
1st term 1st meeting 2022/8/12	1. The Company's consolidated financial report for Q2 2021.		None	
	2. Amendment to the Procedures for Acquisition and Disposal of Assets of the Company	✓	None	The chief internal auditor attended
Audit Committee Resolution Result: Approved by all members present at the meeting.				
Handling of the opinion of the Audit Committee by the Company: Approved by all Directors present at the meeting.				
Objections, reservations or significant proposed items by independent directors:None.				
1st term 2nd meeting 2022/10/4	1. To accept Q2 2022 deficit compensation.		None	
	2. Issuance new shares through cash capital increase.	✓	None	
Audit Committee Resolution Result: Approved by all members present at the meeting.				
Handling of the opinion of the Audit Committee by the Company: Approved by all Directors present at the meeting.				
Objections, reservations or significant proposed items by independent directors:None.				
1st term 3rd meeting 2022/11/11	1. The Company's consolidated financial report for Q3 2021.		None	
	2. Amendment of the Company's internal major information processing operating procedures		None	
	3. Amendment of the Rules of Procedure of the Board of Directors of the Company		None	
	4. Amendment of the Company's internal control system.	✓	None	The chief internal auditor attended
	5. Cancel the Lending of funds to the subsidiary, Full Xin Global Real Estate Co., Ltd.	✓	None	
	6. Entrusting a subsidiary Baoxin Construction Co., Ltd. to construct the project.	✓	None	

Audit Committee Resolution Result: Approved by all members present at the meeting.
Handling of the opinion of the Audit Committee by the Company: Approved by all Directors present at the meeting.
Objections, reservations or significant proposed items by independent directors:None.

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

3. Communications between the independent directors, the Company's chief internal auditor and CPAs (e.g. the material items, methods and results of audits of corporate finance or operations, etc.)

- (1) The Company convenes the Audit Committee on a regular basis, except for the head of internal audit, who shall attend the Audit Committee as an observer, and invite accountants and relevant supervisors to attend as necessary.
- (2) The Audit Committee of the Company consists of all independent directors, and the head of internal audit shall submit the audit report for review and signature by the end of the following month when completing the internal audit report every month, and participate in the communication meeting between independent directors and accountants at least once a year.
- (3) The Audit Committee conducts regular communication with the Company's certified public accountants on the results of the financial statement review and other communication matters required by the competent authority.

Note 1: If an independent director leaves before the end of the year, the date of departure should be indicated in the remarks column, and the actual attendance rate (%) is calculated based on the number of meetings of the Audit Committee and the actual number of attendance during the period of service.

Note 2: If there is a re-election of an independent director before the end of the year, both the new and old independent directors should be filled in, and the remarks column should indicate whether the independent director is the old, new or re-elected and the date of re-election. The actual attendance rate (%) is calculated based on the number of meetings of the Board of Auditors and its actual attendance during the period of service.

(III) The Company's implementation of corporate governance and the differences from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and the reasons therefor.

Evaluation item	Implementation Status (note 1)			Deviations from “the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons.
	Yes	No	Abstract Illustration	
I. Does the company establish and disclose the Corporate Governance Best-Practice Principles based on “Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies”?	V		The Company's Board of Directors approved the establishment of Corporate Governance Best Practice Principles on March 11, 2014, and amended by the Board of Directors on January 12, 2023, to promote the operation of corporate governance.	No Difference
II. Shareholding structure & shareholders' rights				No Difference
(I) Does the company establish an internal operating procedure to deal with shareholders' suggestions, doubts, disputes and litigations, and implement based on the procedure?	V		The Company has established relevant control mechanisms in its internal control system and implemented them in accordance with the prescribed procedures.	
(II) Does the company possess the list of its major shareholders as well as the ultimate owners of those shares?	V		The Company stock affairs department has a list of the major shareholders who actually control the Company and those who ultimately have control over the major shareholders and update it in a real time manner.	
(III) Does the company establish and execute the risk management and firewall system within its conglomerate structure?	V		The Company has established relevant control mechanisms in its internal control system and implemented them in accordance with the prescribed procedures.	
(IV) Does the company establish internal rules against insiders trading with undisclosed information?	V		The Company has formulated internal regulations to prevent insiders from trading securities using undisclosed information on the market.	
III. Composition and responsibilities of the Board of Directors				No Difference
(I) Has the Board of Directors formulated and implemented a diversity policy on membership?	V		The Company's Corporate Governance Best Practice Principles regulates the composition of the Board of Directors, which should include practical experience in the industry, business, finance, accounting and work experience required for the Company's business.	
(II) In addition to the Remuneration Committee and the Audit Committee established in accordance with law, has the Company voluntarily set up other functional committees?	V	V	In accordance with the circumstances required by the Company's practice, a Remuneration Committee has currently been established in accordance with the law.	
(III) Whether the Company has formulated board performance evaluation measures and methods, conducts performance evaluations annually and regularly, and reports the results of performance evaluations to the Board of Directors, and uses them as a reference for individual directors' remuneration and nomination for reappointment?	V		The Company conducts annual performance evaluation in accordance with the Board of Directors' performance evaluation measures, which is used as a reference for annual earnings distribution.	
(IV) Does the Company regularly evaluate the independence of the attesting CPA?	V		The Company periodically evaluates the independence and suitability of the certified public accountants each year and reports the results of the evaluation to the Board of Directors at the most recent meeting in the year in which the evaluation is completed. The results of the last two annual evaluations were reported to the Board of Directors on November 12, 2021 and February 23, 2023, respectively.	
IV. Does the company appoint a suitable number of competent personnel and a supervisor responsible for corporate governance matters (including but not limited to providing information for directors and supervisors to perform their	V		The Company's stock affairs department is exclusively responsible for corporate governance-related matters, including providing information necessary for directors and supervisors to carry out their business, conducting board of directors and shareholders' meeting related matters in	No Difference

Evaluation item	Implementation Status (note 1)			Deviations from “the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons.
	Yes	No	Abstract Illustration	
functions, assisting directors and supervisors with compliance, handling work related to meetings of the board of directors and the shareholders' meetings, and producing minutes of board meetings and shareholders' meetings)?			accordance with the law, handling company registrations and registering changes, and preparing minutes of board of directors and shareholders' meetings.	
V. Does the company establish a communication channel and build a designated section on its website for stakeholders (including but not limited to shareholders, employees, customers, and suppliers), as well as handle all the issues they care for in terms of corporate social responsibilities?	V		The Company utilizes a spokesperson mechanism and a dedicated unit to handle matters related to the Company's external relations and communication with stakeholders, and plans to set up a special section for stakeholders on the Company's website to appropriately respond to important CSR issues of concern to stakeholders.	No Difference
VI. Does the company appoint a professional shareholder service agency to deal with shareholder affairs?	V		The Company appointed Yuanta Securities Co., Ltd., Stock Affairs to handle matters related to the shareholders' meeting.	No Difference
VII. Information Disclosure (I) Does the company have a corporate website to disclose both financial standings and the status of corporate governance? (II) Does the company have other information disclosure channels (e.g. building an English website, appointing designated people to handle information collection and disclosure, creating a spokesman system, webcasting investor conferences)? (III) Does the company announce and report annual financial statements within two months after the end of each fiscal year, and announce and report Q1, Q2, and Q3 financial statements, as well as monthly operation results, before the prescribed time limit?	V V		The Company has set up a website to disclose finance and business matters and corporate governance information, and to provide information in English as appropriate. Website: http://www.fwgroup.com.tw . The Company has designated a person to be responsible for the collection and disclosure of corporate information, and has a spokesperson and an acting spokesperson to speak to the public in accordance with the regulations. The Company's financial statements for the year ended December 31, 2022 were announced and reported in accordance with the time limit set by the competent authorities.	No Difference
VIII. Is there any other important information to facilitate a better understanding of the company's corporate governance practices (e.g., including but not limited to employee rights, employee wellness, investor relations, supplier relations, rights of stakeholders, directors' and supervisors' training records, the implementation of risk management policies and risk evaluation measures, the implementation of customer relations policies, and purchasing insurance for directors and supervisors)?	V		1. Employee rights and benefits: The Company protects the legal rights and benefits of its employees in accordance with the Labor Standards Act. 2. Employee Care: The Company has established welfare measures and employee education and training systems to build a good relationship of mutual trust and dependence with its employees. 3. Investor Relations: The Company regularly announces various financial information. 4. Supplier relationships: The Company maintains good supply and demand relationships with its suppliers. 5. Stakeholders' rights: Stakeholders may provide opinions and communicate with the Company in accordance with the provisions of the law, and the Company may make reference to the appropriate items in the future development of the Company's work. 6. Continuing educations of Directors and Supervisors: The Company's directors and supervisors will continue their education as required by	No Difference The Company has completed its 2022 annual corporate governance self-evaluation on the self-evaluation platform in the "Corporate Governance Evaluation System" on the website of the Securities and Futures Institute.

Evaluation item	Implementation Status (note 1)			Deviations from “the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons.
	Yes	No	Abstract Illustration	
			<p>law and will report their continuing education on the Market Observation Post System.</p> <p>7. Implementation of risk management policies and risk measurement standards: The Company has established an internal control system in accordance with the Regulations Governing Establishment of Internal Control Systems by Public Companies, which is effectively implemented and regularly reviewed and revised in order to reduce the Company's operational risks.</p> <p>8. Implementation of customer policy: The Company has a customer service hotline and dedicated staff to handle customer-related issues in order to enhance customer satisfaction.</p> <p>9. The Company's procurement of liability insurance for directors and supervisors: The Company has purchased liability insurance for directors and supervisors and reported the insurance coverage in the Market Observation Post System.</p> <p>10. The Company has established the "Procedures for Handling Material Inside Information," which are announced in the Company's internal information system for the benefit of all employees, and are used as the basis for the Company's material information handling and disclosure operations in accordance with the procedures to avoid violations of laws and regulations and the occurrence of insider trading incidents.</p>	
<p>IX. Please describe the improvements that have been made in response to the corporate governance evaluation results issued by the Corporate Governance Center of the Taiwan Stock Exchange in the most recent year, and propose priorities and measures for those not yet improved: (Companies not included in the evaluation need not be filled in) According to the actual needs of the Company, the Salary and Remuneration Committee and the Audit Committee are currently established in accordance with the law.</p>				

Note 1: Regardless of whether the evaluation item is achieved or not, the company shall state an appropriate explanation.

Note 2: Results of the 2022 annual assessment of the independence of CPA:

Item	Evaluation content	Result	
		Yes	No
1	The term of CPA is less than seven years.	✓	
2	The CPA and Audit Services Panel members have not held or have held positions of directors, managers or significant influence on the audit case of the Company at present or in the last two years.	✓	
3	The CPA and Audit Services Panel members are not currently related to directors, managers or persons with significant influence on the audit of the Company.	✓	
4	The CPA has not served as a director, manager or significant impact on the audit case within one year after the resignation of the Company.	✓	
5	The CPA has no direct or indirect material financial interest in the Company.	✓	
6	The CPA Firm is not overly dependent on a single source of remuneration for a single client (the Company).	✓	
7	The CPA does not have a significant and close business relationship with the Company.	✓	
8	There is no potential employment relationship between the CPA and the Company.	✓	
9	The CPA is not involved in the examination of the case or has any public expense.	✓	
10	The non-audit services provided by the CPA to the company do not directly affect the important items of the audit case.	✓	
11	The CPA does not represent the Company in defending legal cases or other disputes with third parties.	✓	
12	The CPA does not advertise or intermediate the shares or other securities issued by the company.	✓	
13	The CPA do not accept gifts or special offers of significant value from the Company or its directors, officers or substantial shareholders.	✓	
14	The CPA or member of the audit services team does not hold the money on behalf of the Company.	✓	
15	To date, the CPA has not been disciplined or compromised in any way.	✓	

Assessment Results: After the assessment, the accountants of the Company did not violate the above assessment items, met the norms of independence and suitability, and reported the assessment results to the Board on February 23, 2023.

Note 3: 2022 Executive Training:

Title	Name	Date	Sponsoring Organization	Course	Training hours
Chairman	Lin, Cheng-Hsiung	2022/8/20	Taiwan Academy of Banking and Finance	Workshop on Corporate Governance and Corporate Sustainability-20	3.0
	Lin, Cheng-Hsiung	2022/9/23		Workshop on Corporate Governance and Corporate Sustainability-20	3.0
	Lin, Cheng-Hsiung	2022/11/11	The Taipei Exchange	Derivatives Trading Strategy and Market Outlook Seminar	3.0
Director	Chang, Yu-Tuan	2022/9/20	Taichung Real estate Development Association	Sustainable Forum: Net Zero Carbon Building Industry	4.0
	Chang, Yu-Tuan	2022/12/2	Securities & Futures Institute	Seminar for Directors and Supervisors and Corporate Governance Executives (Four Seasons Lecture Hall)	3.0
Director	Lin, Tsung-Yi	2022/7/20	The Taipei Exchange	Sustainable development roadmap industry theme promotion meeting	2.0
	Lin, Tsung-Yi	2022/9/20	Taichung Real estate Development Association	Sustainable Forum: Net Zero Carbon Building Industry	4.0
	Lin, Tsung-Yi	2022/11/11	The Taipei Exchange	Derivatives Trading Strategy and Market Outlook Seminar	3.0
Director	Lin, Yu-Jen	2022/7/7	The Taipei Exchange	Sustainable development roadmap industry theme promotion meeting	2.0
	Lin, Yu-Jen	2022/9/20	Taichung Real estate Development Association	Sustainable Forum: Net Zero Carbon Building Industry	6.0
	Lin, Yu-Jen	2022/9/23	Taiwan Academy of Banking and Finance	Workshop on Corporate Governance and Corporate Sustainability-20	3.0
Director	Li, Chun-I	2022/7/7	The Taipei Exchange	Sustainable development roadmap industry theme promotion meeting	2.0
	Li, Chun-I	2022/8/25	The Taipei Exchange	Insider equity promotion briefing for TPEx Listed/ Emerging Stock Companies	3.0
	Li, Chun-I	2022/9/20	Taichung Real estate Development Association	Sustainable Forum: Net Zero Carbon Building Industry	4.0
Director	Wang, Jin Chun	2022/08/30	National Federation of CPA Associations	CPC related laws and regulations and application seminar	3.0
	Wang, Jin Chun	2022/11/29	National Federation of CPA Associations	How to reopen administrative proceedings in tax cases	3.0
	Wang, Jin Chun	2022/11/29	National Federation of CPA Associations	2022 Central District Tax Symposium	3.0
Director	Wang, Chin Hsiang	2022/11/01	National Federation of CPA Associations	Corporate acquisitions and key financial accounting	6.0
	Wang, Chin Hsiang	2022/11/24	National Federation of CPA Associations	Company regulations and company registration	3.0

Title	Name	Date	Sponsoring Organization	Course	Training hours
	Wang, Chin Hsiang	2022/12/13	National Federation of CPA Associations	Cash expulsion merger in the business merger law	3.0
Director	Chang, Kuo-Hsiung	2022/7/13	The Taipei Exchange	Sustainable development roadmap industry theme promotion meeting	2.0
	Chang, Kuo-Hsiung	2022/4/12	Taiwan Corporate Governance Association	From the recent famous trademark cases, let's talk about how enterprises can effectively maintain brand value	3.0
	Chang, Kuo-Hsiung	2022/8/1	Taiwan Corporate Governance Association	Business Management from CSR to ESG	3.0
Director	Lii, Yuan-shuh	2022/7/13	The Taipei Exchange	Sustainable development roadmap industry theme promotion meeting	2.0
	Lii, Yuan-shuh	2022/8/25	The Taipei Exchange	Insider equity promotion briefing for TPEx Listed/ Emerging Stock Companies	3.0
	Lii, Yuan-shuh	2022/11/11	The Taipei Exchange	Derivatives Trading Strategy and Market Outlook Seminar	3.0

Special section for stakeholders

Through internal meetings, members of our Corporate Social Responsibility (CSR) team share various possible stakeholders, including (1) employees, (2) investors, (3) customers, (4) suppliers, (5) media, (6) community, and society, and follow the AA1000 Stakeholder Engagement Standard 2015 (AA1000SES 2015) developed by AccountAbility, a global nonprofit organization. The AA1000 Stakeholder Engagement Standard (AA1000SES 2015), developed by the global nonprofit organization AccountAbility, includes five criteria: responsibility, influence, tension, dependence, and diverse perspectives, and performs an identification process for all stakeholders. The following schedule summarizes the Company's stakeholder communications for the year 2022.

Stakeholders	Issues of Concern	Communication Channels and Cycles	The Company's stakeholder communications for the year 2022.
Employee	SC. Occupational Health and Safety GA. Economic Performance SD. Labor Relations GE. Customer Service GC. Legal Compliance	Updates and announcements at any time / periodically Executive meeting / weekly, quarterly Monthly Meeting / Monthly E-mail/ periodically	19 announcements, 3 monthly executive meetings, 3 quarterly all-employee meetings, 17 email notifications
Investor	GA. Economic Performance GE. Customer Service GC. Legal Compliance	Shareholders' Meeting/ Annually Occasional earnings call or corporate briefing / periodically Annual report/annually Office website / periodically Market Observation Post System / periodically	1 regular shareholders' meeting, 1 earnings call or corporate briefing, 73 material information announcements
Customer	SC. Occupational Health and Safety GE. Customer Service GC. Legal Compliance	House tour dedicated line / periodically After-sales service dedicated line and after-sales questionnaire survey / periodically, divided into contract, after customization, service needs and overall satisfaction Official Website / Project Sales Stage Advertising and promotion / project sales rhythm Home Talk / Progress Staging by Project	Set up a 24-hour network repair system to facilitate dwellers to report repairs at any time. http://service.fwbuild.com.tw/TWN/custom_require.php . Average customer service completion rate of 90% in 2022
Supplier	SC. Occupational Health and Safety SD. Labor Relations GE. Customer Service GC. Legal Compliance	Correspondence / periodically Phone calls, visits and communication / periodically Regulations / periodically Government briefing / periodically	The company's suppliers and contractors shall ensure their service and quality in accordance with quality requirements and government regulations.
Media	GA. Economic Performance SD. Labor Relations GC. Legal Compliance	Office website / periodically Newspaper Magazine / periodically	The Company provided information about the Company's economic performance through the Company's earnings call or corporate briefing, etc. There were no labor disputes in 2022
Community, society	SC. Occupational Health and Safety GA. Economic Performance SD. Labor Relations GE. Customer Service GC. Legal Compliance	Office website / periodically On-site communication / periodically	The Company maintains a good relationship with the local community where we operate or have construction project, and gives back to the community. The Company has made "planting trees and raising forests" an annual family day activity, and employees, relatives and friends have enthusiastically joined in planting trees and actively participated in public welfare, including sponsoring the Huiming School for the Blind, the Taiwan Action Bodhisattva Association, the baseball team of the remote village junior high school, the 10-year project of Xitou Adopted Forest, and the national blood donation campaign.

(IV) If the Company has a remuneration committee, it should disclose its composition, duties and operation.

1. Information on the members of the Remuneration Committee:

Title (Note 1)	Criteria Name	Professional Qualifications and Experience (Note 2)	Status of Independence (Note 3)	Number of Other Public Companies in Which the Individual is Concurrently Serving as a Remuneration Committee Member
Independent Directors	Wang, Jin Chun (Convenor)	Professional occupations and technical personnel with working experience in accounting and crisis management ability, passing the national examination required by accountants and obtaining certificates. General Counsel of Crowe (TW) CPAs. In the exercise of the duties and powers of independent directors, their expertise in financial accounting can enhance the quality of corporate governance management and supervision functions of the board. There are no cases under article 30 of the Companies Act.	Be an independent director, who meets the circumstances of independence, including but not limited to his/herself, spouse, second parent, etc., relatives: who are not directors, supervisors or employees of the Company or affiliated enterprises; does not hold shares in the Company; not serve as a director, supervisor or employee of a company with which the Company has a specific relationship; The amount of remuneration received for providing commercial, legal, financial, accounting and other services provided by the Company or its affiliates in the past two years.	0
Independent Directors	Wang, Chin Hsiang	Professional occupations and technical personnel with working experience in accounting and crisis management ability, passing the national examination required by accountants and obtaining certificates. The Partner of Yangtze CPAs and Co. In the exercise of the duties and powers of independent directors, their expertise in financial accounting can enhance the quality of corporate governance management and supervision functions of the board. There are no cases under article 30 of the Companies Act.		1
Independent Directors	Chang, Kuo- Hsiung	With more than five years of working experience required for the Company's business, currently serves as a professor in the Department of International Management and Trade of Tunghai University, and Independent director of GMT GLOBAL INC. and AKER TECHNOLOGY CO., LTD and SUNDER BIOMEDICAL TECH. CO., LTD. There are no cases under article 30 of the Companies Act.		2
Independent Directors	Lii, Yuan- shuh	With more than five years of working experience required for the company's business, he is currently serving as a professor in the Department of Marketing of Feng Chia University. There are no cases under article 30 of the Companies Act.		0
Others	Chen, Chun- Ho(Note 4)	The associate professor in the Department of Accounting, Chung Hsing University. His areas of expertise include financial accounting, corporate governance, and management accounting. There are no cases under article 30 of the Companies Act.	Be an external member who meets the circumstances of independence, including but not limited to his/herself, spouse, second parent, etc., who are not directors, supervisors or employees of the Company or its affiliates; does not hold shares in the Company; not serve as a director, supervisor or employee of a company with which the Company has a specific relationship; The amount of remuneration received for providing commercial, legal, financial, accounting and other services provided by the Company or its affiliates in the past two years.	0

Note 1: Please specify in the form the relevant working experience, professional qualifications and experience and independence of each member of the Remuneration Committee, and if you are an independent director, please refer to the relevant contents of Schedule 1 of the Schedule 1 on OO page (1). Please list as an independent director or other (if you are a convenor, please add a note).

Note 2: Professional Qualifications and Experience: Describe the professional qualifications and experience of individual remuneration committee members.

Note 3: Compliance with independence: Describe the independence of the members of the remuneration committee, including but not limited to whether he/her, his/her spouse, second parent, etc. are directors, supervisors or employees of the Company or its affiliates; The number and proportion of shares held by the company, such as the person, spouse, second parent, etc. (or in the name of others); Whether he or she is a director, supervisor or employee of a company with which the Company has a specific relationship (refer to Article 6, Paragraphs 1, 5-8 of the Regulations on the Establishment and Exercise of Powers of the Company's Remuneration Committee for Stock Listing or Trading at a Securities Dealer's Business Premises); The amount of remuneration obtained for providing commercial, legal, financial, accounting and other services of the Company or its affiliates in the past two years.

Note 4: Stepped down after full re-election of directors on June 16, 111.

2. Information on the operation of the Remuneration Committee

- (1) There are four members of the Remuneration Committee of the Company.
- (2) The term of office of the current members: August 12, 2022 to June 15, 2025, the most recent year (2022) the Remuneration Committee met 2 times (A), the qualifications and attendance of members are as follows:

Position	Name	Number of attendance in person (B)	Number of attendance by proxy	Attendance in person (%) (B/A) (Note)	Remarks
Convenor	Wang, Jin Chun	2	0	100%	Re-elected, Date of re-Appointment:2022.8.12
Committee member	Wang, Chin Hsiang	2	0	100%	Re-elected, Date of re-Appointment:2022.8.12
Committee member	Chang, Kuo-Hsiung	1	0	100%	Re-elected, Date of re-Appointment:2022.8.12
Committee member	Lii, Yuan-shuh	1	0	100%	Re-elected, Date of re-Appointment:2022.8.12
Committee member	Chen Chun-Ho	1	0	100%	Previous position, Date of dismissal:2022.6.16

Remuneration Committee	Content of Motion and Follow up	Resolution	The Company's treatment of the Remuneration Committee's opinion
4th Session The 6th Meeting 2022.03.28	The distribution of the employees' and Directors' remuneration of 2021	Adopted by all attending members of the Remuneration Committee without objection.	Proposed to, and approved by all attended Board members
5th Session The 1st Meeting 2022.12.16	Regularly evaluate the remuneration of the Company's managers.	Adopted by all attending members of the Remuneration Committee without objection.	Handled in accordance with the resolution of the Committee.

Other matters to be recorded:

- I. If the Board of Directors does not adopt or amend the recommendations of the Remuneration Committee, it should state the date, period, proposal content, resolution of the board, and its handling of the committee's opinions (if the remuneration approved by the board is better than the recommendation proposed by the committee, the difference and reasons should be stated): None.
- II. For the proposals by the Remuneration Committee. If any members have objections or reservations with records or written statements, the date, period, proposal content, the opinions of all members, its handling of of the members' opinions should be stated: None.

Note:

- (1) If a member of the Remuneration Committee vacates his or her position before the end of the year, the date of vacating the position should be indicated in the Remarks column, and the actual attendance rate (%) should be calculated based on the number of meetings of the Committee and the actual number of attendance during his or her employment.
- (2) If a member of the Remuneration Committee is re-elected before the end of the year, the new or existing member should be listed and the date of re-election should be indicated in the Remarks column. The actual attendance rate (%) is calculated based on the number of meetings of the Remuneration Committee and the actual number of attendance during the term of his or her employment.

3. Information and operation information of the members of the nomination committee: The Company has not established a nomination committee.

(V) The implementation of promoting sustainable development and differences from the "Sustainable Development of TWSE/TPEX Listed Companies" and the reasons therefor.

Evaluation item	The state of implementation (note 1)		
	Yes	No	Summary description (Note 2)
I. Does the Company established a governance structure to promote sustainable development, and set up a full-time (part-time) unit to promote sustainable development, which is handled by senior management authorized by the board of directors, and the situation is supervised by the board?	V		The Company has established a sustainable development implementation promotion team in accordance with regulations and will regularly report the implementation situation to the board of directors according to the promotion situation.
II. Does the company conduct risk assessments on environmental, social and corporate governance issues related to the company's operations in accordance with the materiality principle, and formulate relevant risk management policies or strategies? (Note 2)	V		Based on the United Nations Sustainable Development Goals, the Company not only takes care of the best interests of employees and shareholders, but also pursues the sustainable development of the Company. To ensure the planning and decision-making of sustainable development, it is necessary to establish transparent and effective multiple communication channels and respond to the concerns of all stakeholders of the company, and introduce major concerns to stakeholders into the sustainable development of the enterprise, as a reference indicator for formulating the company's social responsibility policies and related plans. The company's process of identifying material issues for consideration is to determine the groups of internal and external stakeholders, and disclose them through the analysis and ranking of material issues by investigating the degree of concern of internal and external stakeholders on the operation of Fuwang International. The company's stakeholders: As long as the individuals or groups that have an impact on the company's operations or are significantly affected by the company's operations, they are all stakeholders of Fuwang International, and the stakeholders identified are employees, customers, shareholders, suppliers (or contractors), local communities, government agencies... Wait a minute. Company's sustainability issues: Taking "environmental, social and corporate governance" as the collection direction, and through the internal response implementation units to aggregate and evaluate the major concerns to stakeholders, the "Stakeholder Corporate Social Responsibility Issues Questionnaire" was developed after comprehensive conclusions, which was used as a benchmark for the analysis and investigation of material issues. Stakeholder Questionnaire Survey: In order to understand the degree of concern of stakeholders on various sustainability issues, the Company asked the CSR team to conduct a survey on the topics of concerns and the "Stakeholder CSR Issues Questionnaire".

Evaluation item	The state of implementation (note 1)			The differences from the "Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies" and the reasons therefor
	Yes	No	Summary description (Note 2)	
<p>III. Environmental Issues</p> <p>(I) Has the Company established an appropriate environmental management system according to the characteristics of its industry?</p> <p>(II) Is the Company committed to improving energy efficiency and using recycled materials with low impact on the environment?</p> <p>(III) Does the company assess the potential risks and opportunities of climate change to the business now and in the future, and take measures to address climate-related issues?</p> <p>(IV) Does the Company count greenhouse gas emissions, water consumption and total waste weight in the past two years, and formulated policies for energy conservation, carbon reduction, greenhouse gas reduction, water use reduction or other waste management?</p>	V		<p>In accordance with construction-related laws and regulations, the Company has established construction regulations for the company's construction projects to implement environmental protection.</p> <p>The Company actively promotes the construction of houses that meet green building standards or the use of green building materials to reduce the impact on the environment.</p> <p>In response to the issue of climate change, the Company has joined hands with the Experimental Forestry Administration of the College of Biological Resources and Agriculture of National Taiwan University since November 1, 2014 to promote the "Afforestation Project," adopting 1,800 red cypress trees and initiating a 10-year environmental protection campaign to implement the concept of energy saving, carbon reduction, and environmental protection and greening.</p> <p>The Company is gradually updating our information system to reduce the amount of paper used in our offices. In addition, each office location has been working on waste separation and recycling operations to reduce waste.</p>	No Difference
<p>IV. Social Issues</p> <p>(I) Has the Company formulated relevant management policies and procedures in accordance with relevant laws and regulations as well as the International Bill of Human Rights?</p> <p>(II) Whether the Company has formulated and implemented reasonable employee welfare measures (including remuneration, vacation and other benefits, etc.), and appropriately reflects operating performance or results in employee remuneration?</p> <p>(III) Does the Company provide employees with a safe and healthy working environment, and related education?</p> <p>(IV) Has the Company established an effective career development training program for employees?</p> <p>(V) Does the Company comply with relevant laws and regulations and international standards regarding customer health and safety, customer privacy, marketing and labeling of products and services, and establish relevant customer rights protection policies and complaint procedures?</p> <p>(VI) Has the Company formulated supplier management policies that require suppliers to follow relevant regulations on issues such as environmental protection, occupational safety and health, or labor rights, and monitor their implementation?</p>	V		<p>In accordance with the Labor Standards Act and other related laws and regulations, the Company has established the Company's employee management system and employee code of conduct.</p> <p>In accordance with the Articles of Incorporation, If the Company records a profit in a year, the Company shall set aside no less than 3% of the profit for employee's remuneration, which shall be distributed in shares or cash by resolution of the board of directors and shall be distributed to employees of the Company who meet certain criteria.</p> <p>The Company provides employees with a safe and healthy working environment, and related education.</p> <p>The Company has established a comprehensive welfare system and regularly organizes general courses and professional training activities to enhance the career development of our employees.</p> <p>The Company has a customer service hotline and dedicated staff to handle customer-related issues in order to protect customer rights.</p> <p>Our company designs each construction project according to the construction-related regulations</p> <p>The Company has established a supplier selection management system to select suitable suppliers.</p> <p>The contract between the Company and the supplier provides for</p>	No Difference

Evaluation item	The state of implementation (note 1)			The differences from the "Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies" and the reasons therefor
	Yes	No	Summary description (Note 2)	
			restrictions and cancellation of the contract.	
V. Does the company refer to the international standards or guidelines for the preparation of reports, and prepare reports that disclose the company's non-financial information, such as sustainability reports? Has the foreclosure report obtained the assurance or assurance opinion of the third-party verification unit?	V		On February 6, 2020, the Company established a CSR implementation team and has scheduled the preparation of CSR reports.	No Difference
VI. If the Company has its own sustainability code in accordance with the Code of Practice for Sustainability of OTC-traded Listed Companies, please explain the differences between its operation and the code: The Company has adopted the "Corporate Social Responsibility Practice Code" by the Board of Directors on November 11, 103, and the name "Sustainable Development Practice Code" was adopted by the Board of Directors on March 28, 111 in conjunction with the amendment of the regulations, so there is no difference in the implementation and promotion of corporate social responsibility and economic, environmental and social progress to achieve the goal of sustainable development.				
VII. Other important information to help inform the implementation of sustainable development: 1. Social welfare: The Company sponsors charitable activities and calls on all colleagues to participate in them. For example, the Company has joined hands with the Experimental Forestry Administration of the College of Biological Resources and Agriculture of National Taiwan University since November 1, 2014 to promote the "Afforestation Project," adopting 1,800 red cypress trees and initiating a 10-year environmental protection campaign. The company also calls on its employees to participate in health activities.				

Note 1: If you check "Yes" for implementation, please specify the important policies, strategies, measures and implementation conditions adopted; If the implementation situation is checked No, please explain the discrepancy and the reasons in the column "Differences and reasons with the Code of Practice for Sustainable Development of OTC-listed companies", and explain the plan to adopt relevant policies, strategies and measures in the future.

Note 2: If the company has prepared a corporate social responsibility report, the operation situation may indicate the method of accessing the corporate social responsibility report and the number of index pages.

NOTE 3: The materiality principle refers to those related to environmental, social and corporate governance issues that have a significant impact on the company's investors and other stakeholders.

(VI) The Company's implementation of ethical corporate management and the differences from the Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies and the reasons therefor.

Evaluation item	The state of implementation (note 1)			The differences from the Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies and the reasons therefor.	
	Yes	No	Summary description		
<p>I. Formulate ethical corporate management policy and plan</p> <p>(I) Has the Company formulated an ethical corporate management policy approved by the Board of Directors, and are the policy and practice of ethical corporate management stated in the Company's regulations and external documents, as well as the commitment of the Board of Directors and the senior management to actively implement the policy?</p> <p>(II) Whether the Company has established a mechanism for evaluating the risk of unethical conduct, regularly analyzes and evaluates the activities in the scope of business with a higher risk of unethical conduct, and on the basis of this, has formulated a plan to prevent unethical conduct, which covers at least the preventive measures for the conduct set out in Paragraph 2 of Article 7 of the "Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies"?</p> <p>(III) Whether the Company has specified operating procedures, conduct guidelines, and disciplinary and complaint systems for violations in the plan to prevent unethical conduct and implemented the plan as well as regularly reviews and amends it?</p>	V		The Board of Directors of the Company has approved the establishment of a Code of Ethical Management and continues to amend it in compliance with the regulations of the competent authorities. The contracts signed by the company in the course of operation are based on the principle of good faith and reciprocity to sign reasonable contract content, and actively perform the contractual commitments. The company has stipulated employee integrity clauses, and announced them in the internal information system to make all colleagues of the company aware of them, so as to remind employees to prevent the occurrence of dishonest behaviors such as bribery and bribery. In accordance with the reward and punishment provisions in the employee handbook, the applicable punishment shall be reported for the dishonest behavior of the employee. The Company's internal auditors have upgraded some high-risk operations to perform monthly audits, and if any abnormalities are found, they will immediately report to management.	No Difference	
	V				
	V				
<p>II. The implementation of ethical corporate management</p> <p>(I) Does the Company evaluate the ethical records of its counterparties and specify the ethical conduct clauses in the contracts signed with the counterparties?</p> <p>(II) Does the Company have a dedicated unit under the Board of Directors to promote ethical corporate management and report regularly (at least once a year) to the Board of Directors on its ethical management policy and plan to prevent unethical conduct and monitor their implementation?</p> <p>(III) Does the Company have a policy to prevent conflict of interest, provide appropriate channels for explanation, and implement it?</p> <p>(IV) Whether the Company has established an effective accounting system and internal control system for the implementation of ethical corporate management, and the internal audit unit draws up relevant audit plans based on the evaluation results of risk of unethical conduct, and audits the compliance of the plan to prevent unethical conduct or entrusts a CPA to perform the audit?</p> <p>(V) Does the Company regularly organize internal and external education and training on ethical corporate management?</p>	V		When the Company enters into contracts with customers and suppliers, the rights and obligations of both parties are detailed in the contract and the terms of good faith conduct are specified. The company instructs the audit office to serve as a part-time unit to promote the integrity management of the enterprise, cooperate with the internal control audit, and regularly urge all departments to fulfill the goal of the enterprise's integrity management according to the scope of their duties. The company has formulated employee integrity clauses to remind employees to prevent the occurrence of dishonest acts such as bribery and bribery. In order to ensure the implementation of integrity management, the company has established effective internal control procedures and accounting systems, and internal auditors regularly check the compliance of the above systems. The company advocates the concept of honest management to employees through regular all-staff meetings to reduce the occurrence of dishonest behaviors.	No Difference	
	V				
	V				
	V				
	V				
III. The operation of the Company's whistleblower reporting system				No Difference	

Evaluation item	The state of implementation (note 1)			The differences from the Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies and the reasons therefor.
	Yes	No	Summary description	
(I) Has the Company set up a specific whistleblower reporting and reward system and a convenient reporting channel, and designated appropriate personnel to deal with the reported matters?	V		The Company has a "Chairman Suggestions and Complaint Mail Box" to handle suggestions and complaints regarding the Company's major deficiencies and frauds by means of a confidential project to protect reporters. This will be treated as a project and will be assigned to the relevant departments to handle as soon as possible. In accordance with the "Employee Handbook," we will report the applicable penalties for dishonest behavior of our employees.	
(II) Has the Company formulated standard operating procedures for the investigation of the reported matters, follow-up measures to be taken after the completion of the investigation, and the relevant confidentiality mechanisms?	V			
(III) Whether the Company takes measures to protect whistleblowers from being improperly handled due to reporting?	V			
IV. Enhance Information Disclosure (I) Does the Company disclose the content and effectiveness of its Ethical Corporate Management Principles on its website and the Market Observation Post System?	V		The Company discloses information related to ethical corporate management on the Company's website. The Company collects various information about the Company and provides the relevant information to the Company's spokesperson immediately.	No Difference
V. If the Company has related practice principles of its own in accordance with the "Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies," please state the differences between the two and the state of implementation: no difference. The Company's Board of Directors approved the establishment of the Ethical Corporate Management Best Practice Principles on March 11, 2014 to fulfill ethical corporate management, and there is no difference yet.				
VI. Other important information that is helpful to understand the implementation of ethical corporate management (For example, if the Company reviews and amends its ethical corporate management principles.): periodically, the Company arranges for some of our vendors to attend our training courses and require them to achieve the goal of ethical management through procurement and contracting.				

Note 1: The state of operations, no matter if "Yes" or "No" are checked, should be stated in summary description.

(VII) If the Company has established Corporate Governance Best Practice Principles and related regulations, it should disclose its inquiry methods: The Company has established Corporate Governance Best Practice Principles as approved by the Board of Directors on March 11, 2014, which has been announced on the website of Market Observation Post System (https://mops.twse.com.tw/mops/web/t100sb04_1) for investors' reference.

(VIII) Other important information that is helpful to understand the Company's implementation of corporate governance may also be disclosed: None.

(IX) The implementation of internal control system

1. Statement of internal control

Full Wang International Company Limited
Statement of internal control system

Date: January 12, 2023

The Company states the following for its 2022 internal control system based on the results of self-evaluation:

- I. The Company knows that establishing, implementing and maintaining an internal control system is the responsibility of the Company's Board of Directors and managerial officers, and the Company has established this system. Its purpose is to provide reasonable assurance of the achievement of objectives such as the effectiveness and efficiency of operations (including profitability, performance and asset security, etc.), the reliability, timeliness, and transparency of reporting, as well as compliance with relevant rulings, laws and regulations, etc.
- II. Internal control system has its inherent limitations. No matter how perfect the design is, an effective internal control system can only provide a reasonable assurance of the achievement of the above three objectives; moreover, due to changes in the environment and circumstances, the effectiveness of the internal control system may change accordingly.
However, the Company's internal control system has a self-monitoring mechanism. Once a defect is identified, the Company will take corrective actions.
- III. The Company determines the effectiveness of the design and implementation of the internal control system in accordance with the judgment items of the effectiveness of the internal control system stipulated in the "Regulations Governing Establishment of Internal Control Systems by Public Companies" (hereinafter referred to as the "Regulations"). The criteria of internal control system adopted in the "Regulations" are based on the process of managerial control and divide internal control system into five components: 1. control environment, 2. risk evaluation, 3. control operations, 4. Information and communication, and 5. Monitoring operations. Each component consists of a number of items. Please refer to the "Regulations" for these items.
- IV. The Company has adopted the aforementioned criteria of internal control system to evaluate the effectiveness of the design and implementation of its internal control system.
- V. Based on the evaluation results of the preceding paragraph, the Company believed that the design and implementation of its internal control system was effective as of December 31, 2022 (including the supervision and management of subsidiaries), with an understanding of the extent to which the objectives of effectiveness and efficiency of operations were achieved, whether the reporting was reliable, timely, transparent, and if the compliance with relevant rulings, laws and regulations is met, and a reasonable assurance of the achievement of these objectives.
- VI. This statement will become the main content of the Company's annual report and prospectus, and will be made public. If the above-mentioned disclosures have falsehood or concealment, legal liability under Articles 20, 32, 171 and 174 of the Securities and Exchange Act will be incurred.
- VII. This statement was approved by the Company's Board of Directors on January 12, 2023. Of the 9 directors present, 0 had objections, and the rest all agreed with the content of this statement and declare here.

Full Wang International Company Limited

Chairman: Lin Cheng-Hsiung

General Manager: Lin, Tsung-Yi



2. Where a CPA was entrusted to review the internal control system, the review report should be disclosed: None.
- (X) During the most recent year or during the current year up to the date of publication of the annual report, if the Company or its internal personnel have been punished in accordance with law, or the Company has punished its internal personnel for violating the provisions of the internal control system, and the results of such punishments may have a material effect on shareholder equity or securities price, the contents of the punishments, major deficiencies and improvements should be listed: None.
- (XI) Major Resolutions of Shareholders' Meeting and Board Meetings:
Major Resolutions of the Shareholders' Meeting and Implementation Status for 2022 and for the Current Year as of the Publication Date of the Annual Report.

Meeting type	Date	Major Resolutions	Implementation status
Shareholders' Meeting	2022.6.16	1. Approved the adoption of 2022 business report and financial statements.	On June 16, 2022, the announcement of the important resolution of the Shareholders' Meeting was completed.
		2. Recognizing the 110-year surplus distribution case.	On July 29, 2022, complete the payment of cash dividends.
		3. Approved of amendments to the Company's Articles of Association.	On June 24, 2022, complete the registration of changes to amend the articles of association.
		4. Approved the amendment of the rules of procedure of the shareholders' meeting of the Company.	On June 16, 2022, the announcement of the important resolution of the Shareholders' Meeting was completed.
		5. Approved the amendment of the Company's "Regulations for the Election of Directors and Supervisors".	On June 16, 2022, the announcement of the important resolution of the Shareholders' Meeting was completed.
		6. Amendment to the Company's "Procedures for Acquisition or Disposal of Assets."	On June 16, 2022, the announcement of the important resolution of the Shareholders' Meeting was completed.
		7. Re-election of the Company's directors. Elected List: Directors: Lin, Cheng-Hsiung; Chang, Yu-Tuan; Lin, Tsung-Yi; PAO CHU Investment Co., Ltd. deputy: Lin, Yu-Jen; PAO CHU Investment Co., Ltd. deputy : Li, Chun-I. Independent Directors: Wang, Chin-Hsiang; Wang, Jin-Chun; Chang, Kuo-Hsiung; Lii, Yuan-shuh.	On June 16, 2022, the announcement of the important resolution of the Shareholders' Meeting was completed, and complete the registration of the change of new directors on June 24, 2022.
		8. Approved the lifting of the restriction on non-compete for new directors of the Company.	On June 16, 2022, the announcement of the important resolution of the Shareholders' Meeting was completed.

Major Resolutions of the Board of Directors and Implementation Status for 2022 and for the Current Year as of the Publication Date of the Annual Report.

Meeting type	Date	Major Resolutions	Implementation status
Board of Directors	2022.3.28	<ol style="list-style-type: none"> The Company's 2022 business plan The Company's 2021 remuneration distribution to employees, directors and supervisors The Company's 2021 business report and financial statements. The Company's appropriation of earnings of 2021. 2021 annual statement of internal control system. By entrusting the subsidiary Baoxin Construction Co., Ltd. to build the project. Establish the Company's "Audit Committee Organizational Procedures". Amendment to the Company's "Corporate Governance Best Practice Principles". Amendment to the organizational regulations of the Company's Remuneration Committee 	All motions have been executed in accordance with the resolutions of the Board of Directors.

Meeting type	Date	Major Resolutions	Implementation status
		<ol style="list-style-type: none"> 10. Establish operational standards related to the financial business of the Company's affiliates. 11. Amendment to the Company's "Rules of Conduct for Board Meetings". 12. Revision of the Company's "Code of Ethical Management". 13. Amendment to the Company's "Code of Practice on Corporate Social Responsibility". 14. Establish a Code of Ethical Conduct for the Company. 15. Amendment to the Articles of Incorporation. 16. Amendment to the Rules of Procedure of the Shareholders' Meeting. 17. Amendment to the Company's "Regulations for the Election of Directors and Supervisors". 18. Amendment to the Company's "Procedures for Acquisition or Disposal of Assets". 19. Revision of the Company's "internal control system". 20. Amendment to the Company's "Accounting System". 21. Nomination the Directors of the Company. 22. Reelection of Directors. 23. Proposal to release the newly elected Directors of the Company and their Representatives from non competition restrictions. 24. Matters related to the convening of 2022 Annual Shareholders' Meeting. 25. The regular of Shareholders' Meeting accepts matters related to the shareholders' right to make proposals. 26. Accept matters related to whether the nomination of shareholders is included in the list of candidates. 27. Financial institution financing application for renewal. 28. Supplementary recognition of the financing application quota of new financial institutions. 	
Board of Directors	2022.5.11	<ol style="list-style-type: none"> 1. No dividend is proposed for the Q1 of 2022. 2. Use the funds loaned to the subsidiary, Bifinity Biotechnology Co., Ltd., to increase the capital of that subsidiary. 3. Resumed the operation of the subsidiary, Full Xin Global Real Estate Co., Ltd. 4. Lending of funds to the subsidiary, Full Xin Global Real Estate Co., Ltd. 5. New financing application quota for financial institutions. 6. New financing application quota for financial institutions. 	All motions have been executed in accordance with the resolutions of the Board of Directors.
Board of Directors	2022.6.16	<ol style="list-style-type: none"> 1. Election of the Chairman. 	All motions have been executed in accordance with the resolutions of the Board of Directors.
Board of Directors	2022.8.12	<ol style="list-style-type: none"> 1. No dividend is proposed for the Q2 of 2022. 2. Appointment of members of the Remuneration Committee. 3. Amendment to the Company's "Procedures for Acquisition or Disposal of Assets". 4. New financing application quota for financial institutions. 5. New financing application quota for financial institutions. 6. New financing application quota for financial institutions 	All motions have been executed in accordance with the resolutions of the Board of Directors.
Board of Directors	2022. 10.4	<ol style="list-style-type: none"> 1. Recognition of the Q2 of 2022 financial statements. 2. Recognition of the deficit compensation for the Q2 of 2022. 3. Capital reduction to offset losses. 4. Issuance of new shares through cash capital increase. 5. Matters related to the convening of the first extraordinary meeting of shareholders in 2022. 	All motions have been executed in accordance with the resolutions of the Board of Directors.

Meeting type	Date	Major Resolutions	Implementation status
Board of Directors	2022.10.26	<ol style="list-style-type: none"> 1. Cancel the capital reduction to offset losses. 2. Cancel the issuance of new shares through cash capital increase. 3. Cancel the convening of the first extraordinary meeting of shareholders in 2022. 	All motions have been executed in accordance with the resolutions of the Board of Directors.
Board of Directors	2022.11.11	<ol style="list-style-type: none"> 1. The Company's consolidated financial report for the Q3 of 2022 2. No dividend is proposed for the Q3 of 2022. 3. The Company's 2023 annual audit plan 4. Amendment some provisions of the Company's "internal material information processing procedures". 5. Amendment some provisions of the Company's "Rules of Procedure of the Board of Directors". 6. Revision of the Company's "internal control system". 7. Cancellation of lending funds to the subsidiary, Full Xin Global Real Estate Co., Ltd. 8. By entrusting the subsidiary Baoxin Construction Co., Ltd. to build the project. 9. New financing application quota for financial institutions. 10. Change in financing application quota for financial institutions. 11. Renewal of financing application quota for financial institutions. 	All motions have been executed in accordance with the resolutions of the Board of Directors.
Board of Directors	2023.1.12	<ol style="list-style-type: none"> 1. The general manager of the company was re-appointed 2. The Company's 2022 business plan 3. 2022 annual statement of internal control system. 4. Amendment to the Articles of Incorporation. 5. Amendment to the Company's "Procedures for Acquisition or Disposal of Assets". 6. Amendment to the Company's "Corporate Governance Best Practice Principles". 7. Amendment to the operational standards related to the financial business of the Company's affiliates. 8. Revision of the Company's "internal control system". 9. Matters related to the convening of 2023 Annual Shareholders' Meeting. 10. The regular of Shareholders' Meeting accepts matters related to the shareholders' right to make proposals. 11. Change of the Company's stock agency. 12. Supplementary recognition of derivatives transactions such as investment desk index period and individual stock period. 	Except for items 4-5, which will be submitted to the 2023 Annual Shareholders' Meeting, item 9, which will be implemented at the 2023 Annual Shareholders' Meeting, and item 11, which will be handled in accordance with the contract and the prescribed schedule, the remaining proposals have been implemented in accordance with the resolution of the board of directors and announced in accordance with the regulations.
Board of Directors	2023.2.23	<ol style="list-style-type: none"> 1. The Company's 2022 business report and financial statements. 2. The Company's 2022 deficit compensation. 3. Not to distribute employees' and directors' remuneration in 2022. 4. Capital reduction to offset losses. 5. Newly added the agenda and cause for convening the 2023 Annual General Shareholders' Meeting. 6. Establishment of a corporate governance officer. 7. Pre-approved certified accountants, their firms and firm affiliates provide non-certified services to the Company and its subsidiaries. 8. Approved the renewal of financing contracts with financial institutions due to business needs. 9. Approved the renewal of financing contracts with financial institutions due to business needs. 10. Approved retroactively the application for new financing facilities from financial institutions due to business needs. 11. Renewal of financing application quota for financial institutions. 	

(XII) During the most recent year or during the current year up to the date of publication of

the annual report, if board directors or supervisors had different opinions on important resolutions approved by the Board of Directors with records or written statements, the main content of the opinions: None.

- (XIII) For the most recent year or the current year up to the date of publication of the annual report, summary of the resignation and dismissal of the Company's chairperson, general managers, accounting officer, finance officer, internal audit officer, corporate governance officer, and R&D officer: None.
- (XIV) The Company's personnel involved in the transparency of financial information obtain the relevant licenses specified by the competent authorities:

Certificate	Finance	Accounting	Auditing
Certified Internal Auditor (CIA)	0	0	1

IV. Information Regarding the Company's Audit Fee

- (I) The amount of audit fees and non-audit expenses paid to the certified public accountant and his affiliated firms and affiliated enterprises and the content of non-audit services:

Amount Unit: NTD thousand

CPA firm	CPA name	Audit period	Audit fee	Non-audit fee	Total	Remarks
Pricewaterhouse Coopers, Taiwan	Wang, Yu-Chuan Liu, Mei Lan	2022.1.1 ~ 2022.12.31	2,450	0	2,450	
Deloitte and Touche	Su Ting-Chien, Chiang Shu-Ching	-	-	200	200	For 2020 transfer pricing report

Please specify the non-audit public fee services: (e.g. tax visa, conviction or other financial advisory services)

Note: If the Company has changed its accountants or accounting firms in the current year, it should list the audit period separately, explain the reason for the change in the remarks column, and disclose the audit and non-audit public expenses paid in order. Non-audit public expense and should be accompanied by a note indicating the content of its services.

- Where the audit fee paid in the year of the replacement of CPA firm is less than the audit fee in the year before the change, the amount of the audit fee before and after the replacement and the reasons therefor should be disclosed: None.
- Where the audit fee has decreased by 10% or more from the previous year, the amount, percentage and reasons therefor should be disclosed: None.

- (II) The audit fee referred to in the preceding paragraph refers to the public fee paid by the company to the certified public accountant for the review, review, review and verification of financial forecasts.

V. Replacement of CPA

Any change of CPA in the last two years and in the subsequent periods.

- In conjunction with the internal adjustments of the CPA firm, the Company's Board of Directors passed on 2021.1.30. Since the Q4 of 2021, the CPA for the financial statement attestation will be changed from CPA Su Ting-Chien and Yan Xiao-Fang of Deloitte and Touche to CPA Su Ting-Chien and Chiang Shu-Ching of Deloitte and Touche.
- In order to meet the needs of internal management, with the approval of the board of directors on 2021.9.22, the CPA firm and the CPA were changed. Since the Q3 of 2021, the CPA for the financial statement attestation will be changed to CPA Wang, Yu-Chuan and Liu, Mei Lan of PricewaterhouseCoopers, Taiwan.

- (I) Regarding the former CPA

Replacement Date	September 22, 2021
Replacement reasons and explanations	In order to meet the needs of internal management.

Describe whether the Company terminated or the CPA did not accept the appointment	Parties		CPA	The Company
	Status			
	Termination of appointment		-	✓
	No longer accepted (continued) appointment		-	-
Other issues (except for unqualified issues) in the audit reports within the last two years	None			
Differences with the company	Yes	-	Accounting principles or practices	
		-	Disclosure of Financial Statements	
		-	Audit scope or steps	
		-	Others	
	None		✓	
	Remarks/specify details:			
Other Revealed Matters	None			

(II) Regarding the successor CPA

Name of accounting firm	PricewaterhouseCoopers, Taiwan
Name of CPA	Wang, Yu-Chuan and Liu, Mei Lan
Date of appointment	September 22, 2021
Consultation results and opinions on accounting treatments or principles with respect to specified transactions and the company's financial reports that the CPA might issue prior to the engagement.	None
Succeeding CPA's written opinion of disagreement toward the former CPA	None

(III) Reply of the former accountant to the matters in subparagraphs 1 and 2-3 of paragraph 6 of Article 10 of this standard: there is no such circumstance.

VI. The Company's Chairman, Chief Executive Officer, Chief Financial Officer, and managers in charge of its finance and accounting operations did not hold any positions in the Company's independent auditing firm or its affiliates during 2022.

VII. Any equity transfer or change in equity pledge by a director, supervisor, managerial officer, or shareholder with 10% stake or more during the most recent year or during the current year up to the date of publication of the annual report.

(I) Changes in equity by directors, supervisors, managerial officers and major shareholders:

Unit: Shares

Position	Name	2022		As of February 10, 2023	
		Change in shares held	Change in shares pledged	Change in shares held	Change in shares pledged
Chairman	Lin, Cheng-Hsiung	0	0	0	0
Director and General manager	Lin, Tsung-Yi	0	0	0	0
Directors	Chang, Yu-Tuan	0	0	0	0
Corporate director and Major Shareholders	PAO CHU Investment Co., Ltd.	0	0	0	0
The legal representative of the director	Lin Yu-Jen	0	0	0	0
The legal representative of the director and Finance officer	Lin Yu-Chen	0	0	0	0
Independent Director	Wang Chin-Hsiang	0	0	0	0
Independent Director	Wang Jin-Chun	0	0	0	0
Independent Director	Chang, Kuo-Hsiung	0	0	0	0
Independent Director	Lii, Yuan-shuh	0	0	0	0
Accounting officer	Huang, Hsiu-Hua	0	0	0	0
Audit officer	Chen, Yung-Ho	0	0	0	0
Corporate governance officer	Li, Yu-Feng	0	0	0	0
Major Shareholders	Baoxin Investment Co., Ltd.	0	0	0	0
Major Shareholders	Tian-Wei Asset Management Co., Ltd.	0	0	0	0
Major Shareholders	Chang-Yun Construction Development Co., Ltd.	0	0	0	0

Note 1: Shareholders holding more than 10% of the total shares of the company should be indicated as major shareholders and listed separately.

(II) Information on stock transfer: For the most recent year and as of the publication date of the annual report, there was no transfer of stock to related parties by the directors, managers and major shareholders of the Company.

(III) Information on stock pledge: For the most recent year and as of the publication date of the annual report, there was no pledge of stock to related parties by the directors, managers and major shareholders of the Company.

VIII.Information on the relationship between the top ten shareholders and each other.

February 10, 2023

Name (Note 1)	Shareholding by the individual		Shareholding of spouse and minor children now		Shareholding in the name of others		The name of and relationship among the top 10 shareholders if anyone is a related party, a spouse or a relative within second degree of kinship of another (Note 3)		Remarks
	Number of shares (Thousands of shares)	Shareholding percentage	Number of shares (Thousands of shares)	Shareholding percentage	Number of shares (Thousands of shares)	Shareholding percentage	Name	Relation	
PAO CHU Investment Co., Ltd.	23,684	15.38%	0	0	0	0	Baoxin Investment Co., Ltd.	Same chairman	
							Representative of Qinghong Investment Co., Ltd.: Lin Chun-Chin	Representative of corporate directors	
							Representative of Hongfu Investment Co., Ltd.: Su Yin-Xi	Representative of corporate supervisor	
Representative: Lin, Cheng-Hsiung	2,519	1.64%	0	0	0	0	Representative of Qinghong Investment Co., Ltd.: Lin Chun-Chin	Relative within 2nd degree of kinship	
							Representative of Tian-Wei Asset Management Co., Ltd.: Lin Chun-Chin		
							Representative of Chang-Yun Construction Development Co., Ltd.: Lin Chun-Chin		
							Representative of Hung Ju Construction Co., Ltd.: Lin Chun-Chin	Relative within 2nd degree of kinship	
Baoxin Investment Co., Ltd.	21,676	14.07%	0	0	0	0	PAO CHU Investment Co., Ltd.	Same chairman	
							Representative of Qinghong Investment Co., Ltd.: Lin Chun-Chin	Relative within 2nd degree of kinship	
							Representative of Tian-Wei Asset Management Co., Ltd.: Lin Chun-Chin		
							Representative of Chang-Yun Construction Development Co., Ltd.: Lin Chun-Chin		
Representative: Lin, Cheng-Hsiung	2,519	1.64%	0	0	0	0	Representative of Hung Ju Construction Co., Ltd.: Lin Chun-Chin	Relative within 2nd degree of kinship	
							Representative of Qinghong Investment Co., Ltd.: Lin Chun-Chin	Relative within 2nd degree of kinship	
							Representative of Tian-Wei Asset Management Co., Ltd.: Lin Chun-Chin		
							Representative of Chang-Yun Construction Development Co., Ltd.: Lin Chun-Chin		
Tian-Wei Asset Management Co., Ltd.	21,150	13.73%	0	0	0	0	Chang-Yun Construction Development Co., Ltd.	Same chairman	
							Qinghong Investment Co., Ltd.		
							Hung Ju Construction Co., Ltd.		
Representative: Lin Chun-Chin	0	0%	0	0	0	0	Representative of PAO CHU Investment Co., Ltd.: Lin Cheng-Hsiung	Relative within 2nd degree of kinship	
							Representative of Baoxin Investment Co., Ltd.: Lin Cheng-Hsiung		
							PAO CHU Investment Co., Ltd.	Chairman of the company	
Chang-Yun Construction Development Co., Ltd.	20,359	13.22%	0	0	0	0	Tian-Wei Asset Management Co., Ltd.	Same chairman	
							Qinghong Investment Co., Ltd.		
							Hung Ju Construction Co., Ltd.		
Representative: Lin Chun-Chin	0	0%	0	0	0	0	Representative of PAO CHU Investment Co., Ltd.: Lin Cheng-Hsiung	Relative within 2nd degree of kinship	
							Representative of Baoxin Investment Co., Ltd.: Lin Cheng-Hsiung		
							PAO CHU Investment Co., Ltd.	Chairman of the company	
Representative: Lin Chun-Chin	0	0%	0	0	0	0	Tian-Wei Asset Management Co., Ltd.	Chairman of the company	
							Qinghong Investment Co., Ltd.		
							Hung Ju Construction Co., Ltd.		
							Hung Ju Construction Co., Ltd.		

Name (Note 1)	Shareholding by the individual		Shareholding of spouse and minor children now		Shareholding in the name of others		The name of and relationship among the top 10 shareholders if anyone is a related party, a spouse or a relative within second degree of kinship of another (Note 3)		Remarks
	Number of shares (Thousands of shares)	Shareholding percentage	Number of shares (Thousands of shares)	Shareholding percentage	Number of shares (Thousands of shares)	Shareholding percentage	Name	Relation	
Qinghong Investment Co., Ltd.	4,679	3.04%	0	0	0	0	PC Securities Financial Group	That firm's corporate supervisor	
							Hongfu Investment Co., Ltd. representative: Su Yin-Xi	Representative of corporate directors	
Representative: Lin Chun-Chin	0	0%	0	0	0	0	Representative of PAO CHU Investment Co., Ltd.: Lin Cheng-Hsiung Representative of Baoxin Investment Co., Ltd.: Lin Cheng-Hsiung	Relative within 2nd degree of kinship	
							PAO CHU Investment Co., Ltd. Tian-Wei Asset Management Co., Ltd. Chang-Yun Construction Development Co., Ltd. Hung Ju Construction Co., Ltd.	Chairman of the company	
Hongfu Investment Co., Ltd.	4,176	2.71%	0	0	0	0	PAO CHU Investment Co., Ltd.	That firm's corporate supervisor	
Representative: Su Yin-Xi	0	0%	0	0	0	0	Representative of Hongyi Investment Co., Ltd.: Su Zhao-Xi	Relative within 2nd degree of kinship	
Lin Cheng-Hsiung	2,519	1.64%	0	0	0	0	Representative of Qinghong Investment Co., Ltd.: Lin Chun-Chin	Relative within 2nd degree of kinship	
							Representative of Tian-Wei Asset Management Co., Ltd.: Lin Chun-Chin		
							Representative of Chang-Yun Construction Development Co., Ltd.: Lin Chun-Chin		
							Representative of Hung Ju Construction Co., Ltd.: Lin Chun-Chin		
Hongyi Investment Co., Ltd.	2,434	1.58%	0	0	0	0	None	None	
Representative: Su Zhao-Xi	0	0%	0	0	0	0	Hongfu Investment Co., Ltd. representative: Su Yin-Xi	Relative within 2nd degree of kinship	
Liu, Den-Huo	1,508	0.98%					None	None	
Hung Ju Construction Co., Ltd.	1,439	0.93%	0	0	0	0	None	None	
Representative: Lin Chun-Chin	0	0%	0	0	0	0	Representative of PAO CHU Investment Co., Ltd.: Lin Cheng-Hsiung Representative of Baoxin Investment Co., Ltd.: Lin Cheng-Hsiung	Relative within 2nd degree of kinship	
							PAO CHU Investment Co., Ltd. Tian-Wei Asset Management Co., Ltd. Chang-Yun Construction Development Co., Ltd. Qinghong Investment Co., Ltd.	Chairman of the company	

Note 1: The names of shareholders should be listed separately (the names of corporate shareholders and their representatives should be listed separately)

Note 2: The calculation of the shareholding percentage refers to the total shareholding in the name of the individual, spouse, minor children or others, respectively.

Note 3: The shareholders listed in the preceding paragraph include both corporations and natural persons, and the relationships between them should be disclosed in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

IX. The total number of shares and the consolidated equity stake percentage held in any single reinvested enterprise by the Company, its directors, supervisors, managerial officers, or any companies controlled either directly or indirectly by the Company

Unit: Shares; %

Investee enterprises (Note 1)	Investment by the Company		Directors, supervisors, managerial officers, and investments controlled either directly or indirectly		Total investments	
	Number of shares	Shares Ratio	Number of shares	Shares Ratio	Number of shares	Shares Ratio
Baoxin Construction Co., Ltd.	12,000,000	100%	0	0%	12,000,000	100%
Full Wang Property Agency Co., Ltd.	1,000,000	74%	350,000	26%	1,350,000	100%
Bifinity Biotechnology Co., Ltd.	6,000,000	100%	0	0%	6,000,000	100%
Full Xin Global Real Estate Co., Ltd.	1,000,000	100%	0	0%	1,000,000	100%
Full Wang Real Estate Co., Ltd.	500,000	100%	0	0%	500,000	100%
Sindar Technologies, Inc.	650,000	100%	0	0%	650,000	100%
Fuwong International Development Co., Ltd.	1,000	100%	0	0%	1,000	100%
BIFINITY BIOTECHNOLOGY COMPANY LIMITED (VN)(Note 2)	0	0%	0	0%	0	0%

Note1: Long-term investments accounted for by the equity method.

Note 2: The cancellation and liquidation were completed on December 19, 2022

FOUR. Capital Raising

I. Capital and shares

(I) Source of capital

1. Type of shares issued

Unit: shares; as of February 10, 2023

Type of share	Authorized capital			Remarks
	Outstanding shares	Unissued shares	Total	
Ordinary share	154,016,276	45,983,724	200,000,000	TPEX stock

2. Capital formation

February 10, 2023

Year Month	Issue price	Authorized capital		Paid-in capital		Remarks		
		Number of shares	Amount (NT\$)	Number of shares	Amount (NT\$)	Source of capital	Using property other than cash as payment of shares	Others
1997.04	10	100,000	1,000,000	100,000	1,000,000	Cash registration	None	None
1997.05	10	15,000,000	150,000,000	15,000,000	150,000,000	Cash capital increase \$149,000,000	None	None
1998.12	10	19,500,000	195,000,000	19,500,000	195,000,000	Cash capital increase \$45,000,000	None	None
2000.08	10	30,500,000	305,000,000	30,500,000	305,000,000	Cash capital increase \$110,000,000	None	Note 1
2000.12	11	60,000,000	600,000,000	60,000,000	600,000,000	Cash capital increase \$100,000,000	None	Note 2
2002.05	15	60,000,000	600,000,000	60,000,000	600,000,000	Cash capital increase \$195,000,000	None	Note 3
2003.06	10	132,000,000	1,320,000,000	68,050,000	680,050,000	Cash increase from earnings, capital surplus and employee bonus \$80,500,000	None	Note 4
2006.01	10 4.29	132,000,000	1,320,000,000	71,470,609	714,706,090	Capital reduction of \$280,480,910 Private placement of \$314,687,000	None	Note 5
2006.07	10 4.60	200,000,000	2,000,000,000	56,016,324	560,163,240	Capital reduction of \$254,542,850 Private placement of \$100,000,000	None	Note 6
2008.07	10	200,000,000	2,000,000,000	31,182,116	311,821,160	Capital reduction \$248,342,080	None	Note 7
2008.08	6.6	200,000,000	2,000,000,000	46,333,116	463,331,160	Private placement \$151,510,000	None	
2008.12	1.26	200,000,000	2,000,000,000	64,333,116	643,331,160	Private placement \$180,000,000	None	
2009.06	10	200,000,000	2,000,000,000	19,604,573	196,045,730	Capital reduction \$447,285,430	None	Note 8
2009.08	5.36	200,000,000	2,000,000,000	122,104,573	1,221,045,730	Private placement \$1,025,000,000	None	
2009.12	5.19	200,000,000	2,000,000,000	165,024,573	1,650,245,730	Private placement \$429,200,000	None	
2011.10	10	200,000,000	2,000,000,000	136,550,783	1,365,507,830	Capital reduction \$284,737,900	None	Note 9
2002.08	10	200,000,000	2,000,000,000	156,550,783	1,565,507,830	Cash capital increase \$200,000,000	None	Note 10
2013.12	10	200,000,000	2,000,000,000	157,556,144	1,575,561,440	Conversion of corporate bonds into common shares of 1,005,361 shares	None	Note 11
2014.12	10	200,000,000	2,000,000,000	150,065,488	1,500,654,880	Conversion of corporate bonds into common shares of 5,107,344 shares Cancellation of 12,598,000 shares of treasury stock	None	Note 12
2015.07	10	200,000,000	2,000,000,000	175,548,652	1,755,486,520	Capital increase from earnings to issue 25,483,164 new shares	None	Note 13

Year Month	Issue price	Authorized capital		Paid-in capital		Remarks		
		Number of shares	Amount (NT\$)	Number of shares	Amount (NT\$)	Source of capital	Using property other than cash as payment of shares	Others
2015.12	10	200,000,000	2,000,000,000	175,871,276	1,758,712,760	Conversion of corporate bonds into common shares of 322,624 shares	None	Note 14
2017.02	10	200,000,000	2,000,000,000	174,016,276	1,740,162,760	Cancellation of 1,855,000 shares of treasury stock	None	Note 15
2017.07	10	200,000,000	2,000,000,000	154,016,276	1,540,162,760	Cash capital reduction \$200,000,000	None	Note 16

Note 1: The capital increase was approved by the Securities and Futures Commission of the Ministry of Finance on 2000.07.26 by letter Tai-Cai-Sheng (1) No. 63376.

Note 2: The capital increase was approved by the Securities and Futures Commission of the Ministry of Finance on 2000.10.09 by letter Tai-Cai-Sheng (1) No. 83618.

Note 3: The capital increase was approved by the Securities and Futures Commission of the Ministry of Finance on 2002.03.14 by letter Tai-Cai-Sheng (1) No. 110646.

Note 4: The capital increase was approved by the Securities and Futures Commission of the Ministry of Finance on 2003.06.23 by letter Tai-Cai-Sheng (1) No. 09201217682.

Note 5: The capital reduction was approved by the Financial Supervisory Commission of the Executive Yuan by letter Jing-Guan-Zheng-Yi-Zi No. 0940147102 on 2006.01.11.

Note 6: The capital reduction was approved by the Financial Supervisory Commission of the Executive Yuan by letter Jing-Guan-Zheng-Yi-Zi No. 0950122802 on 2006.07.10.

Note 7: The capital reduction was approved by the Financial Supervisory Commission of the Executive Yuan by letter Jing-Guan-Zheng-Yi-Zi No.0970032781 on 2008.07.08.

Note 8: The capital reduction was approved by the Financial Supervisory Commission of the Executive Yuan by letter Jing-Guan-Zheng-Yi-Zi No.0980028107 on 2009.06.15.

Note 9: The capital reduction was approved by the Financial Supervisory Commission of the Executive Yuan by letter Jing-Guan-Zheng-Yi-Zi No.1000040925 on 2011.09.09.

Note 10: The capital increase was approved by the Financial Supervisory Commission of the Executive Yuan by letter Jing-Guan-Zheng-Yi-Zi 1010025791 on 2012.06.27.

Note 11: Approved by Letter Jing-Shou-Shang-Zi No. 10301053030 dated 2014.3.26

Note 12: Approved by Letter Jing-Shou-Shang-Zi No. 10401026400 dated 2015.2.12

Note 13: The capital increase was approved by the Financial Supervisory Commission of the Executive Yuan by letter Jing-Guan-Zheng-Yi-Zi 1040014486 on 2015.04.29.

Note 14: Approved by Letter Jing-Shou-Shang-Zi No. 10401185520 dated 2015.9.2

Note 15: Approved by Letter Jing-Shou-Shang-Zi No. 10601023960 dated 2017.2.22

Note 16: The capital increase was registered effectively by the Financial Supervisory Commission on 2017.06.26 by letter Jing-Guan-Zheng-Fa-Zi No. 1060022763; the capital reduction change registration was approved by letter Jing-Shou-Shang-Zi No. 10601100670 on 2017.7.18.

(II) Shareholder structure

February 10, 2023

Shareholder structure	Government Agencies	Financial institution	Other corporations	Individual	Foreign institution Foreigner	Total
Quantity						
Number of persons	0	0	36	6,835	13	6,884
No. of shares held	0	0	104,530,908	47,368,063	2,117,305	154,016,276
Shares Ratio	0.00%	0.00%	67.87%	30.76%	1.37%	100.00%

Note: Companies listed on TWSE, TPEX or the emerging stock market shall disclose the proportion of their shares held by Chinese capital; Chinese capital refers to the people, corporations, organizations, and other institutions in Mainland China or their companies invested in third regions as stipulated in Article 3 of the Regulations on the Permission for Mainland People to Invest in Taiwan.

(III) Equity dispersion profile

February 10, 2023

Shareholding range	Number of shareholders	No. of shares held	Shareholding Percentage (%)
1 ~ 999 shares	1,318	264,779	0.17%
1,000 ~ 5,000	4,123	8,976,757	5.83%
5,001 ~ 10,000	740	6,056,415	3.93%
10,001 ~ 15,000	210	2,737,540	1.78%
15,001 ~ 20,000	148	2,780,063	1.81%
20,001 ~ 30,000	110	2,845,350	1.85%
30,001 ~ 40,000	54	1,940,562	1.26%
40,001 ~ 50,000	49	2,336,238	1.52%
50,001 ~ 100,000	61	4,437,660	2.88%
100,001 ~ 200,000	38	5,553,703	3.61%
200,001 ~ 400,000	12	3,544,173	2.30%
400,001 ~ 600,000	5	2,651,766	1.72%
600,001 ~ 800,000	0	0	0%
800,001 ~ 1,000,000	3	2,896,000	1.88%
1,000,001 Above	13	106,995,270	69.46%
Total	6,884	154,016,276	100.00%

(IV) List of major shareholders: Name, amount and percentage of shareholding of the top ten shareholders.

February 10, 2023

Name of major shareholder	Shares	No. of shares held	Shareholding Percentage (%)
PAO CHU Investment Co., Ltd.		23,684,480	15.38%
Baoxin Investment Co., Ltd.		21,676,497	14.07%
Tian-Wei Asset Management Co., Ltd.		21,150,199	13.73%
Chang-Yun Construction Development Co., Ltd.		20,358,756	13.22%
Qinghong Investment Co., Ltd.		4,678,693	3.04%
Hongfu Investment Co., Ltd.		4,176,398	2.71%
Lin Chan-Jui		2,518,648	1.64%
Hongyi Investment Co., Ltd.		2,433,840	1.58%
Liu, Den-Huo		1,508,363	0.98%
Hung Ju Construction Co., Ltd.		1,439,396	0.93%

(V) Information on market price, net worth, earnings, dividend per share for the most recent two years

Unit: NTDS; shares

Item		Year	2021	2022	2023 as of March 12
Market price per share	Highest		27.50	20.05	11.25
	Lowest		16.80	14.7	10.4
	Average		21.05	17.68	10.93
Net worth per share	Before distribution		12.20	5.61	—
	After distribution		11.95	5.61	—
Earnings per Share	Weighted average number of shares (thousands)		154,016	154,016	154,016
	Original earnings per share		0.44	(6.35)	—
	Earnings per share after retrospective adjustments		0.44	(6.35)	—
Dividends Per Share	Cash dividends		0.25	0(Note 1)	—
	Stock dividends	Stock dividends from retained earnings	0	0	—
		Dividends from capital surplus	0	0	—
	Cumulative unpaid dividends		0	0	—
Return on investment analysis	Price to earning ratio (Note 2)		47.84	-2.78	—
	Price to dividend ratio (Note 3)		84.2	—	—
	Cash dividend yield (Note 4)		1.19%	—	—

* In the event retained earnings or capital surplus is used for stock dividends to increase capital, Information on market price and cash dividends adjusted retrospectively based on the number of shares issued should be disclosed.

Note 1: Approved by the board of directors on February 23, 2023, No cash dividends are paid.

Note 2: Price to earning ratio = average closing price per share for the year/earnings per share.

Note 3: Price to dividend ratio = average closing price per share for the year/cash dividend per share.

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

(VI) Dividend policy and implementation

1. Dividend Policy of the Company's Articles of Incorporation

Article 36 If the Company records a profit in a year, the Company shall set aside no less than 3% of the profit for employee's remuneration, which shall be distributed in shares or cash by resolution of the board of directors and shall be distributed to employees of the Company who meet certain criteria. The Company may, by resolution of the board meeting, set aside no more than 3% of the said profit for directors'/supervisors' remuneration. The remuneration to employees and directors/supervisors shall be reported to the shareholders' meeting.

If, however, the Company has accumulated losses, profit shall first be used to offset accumulated losses and then to set aside employees' and directors'/supervisors' remuneration according to the aforementioned percentages.

Article 36-1 Where the Company made a profit in a fiscal year, the profit shall be first utilized for paying taxes, offsetting losses of previous years, setting aside as legal reserve 10% of the remaining profit, setting aside or reversing a special reserve in accordance with the laws and regulations. It may not be set aside provided that the legal reserve has reached the amount in the Company's paid-in capital. The Company's board of directors shall use any remaining profit together with any undistributed retained earnings as the basis for proposing a

distribution plan, which should be resolved in the shareholders' meeting for distribution of dividends and bonus to shareholders.

In accordance with Articles 240 and 241 of the Company Act, the board of directors is authorized to distribute cash dividends and bonuses by special resolutions. These may be distributed with capital surplus or legal reserve in cash according to the Company Act's regulations and shall be reported at the next shareholders' meeting.

Article 37 The Company's business cycle is at a growing stage and adopts a balanced dividend policy bearing in mind long-term financial planning and maximizing shareholders' equity. The Company's dividend distribution takes into account the Company's capital expenditure budget and capital needs in the coming years. The distribution of dividends to shareholders may not be less than 10% of distributable earnings. However, earnings may not be distributed if the accumulated distributable earnings are less than 10% of the paid-in-capital. Dividends to shareholders may be distributed in the form of cash or shares, and among these, cash dividends may not be less than 10% of the total dividends.

2. Proposed dividend distribution for the current year:

On March 28, 2022, the Board of Directors of the Company approved the surplus distribution for the Q4 of 2021, allocating a cash dividend of \$38,504,069 (\$0.25 per share), which was paid on July 29, 2022.

On February 23, 2023, the Board of Directors of the Company passed the non-distribution surplus for the fourth quarter of 2022.

(VII) The effect of the stock dividends to be resolved at the shareholder meeting on the Company's operating performance and earnings per share: No such situation.

(VIII) Employee bonus and remuneration of directors and supervisors

1. The percentage or scope of remuneration to employees and remuneration to directors and supervisors as set forth in the Articles of Incorporation

If the Company records a profit in a year, the Company shall set aside no less than 3% of the profit for employee's remuneration, which shall be distributed in shares or cash by resolution of the board of directors and shall be distributed to employees of the Company who meet certain criteria. The Company may, by resolution of the board meeting, set aside no more than 3% of the said profit for directors'/supervisors' remuneration. The remuneration to employees and directors/supervisors shall be reported to the shareholders' meeting.

If, however, the Company has accumulated losses, profit shall first be used to offset accumulated losses and then to set aside employees' and directors'/supervisors' remuneration according to the aforementioned percentages.

2. The basis for estimating the amount of profits sharing with employees, directors and supervisors for the current period, the basis for calculating the number of shares distributed as employee profits sharing, and the accounting treatment if the actual amount of distribution differs from the estimated amount.

If there is a significant change in the amount of distribution resolved by the Board of Directors after the end of the year, the amount difference is posted as an adjustment to the original expense for the year. If there is still a change in the amount as of the date of the shareholders' meeting, the amount difference is treated as a change in accounting estimate to be recorded in the year of the shareholders' meeting.

3. Information on proposed remuneration for employees approved by the Board of Directors.

- (1) The Board of Directors resolved to pay remuneration in cash and stock to employees, and remuneration to directors and supervisors. If the amount of the distribution differs from that proposed by the Board of Directors, the amount of the difference, the reasons for the difference and the circumstances under which it was handled should be disclosed.

On February 23, 2023, the resolution of the board of directors, will not distribute employee remuneration and director remuneration of 2022.

- (2) The proposed amount of stock-based remuneration for employees and its proportion to the net profits after tax and total remuneration to employees for the period: Not applicable.
- (3) Imputed earnings per share after taking into account the proposed remuneration to employees and remuneration to directors and supervisors.

The Company's loss per share after tax was NT\$6.35.

4. Actual payment of employees' remuneration and directors' and supervisors' remuneration in the previous year.

2022	Status of the proposed payment approved by the Board of Directors	Status of actual payment	Difference
Amount of cash remuneration to employees	\$2,686,547	\$2,686,547	None
Amount of stock remuneration to employees	\$0	\$0	None
Remuneration to Directors and Supervisors	\$345,000	\$345,000	None

(IX) Repurchase of the Company's shares: None.

II. Issuance of corporate bonds

(I) Outstanding and in-process corporate bonds

Ordinary corporate bonds

February 10, 2023

Types of corporate bonds	First secured corporate bonds in 2018 (B86206)	First secured corporate bonds in 2021 (B86207)	First secured corporate bonds in 2021 (B86208)	First secured corporate bonds in 2021 (B86209)	First secured corporate bonds in 2020 (B86210)
Issue (Processing) Date	December 2018	March 2019	May 2019	July 2019	April 2020
Face value	NT\$1 million	NT\$1 million	NT\$1 million	NT\$1 million	NT\$1 million
Issuance and trading location	Taiwan	Taiwan	Taiwan	Taiwan	Taiwan
Issue price	Issued in full by face value	Issued in full by face value	Issued in full by face value	Issued in full by face value	Issued in full by face value
Total amount	NT\$300 million	NT\$400 million	NT\$300 million	NT\$300 million	NT\$400 million
Interest rate	1.02%	0.95%	0.88%	1.05%	0.74%
Period	5 years; maturity date: December 2023	5 years; maturity date: March 2024	5 years; maturity date: May 2024	5 years; maturity date: July 2024	3 years; maturity date: April 2023
Guarantee Agency	Taiwan Cooperative Bank	Taiwan Cooperative Bank	Taiwan Cooperative Bank	Taiwan Business Bank Co., Ltd.	Taiwan Cooperative Bank
Trustee	Jih Sun International Bank	Jih Sun International Bank	Jih Sun International Bank	Jih Sun International Bank	Jih Sun International Bank
Underwriting Agency	Taiwan Cooperative Securities	Taiwan Cooperative Securities	Taiwan Cooperative Securities	BankTaiwan Securities Co., Ltd.	Taiwan Cooperative Securities
Attorney-CPAs	Far East Law Offices Attorney Chiu Ya-Wen	Far East Law Offices Attorney Chiu Ya-Wen	Far East Law Offices Attorney Chiu Ya-Wen	Far East Law Offices Attorney Chiu Ya-Wen	Handsome Attorney-at-Law Attorney Chiu Ya-Wen
Certified Public Accountant	CPA Yen Hsiao-Fang and Tseng Tung-Yun at Deloitte Taiwan	CPA Su Ting-Chien and Yen Hsiao-Fang at Deloitte Taiwan	CPA Su Ting-Chien and Yen Hsiao-Fang at Deloitte Taiwan	CPA Su Ting-Chien and Yen Hsiao-Fang at Deloitte Taiwan	CPA Su Ting-Chien and Chiang Shu-Ching at Deloitte Taiwan
Repayment Method	Repayment of principal in cash at 5-year-maturity from the issue date	Repayment of principal in cash at 5-year-maturity from the issue date	Repayment of principal in cash at 5-year-maturity from the issue date	Repayment of principal in cash at 5-year-maturity from the issue date	Repayment of principal in cash at 3-year-maturity from the issue date
Outstanding principal	NT\$300 million	NT\$400 million	NT\$300 million	NT\$300 million	NT\$400 million
Redemption or Early Settlement Terms	None	None	None	None	None
Restriction Terms	None	None	None	None	None
Name of the credit rating agency, date of the rating, results of corporate bond rating	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable
Other Rights Attached	Number of ordinary shares, overseas depository receipts, or other marketable securities converted (exchanged or subscribed) as of the date of publication of the annual report	Not applicable	Not applicable	Not applicable	Not applicable
	Issuance and conversion (exchange or subscription)	Not applicable	Not applicable	Not applicable	Not applicable

Types of corporate bonds	First secured corporate bonds in 2018 (B86206)	First secured corporate bonds in 2021 (B86207)	First secured corporate bonds in 2021 (B86208)	First secured corporate bonds in 2021 (B86209)	First secured corporate bonds in 2020 (B86210)
If issuance, conversion, exchange, or subscription rights are attached to the bonds, the issuance and conversion, exchange, or subscription rules, possibility of dilution of equity under the terms and conditions of issuance, and effect on shareholder equity	None	None	None	None	None
Name of the depository institution of the exchangeable corporate bonds	Not applicable				

Note 1: Corporate bonds include publicly-offered and privately-placed corporate bonds in process. Publicly-offered corporate bonds in process refer to those that have been approved by the Commission; privately-placed corporate bonds in process refer to those that have been approved by the Board of Directors.

Note 2: The number of columns is adjusted according to the actual number of processing.

Note 3: Fill in for overseas corporate bonds

Note 4: For example, restrictions on the payment of cash dividends, external investments or requirements to maintain a certain asset ratio.

Note 5: Private placements should be marked in a prominent manner.

Note 6: In the case of convertible bonds, exchangeable bonds, issuance of corporate bonds by shelf registration or corporate bonds with stock options, information on convertible bonds, exchangeable bonds, issuance of corporate bonds by shelf registration or corporate bonds with stock options should be disclosed according to their nature and in the format listed in the schedule.

(II) Corporate bonds due within one year:

Types of corporate bonds		First secured corporate bonds in 2018 (B86206)	First secured corporate bonds in 2020 (B86210)
Issue (Processing) Date		December 2018	April 2020
Face value		NT\$1 million	NT\$1 million
Issuance and trading location		Taiwan	Taiwan
Issue price		Issued in full by face value	Issued in full by face value
Total amount		NT\$300 million	NT\$400 million
Interest rate		1.02%	0.74%
Period		5 years; maturity date: December 2023	3 years; maturity date: April 2023
Guarantee Agency		Taiwan Cooperative Bank	Taiwan Cooperative Bank
Trustee		Jih Sun International Bank	Jih Sun International Bank
Underwriting Agency		Taiwan Cooperative Securities	Taiwan Cooperative Securities
Attorney-CPAs		Far East Law Offices Attorney Chiu Ya-Wen	Handsome Attorney-at-Law Attorney Chiu Ya-Wen
Certified Public Accountant		CPA Yen Hsiao-Fang and Tseng Tung-Yun at Deloitte Taiwan	CPA Su Ting-Chien and Chiang Shu-Ching at Deloitte Taiwan
Repayment Method		Repayment of principal in cash at 5-year-maturity from the issue date	Repayment of principal in cash at 3-year-maturity from the issue date
Outstanding principal		NT\$300 million	NT\$400 million
Redemption or Early Settlement Terms		None	None
Restriction Terms		None	None
Name of the credit rating agency, date of the rating, results of corporate bond rating		Not applicable	Not applicable
Other Rights Attached	Number of ordinary shares, overseas depository receipts, or other marketable securities converted (exchanged or subscribed) as of the date of publication of the annual report	Not applicable	Not applicable
	Issuance and conversion (exchange or subscription)	Not applicable	Not applicable
If issuance, conversion, exchange, or subscription rights are attached to the bonds, the issuance and conversion, exchange, or subscription rules, possibility of dilution of equity under the terms and conditions of issuance, and effect on shareholder equity		None	None
Name of the depository institution of the exchangeable corporate bonds		Not applicable	Not applicable

(III) Convertible bonds issued that are convertible into common stock, ODRs or other marketable securities: None.

(IV) Issued exchangeable bonds: None.

(V) Ordinary corporate bonds that the Company adopts shelf registration to raise and issue: None.

(VI) Issued corporate bonds with stock options: None.

(VII) Private placement of corporate bonds for the last three years and as of the printing date of the annual report: None.

III. Issuance of preferred stocks: None.

IV. Issuance of overseas depository receipts: None.

V. Employee stock option: None

VI. Employee restricted stock: None.

VII. Issuance of new shares in connection with mergers or acquisitions of shares of other companies: None

VIII. Financing planning and implementation

Analysis of the previous cash capital increase, corporate bond issuance plan, each previous cash capital increase or corporate bond issuance plan that has not yet been completed, and the projected benefits of the capital utilization plan for the last three years have not yet been demonstrated.

The contents and execution of each of the Company's previous plans to raise and issue and private placement of securities are described below:

(I) First secured ordinary corporate bonds in 2018

1. Plan content

- (1) Date and document number of approval by the competent authority: Letter Zheng-Gui-Zhai-Zi No. 10700326971 dated December 14, 2018, from the TPEX.
- (2) The total amount of funds required for the plan: NT\$300 million.
- (3) Source of funds: 300 secured ordinary corporate bonds, each with a coupon rate of 1.02% and a maturity period of five years, at a price of NT\$1 million and total amount raised is NT\$300 million.
- (4) Plan items and expected progress of implementation.

Unit: NTD thousand

Plan items	Expected completion date	Total funds required	Progress of the scheduled use of funds			
			2018			
			Q1	Q2	Q3	Q4
Repayment of principal due of the first secured ordinary corporate bonds in 2015	4Q 2018	300,000	-	-	-	300,000
Total		300,000	-	-	-	300,000

2. Implementation: status

Unit: NTD thousand; %

Plan items	Implementation status as of December 31, 2018		Progress ahead or behind, reasons and improvement plans
	Amount drawn	Pre-determined	
Repayment of principal due of the first secured ordinary corporate bonds in 2015	Amount drawn	300,000	The implementation was completed in the fourth quarter of 2018, in line with the original schedule.
		Actual	
	Implementation progress (%)	100.00%	
		Actual	

3. Evaluation of plan benefits

The fundraising plan was expected to be completed in the fourth quarter of 2018 and would be used to repay the principal amount of \$300,000 thousand due of the first secured ordinary corporate bonds in 2015. Based on the Company's current average borrowing rate of 2.28% less the coupon rate of 1.02% for this bond issue, the estimated savings in interest expense for 2018 was approximately NT\$104 thousand and for each subsequent year was approximately NT\$3,780 thousand.

4. Details of change plans, sources and uses of funds, reasons for the changes,

benefits before and after the changes, and the dates when the change plans were submitted to the shareholders' meeting: None.

(II) First secured ordinary corporate bonds in 2019

1. Plan content

- (1) Date and document number of approval by the competent authority: Letter Zheng-Gui-Zhai-Zi No. 10800011111 dated March 5, 2019, from the TPEX.
- (2) The total amount of funds required for the plan: NT\$400 million.
- (3) Source of funds: 400 secured ordinary corporate bonds, each with a coupon rate of 0.95% and a maturity period of five years, at a price of NT\$1 million and total amount raised is NT\$400 million.
- (4) Plan items and expected progress of implementation.

Unit: NTD thousand

Plan items	Expected completion date	Total funds required	Progress of the scheduled use of funds			
			2021			
			Q1	Q2	Q3	Q4
Repayment of principal due of the first secured ordinary corporate bonds in 2016	1Q 2019	400,000	400,000	-	-	-
Total		400,000	400,000	-	-	-

2. Implementation:status

Unit: NTD thousand; %

Plan items	Implementation status as of December 31, 2019			Progress ahead or behind, reasons and improvement plans
	Amount drawn	Pre-determined	Actual	
Repayment of principal due of the first secured ordinary corporate bonds in 2016	Amount drawn	Pre-determined	400,000	The implementation was completed in the first quarter of 2019, in line with the original schedule.
		Actual	400,000	
	Implementation progress (%)	Pre-determined	100.00%	
		Actual	100.00%	

3. Evaluation of plan benefits

The fundraising plan was expected to be completed in the first quarter of 2019 and would be used to repay the principal amount of \$400,000 thousand due of the first secured ordinary corporate bonds in 2016. Based on the Company's current average borrowing rate of 2.28% less the coupon rate of 0.95% for this bond issue, the estimated savings in interest expense for 2019 was approximately NT\$3,990 thousand and for each subsequent year was approximately NT\$5,320 thousand.

4. Details of change plans, sources and uses of funds, reasons for the changes, benefits before and after the changes, and the dates when the change plans were submitted to the shareholders' meeting: None.

(III) Second secured ordinary corporate bonds in 2019

1. Plan content

- (1) Date and document number of approval by the competent authority: Letter Zheng-Gui-Zhai-Zi No. 10800036421 dated May 2, 2019, from the TPEX.
- (2) The total amount of funds required for the plan: NT\$300 million.
- (3) Source of funds: 300 secured ordinary corporate bonds, each with a coupon rate of 0.88% and a maturity period of five years, at a price of NT\$1 million and total amount raised is NT\$300 million.

(4) Plan items and expected progress of implementation:

Unit: NTD thousand

Plan items	Expected completion date	Total funds required	Progress of the scheduled use of funds			
			2019			
			Q1	Q2	Q3	Q4
Repayment of principal due of the second secured ordinary corporate bonds in 2016	2Q 2019	300,000	-	300,000	-	-
Total		300,000	-	300,000	-	-

2. Implementation:status

Unit: NTD thousand; %

Plan items	Implementation status as of December 31, 2019			Progress ahead or behind, reasons and improvement plans
Repayment of principal due of the second secured ordinary corporate bonds in 2016	Amount drawn	Pre-determined	300,000	The implementation was completed in the 2nd quarter of 2019, in line with the original schedule.
		Actual	300,000	
	Implementation progress (%)	Pre-determined	100.00%	
		Actual	100.00%	

3. Evaluation of plan benefits

The fundraising plan was expected to be completed in the 2nd quarter of 2019 and would be used to repay the principal amount of \$300,000 thousand due of the second secured ordinary corporate bonds in 2016. Based on the Company's current average borrowing rate of 2.28% less the coupon rate of 0.88% for this bond issue, the estimated savings in interest expense for 2019 was approximately NT\$2,625 thousand and for each subsequent year was approximately NT\$4,200 thousand.

4. Details of change plans, sources and uses of funds, reasons for the changes, benefits before and after the changes, and the dates when the change plans were submitted to the shareholders' meeting: None. None

(IV) Third secured ordinary corporate bonds in 2019

1. Plan content

- (1) Date and document number of approval by the competent authority: Letter Zheng-Gui-Zhai-Zi No. 10800067751 dated July 3, 2019, from the TPEX.
- (2) The total amount of funds required for the plan: NT\$300 million.
- (3) Source of funds: 300 secured ordinary corporate bonds, each with a coupon rate of 1.05% and a maturity period of five years, at a price of NT\$1 million and total amount raised is NT\$300 million.
- (4) Plan items and expected progress of implementation:

Unit: NTD thousand

Plan items	Expected completion date	Total funds required	Progress of the scheduled use of funds			
			2019			
			Q1	Q2	Q3	Q4
Repayment of principal due of the third secured ordinary corporate bonds in 2016	3Q 2019	300,000	-	-	300,000	-
Total		300,000	-	-	300,000	-

2. Implementation:status

Unit: NTD thousand; %

Plan items	Implementation status as of December 31, 2019			Progress ahead or behind, reasons and improvement plans
Repayment of principal due of the third secured ordinary	Amount drawn	Pre-determined	300,000	The implementation was completed in the 3rd quarter of 2019, in line with the original
		Actual	300,000	

corporate bonds in 2016	Implementation progress (%)	Pre-determined	100.00%	schedule.
		Actual	100.00%	

3. Evaluation of plan benefits

The fundraising plan was expected to be completed in the 3rd quarter of 2019 and would be used to repay the principal amount of \$300,000 thousand due of the third secured ordinary corporate bonds in 2016. Based on the Company's current average borrowing rate of 2.28% less the coupon rate of 1.05% for this bond issue, the estimated savings in interest expense for 2019 was approximately NT\$1,719 thousand and for each subsequent year was approximately NT\$3,690 thousand.

4. Details of change plans, sources and uses of funds, reasons for the changes, benefits before and after the changes, and the dates when the change plans were submitted to the shareholders' meeting: None.

(V) First secured ordinary corporate bonds in 2020

1. Plan content

- (1) Date and document number of approval by the competent authority: Letter Zheng-Gui-Zhai-Zi No. 10900032661 dated April 8, 2020, from the TPEX.
- (2) The total amount of funds required for the plan: NT\$400 million.
- (3) Source of funds: 400 secured ordinary corporate bonds, each with a coupon rate of 0.74% and a maturity period of five years, at a price of NT\$1 million and total amount raised is NT\$400 million.
- (4) Plan items and expected progress of implementation:

Unit: NTD thousand

Plan items	Expected completion date	Total funds required	Progress of the scheduled use of funds			
			2020			
			Q1	Q2	Q3	Q4
Repayment of principal due of the first secured ordinary corporate bonds in 2017	2Q 2020	400,000	-	400,000	-	-
Total		400,000	-	400,000	-	-

2. Implementation: status

Unit: NTD thousand; %

Plan items	Implementation status as of December 31, 2020			Progress ahead or behind, reasons and improvement plans
Repayment of principal due of the first secured ordinary corporate bonds in 2017	Amount drawn	Pre-determined	400,000	The implementation was completed in the 2nd quarter of 2020, in line with the original schedule.
		Actual	400,000	
	Implementation progress (%)	Pre-determined	100.00%	
		Actual	100.00%	

3. Evaluation of plan benefits

The fundraising plan was expected to be completed in the 2nd quarter of 2021 and would be used to repay the principal amount of \$400,000 thousand due of the first secured ordinary corporate bonds in 2017. Based on the Company's current average borrowing rate of 2.28% less the coupon rate of 0.74% for this bond issue, the estimated savings in interest expense for 2020 was approximately NT\$4,137 thousand and for each subsequent year was approximately NT\$5,840 thousand.

4. Details of change plans, sources and uses of funds, reasons for the changes, benefits before and after the changes, and the dates when the change plans were submitted to the shareholders' meeting: None.

FIVE. Operation Overview

I. Business content

(I) Business scope

1. The Company and its subsidiaries are engaged in businesses related to the construction, development and trading of real estate. The Company's operations are mainly as follows, while the subsidiaries' operations include real estate trading, leasing, brokerage, sales agency and integrated construction. Since the Company's and subsidiaries' main operating revenues are from construction and real estate sales agency, the business overview is described in terms of the current status of the real estate construction, development and sales agency business.

A. Electric Power Supply, Electric Transmission and Power Distribution Machinery Manufacturing

B. Electric Appliance and Audiovisual Electric Products Manufacturing

C. Manufacture of Other Electronic Parts and Components

D. Manufacture of Computers and Peripheral Equipment

E. Apparatus Installation Construction

F. Wholesale of Electrical Household Appliances

G. Retail Sale of Electrical Household Appliances in Specialized Stores

H. Wholesale of Precision Instruments

I. Retail Sale of Precision Instruments

J. Wholesale of Computing and Business Machinery Equipment

K. Retail sale of Computing and Business Machinery Equipment

L. Wholesale of Computer Software

M. Retail Sale of Computer Software

N. International Trade

O. Management Consultancy Activities

P. Product Designing

Q. Other Designing

R. Manufacture of Metal Structure and Architectural Components

S. Wholesale of Metal Construction Materials

T. Retail Sale of Construction Materials in Specialized Stores

U. Building Maintenance and Upholstery

V. Residence and Buildings Lease Construction and Development

W. Industrial Factory Buildings Lease Construction and Development

X. Specialized Field Construction and Development

Y. Public Works Construction and Investment

Z. New County and Community Construction and Investment

AA. Section Expropriation and Municipal Rezoning Agency Business

AB. Urban renewal and reconstruction

AC. Real estate trading

AD. Real estate leasing

AE. Housing industry for the elderly

AF. Landscape and Interior Designing

AG. Real estate brokerage

AH. Real estate agency brokerage.

AI. Renovation, or maintenance within the renewal area

AJ. All business activities that are not prohibited or restricted by law, except

those that are subject to special approval.

2. Business proportion

Unit: NTD thousand; %

Major products	2022		2021	
	Operating revenues	Business proportion	Operating revenues	Business proportion
Construction revenues	573,028	99.14	3,155,614	99.05
Service revenues	1,372	0.24	19,086	0.60
Others	3,622	0.62	11,020	0.35
Total	578,022	100.00	3,185,720	100.00

3. Current product (service) items:

A. Real Estate business

The Company and its subsidiaries focus their business on the sale of real estate such as townhouse villas, community buildings, condominiums, commercial buildings, etc., which are commissioned to construction vendors, and industrial land development, etc., and the business is mainly domestic sales.

The Company has completed, constructed and promoted projects over the years, including Taoyuan (New Century, New World), Hsinchu City (Jin Vance, Evans), Hsinchu County (Daxiwang, MinghSin Richman, Lake Villa, Station Front Times I, II, Station Front Prosperity Times, Prosperity New Era, Zan Times, Yes Time), Miaoli (Fuliwang, Concerto), Taichung East District (Golden Avenue), Taichung West District (The Infinity), Taichung Beitun (Milan Stars), Taichung Xitun (Sky W ONE), Taichung Wuri High Speed Rail Special Zone (World Wing), Taichung Wuri (Sky Blue), Taichung Shalu (Xinhaiyuan, Xinhaicheng), Changhua Lukang (Le Meridien Estate), Yunlin (Happy Monet, Hui Xingfu, Happiness Haohao, Yunke Manor, Elegant Village), Kaohsiung Nanzi (Wimeiju Platinum Special Zone, Weimeiju Royal Golden Zone), Tainan Yanshui (Fuwang Science and Technology Park-Factory), and current products include:

(A) Community Building: Home, store, parking space.

(B) Townhouse Villa: Home, store, parking space.

The land development business is mainly about the development and leasing of industrial plants and industrial land.

B. Construction of civil and architectural works.

4. Planned products (services):

The Company currently has the following construction projects and industrial sites for sale:

A. Hsinchu County (Prosperity New Era, Zan Times, Yes Time)

B. Miaoli Zaoqiao (Concerto)

C. Taichung Xitun (Sky W ONE)

D. Taichung Shalu (Xinhaicheng)

E. Changhua Lukang (Le Meridien Estate)

F. Yunlin (Elegant Village)

G. Yunlin Douliu (Yunke Manor)

H. Kaohsiung Nanzi (Wimeiju Platinum Special Zone)

(II) Industry overview

1. The current situation and development of the real estate construction and development industry

In the national economic system, the real estate construction and development industry not only reflects the boom and bust of its own industry, but also directly affects other related industries, such as steel, cement, building materials, decoration, finance, brokerage and agency, and other related industries. Therefore, it is called "locomotive industry" and plays an important role in the development of national economic system. Therefore, the prosperity and sound development of the real estate construction and development industry is one of the most important factors affecting Taiwan's economic development. The development of the real estate construction and development industry still requires the support of the overall environment, including economic, social, market and political factors, such as national income, interest rates, population growth, household size, consumer demand, vacancy rate, cross-strait relations and security conditions, all of which will affect the volume of construction companies' projects and consumers' willingness to purchase homes. The overall economic situation has the most significant impact on the real estate construction and development industry. In addition, as the number of construction licenses issued is often regarded as a leading indicator of the development of the real estate boom in the next one or two years, its change can reflect the future development trend of the domestic construction industry and the supply situation of the housing market. Real estate transactions can also be used as an indicator of recent housing market transactions. The following is an analysis of the current status and development of the real estate construction and development industry with respect to the general economic changes, the number of domestic construction licenses issued, and the transfer of real estate sales and purchases.

(A) Current state of the economy

Looking back at the international economic situation in 2022, under the influence of factors such as variant virus, Russia-Ukraine war, high inflation and climate change, the global economic performance in 2022 is not ideal, most countries implement monetary policy tightening to control high inflation, and negative shocks such as rising inflation, policy tightening and financial stress have darkened the global economic outlook. In terms of real estate industry, due to the general environment, the confidence of the real estate market has been disturbed, which not only caused investors to continue to withdraw from the market, but also lengthened the assessment time for self-occupied real estate purchases, and it is obvious that the real estate market is still conservative.

Therefore, according to the latest forecast results of the Taiwan Economic Institute, the economic growth rate in 2023 will be 2.58%.

**Taiwan Institute of Economic Research's Macro Economic Indicators Forecast
(2023/1/31)**

Unit: NT\$100 million
2016 is the reference year (NT\$100 million)

	2023				2023
	Q1	Q2	Q3	Q4	Total
GDP	53,532	53,855	56,861	58,072	222,320
Real GDP (%)	1.03	2.23	2.90	4.05	2.58
Private Consumption	26,593	24,832	25,134	26,937	103,495
Private Consumption (%)	9.10	7.20	3.18	4.46	5.95
Gov't Consumption	6,491	6,870	7,411	8,340	29,111
Gov't Consumption (%)	4.08	1.57	2.06	3.82	2.89
Fixed Capital Formation	13,599	14,245	15,371	14,895	58,109
Fixed Capital Formation (%)	0.93	0.80	3.59	5.92	2.84
Gov't Investment	1,021	1,286	1,335	1,852	5,494
Gov't Investment (%)	4.06	5.51	2.03	7.62	5.06
Public Enter. Invest.	547	818	813	1,352	3,531
Public Enter. Invest. (%)	9.05	1.41	-7.59	16.08	5.29
Private Investment	12,031	12,141	13,223	11,691	49,086
Private Investment (%)	0.20	0.12	4.37	4.58	2.30
Exports, gds+serv (US\$ 0.1 billion)	37,598	37,818	39,505	40,479	155,400
Exports, gds+serv (%)	0.07	1.02	2.42	6.67	2.56
Imports, gds+serv (US\$ 0.1 billion)	29,734	30,162	31,108	32,835	123,838
Imports, gds+serv (%)	2.94	2.63	4.81	9.79	5.07
Exports, gds (US\$ 0.1 billion)	1,143	1,241	1,238	1,228	4,849
Exports, % Growth, yoy	-5.50	-1.29	2.25	9.83	1.13
Imports, gds (US\$ 0.1 billion)	1,013	1,114	1,121	1,079	4,327
Imports, % Growth, yoy	-3.66	-2.12	3.80	7.47	1.25
Trade surplus (US\$ 0.1 billion)	130	127	117	149	522
CPI	108.39	109.24	109.87	110.48	109.49
CPI (%)	2.15	1.66	1.90	2.10	1.95
PPI	111.40	115.11	116.48	117.25	115.06
PPI (%)	1.15	-1.97	0.31	1.20	0.15
Exchange rate (NT\$/US\$)	30.50	30.60	30.70	30.80	30.65
Overnight call rate	0.51	0.61	0.61	0.61	0.58

Source: Taiwan Institute of Economic Research's Domestic Macro Economic Forecast and Sentiment Survey, January 31, 2023.

(B) Number of construction licenses issued

According to the statistics of the Ministry of the Interior in recent years, the number of building licenses issued in 2022 and the conversion of area have decreased significantly compared with the number of cases in 2021, but the total floor area still increased by 5.53%.

Building Construction License Issuance Statistics

Year	Number	Increase (decrease) compared to the previous year (%)	Total floor area (square meters)	Increase (decrease) compared to the previous year (%)
2022	23,257	(10.86%)	45,827,240	5.53%
2021	26,089	0.42%	43,425,428	8.66%
2020	25,980	(4.28%)	41,521,034	12.44%
2019	27,143	(0.74%)	36,927,792	8.66%
2018	27,344	46.55%	33,984,220	46.33%
2017	18,659	(17.11)%	23,223,703	(11.48)%
2016	22,511	(18.57)%	26,235,287	(19.51)%
2015	27,643	(13.60)%	32,595,657	(15.63)%
2014	31,994	(4.58)%	38,634,904	(2.83)%
2013	33,531	7.34%	39,760,495	20.92%
2012	31,237	(5.80)%	32,882,939	(3.71)%
2011	33,161	11.67%	34,148,423	9.54%
2010	29,696	44.74%	31,174,017	56.53%

Source: Statistical Information Website of the Republic of China/National Statistics/Industrial and Mining Industry/Construction Industry Statistics.

In terms of residential construction license issuance, the number of residential construction licenses issued in Taiwan has been increasing year by year since the financial tsunami in 2009, but began to decline in 2014, and then bottomed out in 2016, with a trend of continuous increase from 2017 to 2021, slightly less in 2022.

Statistics of residential construction licenses issued in recent years (Unit: number of houses)

Year	All Taiwan	Taipei City	New Taipei City	Taoyuan City	Taichung City	Hsinchu County and City	Kaohsiung City
2022	152,026	9,244	24,180	21,967	27,769	7,325	15,528
2021	169,651	11,304	23,916	23,316	32,484	8,633	18,018
2020	159,286	26,916	9,720	22,233	33,861	11,143	14,082
2019	147,798	11,832	24,440	15,343	29,042	7,098	21,487
2018	120,880	10,548	20,200	13,266	22,088	7,914	15,107
2017	91,253	5,781	15,448	15,350	15,385	6,200	7,046
2016	78,392	5,086	9,771	15,921	13,312	5,473	5,452
2015	103,755	6,403	18,057	19,699	12,737	6,052	9,803
2014	121,378	7,168	22,859	13,453	19,678	8,534	14,613
2013	129,307	5,519	25,869	28,702	18,717	7,305	12,450
2012	94,354	5,588	19,214	17,232	9,674	8,266	12,040
2011	93,223	5,134	17,232	12,974	11,960	10,847	13,392
2010	84,518	6,843	13,314	9,578	12,704	9,450	11,136
2009	51,180	6,288	9,903	4,700	5,849	5,895	5,877

Source: Statistical Information Website of the Republic of China/National Statistics/Industrial and Mining Industry/Construction Industry Statistics.

(C) Transfer of ownership of buildings

According to the Ministry of the Interior's Real Estate Information Platform, building transactions picked up after the second half of 2009, and the number of transactions shrank after June 2011 due to the implementation of the luxury tax. 371,892 buildings were transferred in 2013, a new high in the past three years after the luxury tax, mainly due to the implementation of the policy of transparency in real estate transactions, which led to a decrease in public concern about housing prices and the expiration of the two-year holding period for the luxury tax. The building market gradually became bullish; benefited from the stable housing market in 2013, and the present value of the land announced at the end of the year increased greatly, there was a wave of transfer before the year, but after the peak period of house delivery before the adjustment of land value increment tax, the number of buildings bought and sold in January 2014 showed a decline. The number of building sales and transfers in 2013 was better than that of 2012, mainly due to the weakening threat of international economic factors, the clarity and stability of the central bank's policy of maintaining low interest rates to promote the housing market, the gradual completion of major transportation construction in various regions, and the lack of further regulatory measures against the housing market at the central bank's meeting, as well as the abundance of idle capital in the market due to the persistently low bank interest

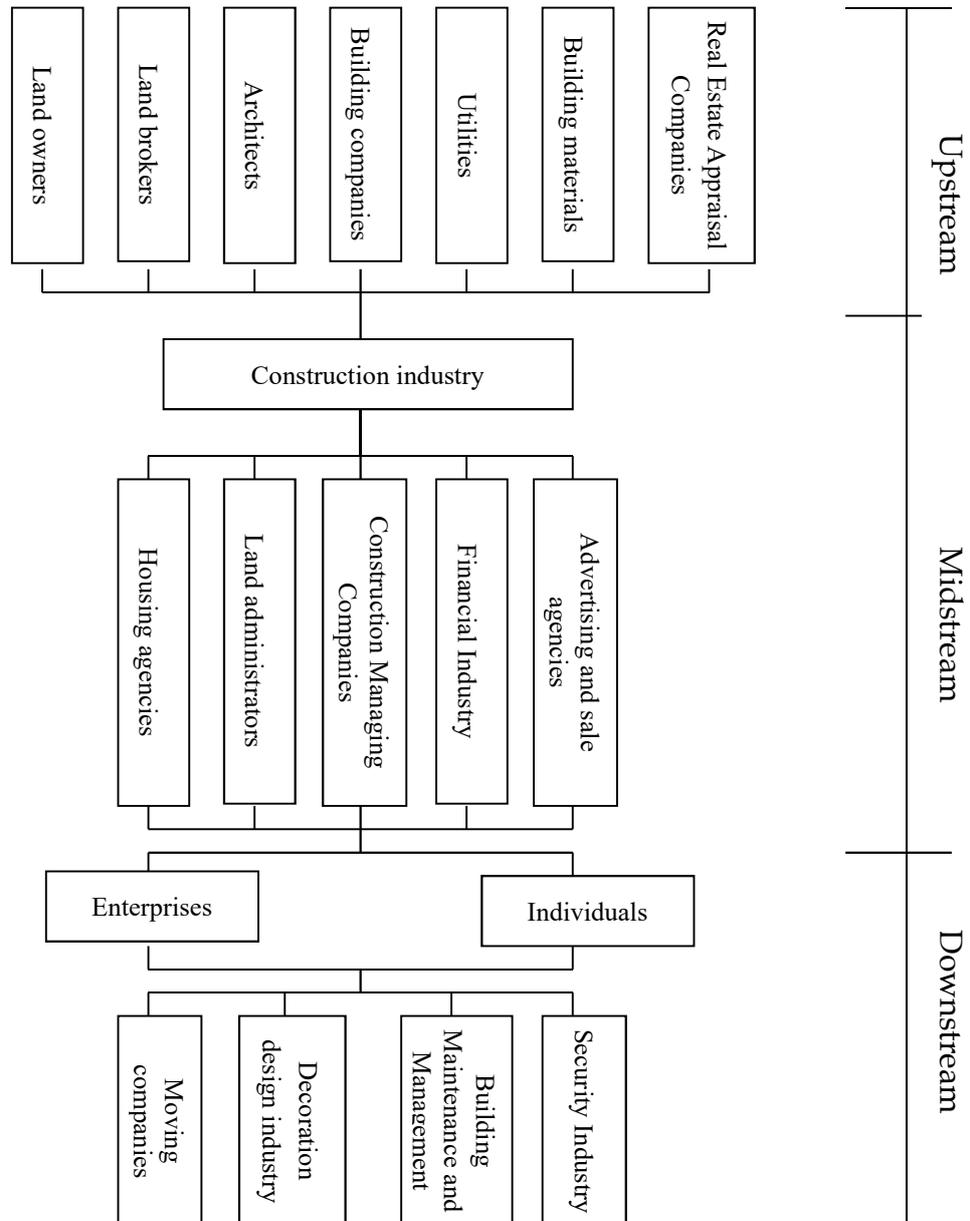
rates, and the continuation of the unrestricted loose monetary policy in the United States, Japan and Europe. In addition, after a year of real price registration policy, the wait-and-see atmosphere disappeared, so the domestic housing market was better than expected in 2013. The decrease in the number of building sales and transfers in 2014 compared to 2013 was mainly due to the government's plan to implement the "joint tax on building and land sales based on actual selling prices" and the central bank's continued mortgage control, as well as the real estate market being deeply affected by the 9 in1 election at the end of the year. In 2015, the number of transferred buildings was affected by the government's implementation of the new taxation system for joint tax on building and land sales in 2016 and the central bank's continued mortgage control, as well as the implementation of policies such as the hoarding tax, luxury tax and real estate actual selling price registration, resulting in a significant contraction in the number of transferred buildings in 2016, a record low in recent years. From 2017 to 2021, the number of housing transfers continued to increase, slightly less in 2022..

Number of buildings registered for sale and transfer

Time	All country	Taipei City	New Taipei City	Taoyuan City	Taichung City	Hsinchu County and City	Kaohsiung City
2022	318,101	28,611	60,184	43,935	50,695	19,890	37,117
2021	348,194	30,901	68,295	46,831	49,990	25,097	44,897
2020	326,589	31,180	63,346	45,712	48,623	24,354	38,270
2019	300,275	27,743	60,035	40,384	43,438	18,984	37,250
2018	277,967	26,832	56,653	34,580	39,804	19,387	33,275
2017	266,086	23,447	51,994	35,610	39,332	16,831	33,975
2016	245,504	21,500	42,769	37,430	32,861	19,479	31,279
2015	292,550	29,904	50,447	38,123	44,247	22,201	34,845
2014	320,598	32,023	60,416	43,662	47,887	23,582	38,815
2013	371,892	39,496	80,601	50,870	53,695	23,235	43,755
2012	328,874	38,571	69,187	45,019	45,906	22,070	32,126

Source: Ministry of the Interior's Real Estate Information Platform

2. Relationship between upstream, midstream and downstream of the industry



3. The trends in the development of the real estate construction and development industry

With the increasing emphasis on the quality of living, the planning of the product, the utilization of space and the location of the chosen land have become important considerations for home buyers when choosing a house, and the quality of construction is the key to building a brand reputation. Therefore, the future development trend is the refinement of project design, humanization and practicality, green building and diversification of land development. The following are the trends in the development of the real estate construction and development industry.

(A) Diversification of land development methods

Due to the increasing sophistication of real estate transaction-related laws and regulations, and the increasing difficulty in acquiring land, it is different from the past when the housing construction industry often developed projects by buying out land or building with landowners. In the future, land development can be carried out in a

variety of directions, such as superficies setting, land trust, commissioned construction, joint development, participation in urban renewal projects, securitization of real estate, public housing construction incentive programs, and acquiring the required reserve land in accordance with the government's agricultural land release policy.

(B) Diversification of products

Nowadays, due to the rise of rational consumer awareness in the real estate market, the planning of products by the construction industry can no longer be too conventional and has evolved towards diversified, user-friendly and practical products. Therefore, the key to successful project development depends on land development and product positioning. The real estate industry is becoming increasingly competitive, and in order to excel in this industry, we must effectively differentiate our products from competitors in the market and position them appropriately. In recent years, such as low-total-price villas, leisure housing, small luxury houses, and residential and commercial complexes near MRT stations are leading the way in house sales. As the age structure of the population changes, housing for silver-haired people has emerged. Internet families, Internet system communities and integrated communities are gradually adopted by the building industry and will play an important role in product positioning and differentiated design in the future.

(C) Community Planning Toward Complete Living Functions

At present, the real estate market is still dominated by owner-occupied residential products, and the vacancy rate of investment office buildings is still high and cannot be changed in the short term, even with the reduction of prices by builders or investors for sale or lease. In the future, new communities should feature complete living functions, such as nurseries, sports grounds, libraries, parks, supermarkets, leisure and entertainment facilities, etc., in order to fully meet the needs of modern people for a basic living environment.

(D) Growing awareness of environmental protection

In order to enhance the technology and humanization of green buildings, the Executive Yuan has approved the Smart Green Building Promotion Program. At present, the policy of green building design has set nine evaluation indicators including forestation, base water conservation, water resources, daily energy saving, carbon dioxide reduction, sewage treatment, waste improvement, biodiversity and indoor environmental indicators. Since 2012, all new public buildings with project costs over \$50 million have been mandatorily introduced into the smart green building design and construction, and included in the public works budget review and control. Under the promotion of government agencies, the concept of green building has become the future trend.

(E) Implementation of architectural branding system

As the standard of living has improved, home buyers have gradually raised their expectations for the quality of the living environment in terms of exterior design, interior layout, building materials and equipment, and public amenities. In recent years, natural disasters have prompted consumers to pay more attention to the safety of their homes. Therefore, in order to meet the needs of consumers, the construction industry has placed special emphasis on safety, comfort, convenience and after-sales service in product planning to build brand awareness in the minds of consumers. The Ministry of the Interior's Department of Construction is actively promoting the "Awarding Method for Excellent Construction Investment Industry" in order to provide home buyers with a choice of excellent construction companies as a reference for purchasing homes; therefore, in the future, construction companies will pay more and more attention to the self-requirement of construction quality and brand building, and the quality characteristics and reputation image are the basis for sustainable operation of the company.

(F) Prevention of Transaction Disputes

In order to avoid disputes during the transaction, the Ministry of the Interior has promulgated a model standard contract for the sale of real estate, which specifies the rights and obligations of pre-sale housing or land development, which must comply with the Consumer Protection Act and the Fair Trade Act. In addition, strengthen construction management, ensure the quality of construction, control the progress of completion and the use of delivery strategies are also necessary to prevent transaction disputes.

(G) Building labeling system to enhance the quality of housing

Taiwanese people's demand for housing quality is increasing day by day, and product planning has become an important consideration for home buyers when

choosing a home. Customer satisfaction has also become an important indicator of the competitiveness, and the trend of future housing product development is toward refined humanistic design, functional and practical diversification, and environmentally friendly construction. In recent years, the Architectural Research Institute of the Ministry of the Interior has introduced various labeling systems, such as the Fire Prevention Label for Public Places, the Green Building Label, the Green Building Materials Label, the Smart Building Label, and the Seismic Building Label. To encourage the improvement of building quality.

In order to improve the quality of housing, the Ministry of Interior's Department of Construction invested in 2014 to promote the "Housing Performance Assessment System," which targets new and existing housing with eight safety and environmental performance assessments. If the assessment result reaches a certain level, awards and certifications will be given, and up to 45% of the assessment cost will be subsidized. The Housing Performance Assessment System is based on objective evaluation by a professional third party, and the performance level is clearly indicated so that consumers can compare different residences and choose the right one according to their personal needs. In addition, the impartial and objective housing quality label will enable those with excellent performance to receive higher evaluations, which will be conducive to the trend of eliminating the worst in housing and promoting the transformation of the real estate construction industry to achieve the goals of protecting consumer rights, improving the real estate market and enhancing the quality of housing.

4. Competition of products

Since the real estate market is widely distributed, the location and characteristics of the products are different, and there is no complete substitution between them, the competition is not obvious, and the influence of individual companies on the overall market is limited. Most of the companies do not have direct competition with each other. In addition, since the main project areas of each company are different, it is difficult to define the same market, and there is no credible unit or universal standard to be used as the basis of market share comparison. Unlike other industries where there is company-to-company competition, the competition between cases and cases in each project area is more obvious. In addition, the construction industry is characterized by a large number of companies, and changes in the market share of major competitors are less relevant to the future operations of the company than the sales of its projects.

5. Technology and R&D Overview

(1) Technology level and research development

The Company's construction and development business is mainly engaged in the construction and sale of houses. According to the construction regulations, the construction developers are not allowed to engage in construction works, therefore, the Company must contract out the relevant construction works to qualified contractors and does not engage in construction works itself, therefore, there is no R&D department in the Company's organizational structure. The Company's 100%-owned subsidiary, Baoxin Construction Co., Ltd., has been awarded some of the Company's construction projects, and Baoxin Construction's own construction methods are being developed and innovated to improve the quality of construction.

6. Long- and short-term business development plans

(1) Short-term business development plan

- A. Considering the size of the Company and its capital and financial situation, we are actively planning buildings in business districts and townhouse residential stores, and adopt a multi-angle management strategy to diversify our business risks.
- B. The development strategy for Company's construction projects is focused on owner-occupied projects, supplemented by home replacement and investment products. The Company's products meet the market demand and our development projects include Hsinchu County, Yunlin County, Taichung City, Kaohsiung City and other areas
- C. Commercial real estate development, the Company bid to obtain the right of use assets, officially entered the commercial real estate, and will build the first complex mall in line with ESG goals in the Wuri high-speed railway special zone.

(2) Long-term business development plan

- A. Cooperate with the government's public transportation system construction

and urban renewal plans, plan and invest in development projects, strengthen cost control, obtain price advantages, and create development profits.

- B. Continue to develop industrial real estate in order to facilitate the demand for industrial expansion and enhance economic growth.
- C. Based on the idea of constructing classic, green future, and creating living space, we combine technological facilities in residences and create living spaces to enhance the convenience and safety of life and build a lasting building.

II. Market, production and sales overview

(I) Market analysis

1. Major products (services) sales (offering) area

Unit: NTD thousand

Year	2022		2021	
	Amount	Percentage	Amount	Percentage
Domestic sale	578,022	100.00%	3,185,720	100.00%
Export sale	0	0.00%	0	0.00%
Total	578,022	100.00%	3,185,720	100.00%

2. Market share

Since the real estate market is widely distributed, the location and characteristics of the products are different, and there is no complete substitution between them, the competition is not obvious, and the influence of individual companies on the overall market is limited. Most of the companies do not have direct competition with each other. In addition, since the main project areas of each company are different, it is difficult to define the same market, and there is no credible unit or universal standard to be used as the basis of market share comparison. At present, our construction projects are mainly in Hsinchu, Miaoli, Taichung, Yunlin and Kaohsiung. Therefore, the main competitors should be the construction companies in the regions where the construction project is located.

3. The future supply and demand condition and growth of the market

A. Supply and demand condition of the market

According to the research data (see the below schedule) of Cathay Construction Co. and the Taiwan Real Estate Research Center of National Chengchi University, the Cathay National Real Estate Index for the Q4 of 2022 showed a pattern of "rising prices and shrinking volumes" compared to the previous quarter, and a pattern of "stable prices and volumes" compared to the same quarter of the previous year. Overall, the housing market is not yet out of danger, housing prices are still at a high level with some fluctuations, the volume of transactions still remains low, as the growth of the volume of transactions is the key indicator of the housing market, therefore, in terms of volume, whether the subsequent transactions can be steadily increased, will be the focus of observation.

Project launch status for each quarter of 2022 and 2021

Annual project	2022					2021				
	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	Total	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	Total
Number of projects	231	187	256	233	907	230	209	214	246	899
Total number of sellable houses	20,559	16,473	25,800	25,857	88,689	21,812	17,749	20,182	20,973	80,716
Total amount in sellable houses (NT\$100 million)	3,820	2,908	4,586	4,688	16,002	3,364	2,456	3,392	3,787	12,999

Source: 2021 and 2022 quarterly Cathay Real Estate Index (Cathay Construction Co./Taiwan Real Estate Research Center, National Chengchi University).

B. Future market growth

The main demand in the real estate market can be divided into two main categories: owner-occupied and investment customers. Owner-occupied buyers

have always had a stable demand for real estate, and as national income continues to rise and the population naturally increases, people will continue to pursue the expansion of residential space and facilities, and will place more emphasis on the improvement of living quality. In addition, the demand for home replacement and the obsolescence of old houses will continue to arise, so the owner-occupied customers will remain the main demand in the future. Investment demand is more likely to be affected by fluctuations in the housing boom, political stability, policy leniency, psychological expectations, and inflation.

In recent years, economic pressure and changes in the concept of childbirth have led to late marriages and fewer children in Taiwan, and the trend of small families has become more and more obvious, leading to an increase in the number of households. In addition, with the increasing income of the people, the concept of purchasing a home no longer only for living, but also for investment, property ownership and value preservation, which is conducive to a bullish real estate market. The growth in the number of households is the basic source of housing transactions. Despite the slow growth of Taiwan's population in recent years, the number of households has maintained a steady growth. At the end of 2022, the total number of households in Taiwan was 9,089 (thousand households), and the average number of people per household was 2.56, based on 23,265 (thousand people).

Therefore, in recent years, small-sized two-bedroom and suite products in metropolitan areas have gradually become the mainstream of home purchase. As the economy continues to grow and urbanization becomes more and more effective, the population growth has slowed down in recent years. However, the number of households is still growing despite the decreasing number of people per household, indicating that there is still a basic demand for the real estate market in the future due to the growing number of households.

Number of households and population from 1991 to 2022

Year	Number of household	Annual household growth rate (%)	Population (People)	Annual population growth rate (%)	Capacity of household (People/household)
1991	5,227,185	-	20,605,831	-	3.94
1992	5,355,277	2.45	20,802,622	0.96	3.88
1993	5,495,888	2.63	20,995,416	0.93	3.82
1994	5,648,562	2.78	21,177,874	0.87	3.75
1995	5,819,155	3.02	21,357,431	0.85	3.67
1996	6,021,783	3.48	21,525,433	0.79	3.57
1997	6,204,343	3.03	21,742,815	1.01	3.50
1998	6,369,768	2.67	21,928,591	0.85	3.44
1999	6,532,466	2.55	22,092,387	0.75	3.38
2000	6,681,685	2.28	22,276,672	0.83	3.33
2001	6,802,281	1.80	22,405,568	0.58	3.29
2002	6,925,019	1.80	22,520,776	0.51	3.25
2003	7,047,168	1.76	22,604,550	0.37	3.21
2004	7,179,943	1.88	22,689,122	0.37	3.16
2005	7,292,879	1.57	22,770,383	0.36	3.12
2006	7,394,758	1.40	22,876,527	0.47	3.09
2007	7,512,449	1.59	22,958,360	0.36	3.06
2008	7,655,772	1.91	23,037,031	0.34	3.01
2009	7,805,834	1.96	23,119,772	0.36	2.96
2010	7,937,024	1.68	23,162,123	0.18	2.92
2011	8,057,761	1.52	23,224,912	0.27	2.88
2012	8,186,432	1.60	23,315,822	0.39	2.85
2013	8,286,260	1.22	23,373,517	0.25	2.82
2014	8,382,699	1.16	23,433,753	0.26	2.80

Year	Number of household	Annual household growth rate (%)	Population (People)	Annual population growth rate (%)	Capacity of household (People/household)
2015	8,468,978	1.03	23,492,074	0.25	2.77
2016	8,561,383	1.09	23,539,816	0.20	2.75
2017	8,649,000	1.02	23,571,227	0.13	2.73
2018	8,734,477	0.99	23,588,932	0.08	2.70
2019	8,832,745	1.13	23,603,121	0.06	2.67
2020	8,933,814	1.14	23,561,236	(0.18)	2.64
2021	9,006,580	0.81	23,375,314	(0.79)	2.60
2022	9,089,450	0.92	23,264,640	(0.47)	2.56

Source: R.O.C. Statistical Information Website/National Statistics/Population/Static Population Statistics.

4. The Company's competitive advantage

A. Keen Land Development Strategy

The management team of the Company and its subsidiaries has a keen ability to develop land. Before purchasing land, we conduct thorough market assessments, taking into account the development of the surrounding geography and the human characteristics and conditions. In addition, the management team has many years of experience in construction and has abundant sources of land information, so we can discover the development potential of land sections in advance. Therefore, we are able to remain in full control of the source of land and effectively create additional value for the premium locations in each region, and actively analyze the trend of urban development to launch projects that meet the market demand in accordance with the operating conditions.

B. In control of market demand, exquisite design and planning

Our company not only has a good understanding of the land and construction market in prime locations, but is also familiar with the characteristics of consumers in the area and plans and designs products that meet the needs of home buyers, resulting in a good sales performance for our current projects. In addition, the Company provides exquisite design to differentiate from the general products in the market, hoping to create a comfortable and happy space with the quality project that buyers will love to come home to, and make coming home something to look forward to.

C. Accurate control of project quality, progress and cost

In addition to the prudent planning of the Company's projects, the Company has also maintained credit facilities with banks and invested in its subsidiary, Baoxin Construction, in order to effectively possess the independent ability of construction projects, improve the quality of the projects and control the progress of the projects. Because of our emphasis on quality, strict control and self-discipline, we have built up a reputation in the eyes of consumers and are trusted and recognized by our customers.

D. Continuously launch projects to steadily expand market share

Since 2010, The Company has been launching projects one after another, all of which are carefully researched about the market, and we do not rely on the volume of projects or market share to win but on the quality of construction. Therefore, even though the project volume and market share are not large, the overall gross margin of projects is still maintained at a certain level. In addition, the Company is actively engaged in acquiring short-, medium- and long-term land resources and planning the construction of residential properties for sale, and will continue to increase its market share as construction projects continue to be launched.

5. Favorable and unfavorable factors of development prospect and countermeasures

A. Favorable factors

(A) Expansion of Domestic Demand Program Driving Regional Prosperity

The government is actively promoting various public works projects to expand domestic investment, including the i-Taiwan 12 infrastructure projects of NT\$3.99 trillion, covering various industries and fields such as transportation, industrial development, urban and rural development,

and environmental conservation, etc., from the overall social construction development, so each construction project will boost the local real estate market, which will help the overall construction industry to improve. In recent years, there are still some major traffic constructions completed and opened to traffic, and there are even major traffic construction topics, which will become one of the favorable factors for the neighboring business district and residential market, so it is expected to have a supportive effect on the regional housing market.

- (B) Government incentives to promote urban renewal
According to the statistics of the Directorate-General of Budget, Accounting and Statistics, the homeownership rate in Taiwan reached 84.83% in 2017, but more than 70% of them are middle-aged houses over 20 years old, which are no longer in line with the requirements of modern homeowners in terms of usable space, building materials and equipment, and building structural safety. Therefore, the government encourages urban renewal projects through relevant measures, including continuous promotion of the counselling mechanism, amendment of the urban renewal act, increasing incentives and assisting households to promote their own renewal projects, etc., in order to accelerate the promotion of urban renewal projects by construction companies, which has become an important growth factor for the real estate market.

B. Unfavorable factors and countermeasures

- (A) The difficulty in acquiring land in prime locations and the increase in construction costs are detrimental to real estate development
Land is the most basic raw material for construction, but most of the land in Taiwan is hilly or high mountains, so land available for the development of construction is originally limited; coupled with the development of the industry for many years, the current development value of land is more limited; and landowners also have the reluctance to sell, resulting in a difficulty to find land, and with the changes in the price level and the rise in wages, but also the rising construction-related costs, resulting in the continuous rise in construction costs, all have a negative impact on real estate development.

Countermeasures: Choose the location of the project carefully and focus on building quality

As the cost of raw materials and land continues to rise, we are strengthening our land development, carefully selecting project locations and product planning to increase the added value of our products, improving construction quality, strengthening our procurement capabilities through multiple inquiries, bargaining and price comparisons, carefully selecting building materials, and strictly regulating the construction process of our construction contractors in order to maintain a good brand image of the Company. We also strictly control the internal operation process to minimize the impact of cost increase.

- (B) Overheated speculation in housing prices and the National Taxation Bureau's tightening of tax investigation actions will affect consumers' willingness to invest in housing
The government has launched a number of policies to combat housing in order to effectively solve the phenomenon of public discontent caused by high housing prices. The National Taxation Bureau is expected to increase its tax investigation activities in the future, which is relatively unfavorable to the housing market's buying sentiment.

Countermeasures: Diversify products and launch products that meet consumer needs

The government's housing policies, such as the joint tax on building and land sales and the 5 legislations for Housing Justice, mainly target luxury housing projects with high unit prices and high total prices in prime urban areas. Most of the buyers of luxury housing projects are high-equity clients. In the future, Full Wang will respond to the changes in the industry and market demand structure, launch products with different functions and reasonable price for consumers with different

needs, and adjust various types of products and volume in time to enter other types of real estate market. In addition, each project will be correctly positioned according to the location and scale of the product, and the market segmentation will be made according to the characteristics of the regional customers, so as to expand the scale and scope of the Company's operation with a variety of products.

(II) Important applications and production processes of major products:

The Company's main products are the construction of residential buildings, villas, stores, shopping malls, factory offices, parking spaces, and integrated land development, etc. The Company mainly commissions contractors to carry out the construction.

(III) The supply of major raw materials:

1. Land

The Company's current products are mainly developed in Taoyuan County, Hsinchu City and Taichung City, etc. The Company's development unit carefully evaluates and selects areas with excellent locations and elegant environments, as well as land release tenders from National Property Administration, banks, etc., or prime locations for court auctions, and with a focus on acquiring land for immediate development and construction. In addition, we will cooperate with landowners in the form of joint construction according to actual needs, so that there will be no shortage in supply.

2. Construction works

In terms of construction, the Company's current construction projects are mainly carried out by Baoxin Construction, a subsidiary of the Company, and the construction progress is always on schedule. In addition, from the time of contracting to the time of acceptance of the project, we will effectively grasp and understand the progress and quality of the project, so that the quality of our completed projects can be maintained at a high level. The market price movements of other auxiliary raw materials such as cement, steel, sand and gravel required for the construction projects are also monitored by the specialized department of Baoxin Construction periodically.

(IV) The names of suppliers and customers who have accounted for more than 10% of the total purchases (sales) in any of the most recent 2 years, their purchases (sales) amount and proportion, and the reasons for the increase or decrease

II. Information on major suppliers in the most recent 2 years

Unit: NTD thousand

Item	2021				2022			
	Name	Amount	As a percentage of net purchases for the year (%)	Relationship with the Issuer	Name	Amount	As a percentage of net purchases for the year (%)	Relationship with the Issuer
1	Mr.C	322,196	10.30	None	Baoxin Construction Co., Ltd.	1,040,591	46.06	Parent company and subsidiary
2	Baoxin Construction Co., Ltd.	862,496	27.58	Parent company and subsidiary	Central Region Office, National Property Administration	224,746	9.95	None
	Others	1,942,917	62.12		Others	993,863	43.99	
	Net purchases	3,127,609	100.00		Net purchases	2,259,200	100.00	

Reasons for the increase or decrease

The Company's main purchase item is land. Since the source of land acquisition is mainly from individuals, companies or participation in bidding by government agencies, and there is no specific supplier, so the change in suppliers in the last two years is still reasonable.

III. Information on major customers in the most recent 2 years

Unit: NTD thousand

Item	2021				2022			
	Name	Amount	As a percentage of net sales for the year (%)	Relationship with the Issuer	Name	Amount	As a percentage of net sales for the year (%)	Relationship with the Issuer
1	Hung Ju Construction Co., Ltd.	963,928	30.26	The chairman of the two companies is a second relative and other relatives	-	-	-	-
	Others	2,221,792	69.74		Others	578,022	100.00	
	Net sales	3,185,720	100.00		Net sales	578,022	100.00	

Reasons for the increase or decrease

The Company's sales revenues in the last two years were mainly from the sale of residential properties, land disposal and industrial land. Due to the special nature of real estate, most of the sales are made to unspecified individuals or companies, and the transaction amounts are large and not highly repetitive. Therefore, the changes in sales customers in the last two years are reasonable.

(V) Production quantity and amount for the most recent two years

Unit: NTD thousand/account

Name	2021			2022		
	Capacity	Production quantity	Production amount	Capacity	Production quantity	Production amount
House	-	218	859,348	-	116	274,633
Total	-	218	859,348	-	116	274,633

(VI) Sales quantity and amount for the most recent two years

Unit: NTD thousand/ping/account

Name	2021				2022				
	Domestic sale		Export sale		Domestic sale		Export sale		
	Quantity	Amount	Quantity	Amount	Quantity	Amount	Quantity	Amount	
Construction	Land	8,647.35	1,834,362	-	-	2,188.81	235,518	-	-
	House	273	1,321,252	-	-	90	337,510	-	-
Sale agency			19,086	-	-	-	1,372	-	-
Others			11,020	-	-	-	3,622	-	-
Total			3,185,720		-		578,022		-

III. Information on employees for the last two years and for the current year up to the publication date of the annual report

Year		2021	2022	For the current year up to February 10, 2023
Number of employees	Management personnel	21	21	21
	Administrative personnel	59	59	63
	Total	80	80	84
Average age		38.7	39.6	39.0
Average years of service		3.46	3.90	3.80
Education profile	Doctoral	1%	1%	1%
	Master's	8%	4%	5%
	University	69%	68%	70%
	Junior college	12%	15%	12%
	High school (inclusive) and below	10%	12%	12%

IV. Information on environment protection expenditure for the last two years and for the current year up to the publication date of the annual report

(I) Information on environmental protection expenditure: The losses suffered due to environmental pollution in the most recent year and in the current year up to the date of publication of the annual report (including penalty and violations of environmental protection laws and regulations resulted from environmental protection audits. The date, content, and reference number of the penalty, the provisions and contents of the laws and regulations violated should be listed), and disclose the estimated amount and corresponding measures that may occur at present and in the future and if it is impossible to make a reasonable estimate, the fact that it is impossible to make a reasonable estimate should be stated: None.

(II) Future countermeasures and improvement programs: Not applicable.

V. Information on labor relations for the last two years and for the current year up to the publication date of the annual report

(I) The Company's employee welfare programs, continuing education, training,

retirement systems and their implementation, as well as labor-management agreements and various employee rights protection measures.

1. The Company's employee welfare programs:

- (1) Subsidies for marriage, childbirth and funeral expenses.
- (2) Injury and illness hospitalization condolences.
- (3) Birthday celebrations are held every month, a total of 12 times in 2022.
- (4) Organize recreational activities such as employee tourism and Fuwang Family Day, and hold a total of 4 employee tours in 2022.
- (5) Provisions for employees to participate in various training and seminars, The 2022 courses include: Program Education Training Course, Green Energy Apartment Building Staff Course, Community Marketing Administrator Course and Farmland Change Implementation Planner Course.
- (6) Quarterly departmental meal subsidy, 2022 annual subsidy amount NT\$900 per person per quarter, in order to encourage cross-departmental friendship, the number of people at the dinner is more than 15 people, the subsidy amount is increased to NT\$1,200.
- (7) The year-end tail dinner and color touching event, the 2022 annual tail tooth event was held on December 23.

2. Further training and education Implementation.

(1) Counseling for new recruits

All new recruits will be given appropriate counseling by the administration department on the day they report to work, and the department head will be required to be responsible for the counseling of new recruits either personally or by assigning relevant personnel and record the experience in stages.

(2) On the job training

The administration department of the Company plans the training courses at the beginning of the year or in each month according to the needs of employees' duties and the talent cultivation plan of each business division. The department head will decide the personnel who need to participate in the training courses, and the personnel of other departments can participate in the training courses according to their own needs.

(3) The education and training programs held by the Company in 2022 included new recruit training, professional knowledge, system operation learning, common functions and courses organized by external organizations, etc. The total expenses were \$135thousand.

3. The retirement system and its implementation.

The Company follows the personal pension dedicated account system in accordance with the government's policy. and contributes 6% of the workers' monthly salary to the labor pension fund as the employer, which is deposited in the employees' personal dedicated account at the Bureau of Labor Insurance, 2022 was completed in accordance with the regulations.

4. Labor management agreements and measures to protect the rights and interests of employees: None.

5. Working environment and employee personal safety protection measures.

Item	Content
Access Control	1. All-day access control and surveillance system.
Security	2. Security system provided by security company at night and on holidays to

	maintain security.
Disaster Prevention Measures and Response	<ol style="list-style-type: none"> 1. Cooperate with the Building Management Committee to conduct an annual fire protection facility inspection to check whether the sirens are operating normally and maintain the safety of employees. 2. There are "Management Rules for Corrective and Preventive Measures" and "Labor Safety and Health Rules" to regulate major events such as natural disasters, industrial safety incidents or accidents and other abnormal causes to analyze, propose improvement measures and implement them to ensure the safety of employees. 3. The Company's internal control procedures stipulate that in the construction contracts awarded to construction contractors, it shall be mandatory for the contractors to assign qualified labor safety and health management personnel during the construction period, who shall be responsible for all safety and maintenance measures on site in accordance with the Occupational Safety and Health Act promulgated by the competent authorities and the Labor Safety and Health Rules established by the Company.
Physiological and mental health	<ol style="list-style-type: none"> 1. Health checkups: In accordance with the provisions of the Labor Safety and Health Act, the company conducts regular health examinations for employees once every three years. 2. Working environment hygiene: In accordance with the law, the business premises are completely smoke-free, and instruct the heads of various departments to implement the supervision of the cleanliness of the working environment before going to work every day, as a reference for the year-end assessment teamwork project. 3. Education and training: We offer courses on business etiquette, public relations interaction skills, how to look good, work attitude and methods, as well as training courses on psychological adjustment and knowledge enhancement for employees. 4. Sexual harassment prevention and control: Sexual harassment prevention and control measures for complaints and penalties have been formulated and publicly announced.
Insurance and Medical Benefits	<ol style="list-style-type: none"> 1. Employee labor insurance and health insurance in accordance with the regulations of the competent authorities.

- (II) Losses incurred due to labor-management disputes in the most recent year and in the current year up to the date of the publication of the annual report and disclosure of the estimated amount of current or future potential losses and corresponding measures: None.

VI. Information Security Management

- (I) Describe the information security risk management framework, information security policy, specific management plan and resources invested in information security management: At present, the company has not set up an information security officer who comprehensively manages information security policy promotion and resource scheduling affairs, and at present, only the original human resources of the information department concurrently serve as the information security special unit, responsible for information security risk management operations.
- (II) List the losses, possible impacts and response measures suffered due to major information security incidents in the latest year and as of the date of publication of the annual newspaper, and if they cannot be reasonably estimated, they should state the facts that cannot be reasonably estimated: none.

VII. Important contracts

Contract nature	Party involved	Contract start and end date	Main content	Restriction Terms
Construction contract	Baoxin Construction Co., Ltd.	From 2020.6.30 to completion date	The new construction works of Station Front Prosperity Times Residential Building	None

Contract nature	Party involved	Contract start and end date	Main content	Restriction Terms
Construction contract	Baoxin Construction Co., Ltd.	From 2020.9.30 to completion date	The new construction works of Xinhaicheng Residential Building	None
Construction contract	Cheng Zhongheng Construction Co., Ltd.	From 2020.11.1 to completion date	The new construction works of Sky W ONE Residential Structure Works	None
Construction contract	Baoxin Construction Co., Ltd.	From 2020.11.30 to completion date	The new construction works of Happiness Haohao Residential Building	None
Construction contract	Baoxin Construction Co., Ltd.	From 2020.12.30 to completion date	The new construction works of Station Front New Times Residential Building	None
Construction contract	Baoxin Construction Co., Ltd.	From 2021.9.22 to completion date	The new construction works of Zan Times Residential Building	None
Construction contract	Baoxin Construction Co., Ltd.	From 2021.9.22 to completion date	The new construction works of Wimeiju Platinum Special Zone Residential Building	None
Construction contract	Baoxin Construction Co., Ltd.	From 2021.9.22 to completion date	The new construction works of Weimeiju Royal Golden Zone Residential Building	None
Construction contract	Baoxin Construction Co., Ltd.	From 2022.3.28 to completion date	The new construction works of Concerto Residential Building	None
Construction contract	Baoxin Construction Co., Ltd.	From 2022.3.28 to completion date	The new construction works of Elegant Village apartment complex Residential Building	None
Construction contract	Baoxin Construction Co., Ltd.	From 2022.3.28 to completion date	The new construction works of Elegant Village townhouse Residential Building	None
Construction contract	Yuanyi Construction Co., Ltd.	From 2022.7.21 to completion date	The new construction works of Yes Times Residential Building	None

SIX. Finance Overview

I. Condensed financial information for the most recent 5 years

(I) Condensed balance sheet and comprehensive income statement

1. Consolidated balance sheet

(1) International Financial Reporting Standards - Consolidated Financial Statements

Unit: NTD thousand

Item	Year	Financial information for the most recent 5 years (Note 1)				
		2018	2019	2020	2021	2022
Current assets		7,914,174	6,947,669	8,567,963	9,350,909	8,431,182
Property, plant and equipment (Note 2)		15,779	22,280	21,232	35,367	35,365
Intangible assets		139	182	1,119	1,101	923
Other assets (Note 2)		351,575	848,266	1,150,919	1,277,905	1,226,182
Total assets		8,281,667	7,818,397	9,741,233	10,665,282	9,693,652
Current liabilities	Before distribution	5,739,542	4,658,493	5,908,607	6,899,412	7,668,150
	After distribution	5,739,542	4,658,493	6,216,640	6,937,916	7,668,150
non-current liabilities		706,228	1,301,988	1,712,551	1,886,752	1,162,239
Total liabilities	Before distribution	6,445,770	5,960,481	7,621,158	8,786,164	8,830,389
	After distribution	6,445,770	5,960,481	7,929,191	8,824,668	8,830,389
Equity attributable to owners of parent company		1,835,897	1,857,916	2,120,075	1,879,118	863,263
Capital stock		1,540,163	1,540,163	1,540,163	1,540,163	1,540,163
Capital surplus		92,566	92,566	92,566	92,566	92,566
Retained Earnings	Before distribution	203,168	225,187	487,346	247,135	(769,028)
	After distribution	203,168	225,187	179,313	208,631	(769,028)
Other equity		-	-	-	(746)	(438)
Treasury shares		-	-	-	-	-
Non-controlling interests		-	-	-	-	-
Equity Total amount	Before distribution	1,835,897	1,857,916	2,120,075	1,879,118	863,263
	After distribution	1,835,897	1,857,916	1,812,042	1,840,614	863,263

Note 1: The financial information for the years 2018 to 2022 have been audited and attested by the CPAs.

Note 2: For those who have made asset revaluation in the year, the date of revaluation and the amount of revaluation increment should be indicated.

(2) Taiwan Financial Accounting Standards - Consolidated Financial Statements

The financial information has been prepared in accordance with International Financial Reporting Standards since 2013.

(3) International Financial Reporting Standards - standalone Financial Statements

Unit: NTD thousand

Item	Year	Financial information for the most recent 5 years (Note 1)				
		2018	2019	2020	2021	2022
Current assets		7,882,536	6,872,281	8,285,200	8,821,802	7,898,620
Financial assets at fair value through profit or loss - noncurrent		10	10	10	10	10
Financial assets measured at amortized cost		-	-	-	-	-
Investments accounted for using the equity method		123,117	118,440	115,070	185,881	45,558
Property, plant and equipment (Note 2)		15,271	21,673	17,043	32,324	33,086
Intangible assets		139	63	819	953	876
Other assets (Note 2)		350,583	847,189	1,127,396	1,263,914	1,214,473
Total assets		8,371,656	7,859,656	9,545,538	10,304,884	9,192,623
Current liabilities	Before distribution	5,825,763	4,691,286	5,709,189	6,538,759	7,163,548
	After distribution	5,825,763	4,691,286	6,017,222	6,500,255	7,163,548
non-current liabilities		709,996	1,310,454	1,716,274	1,887,007	1,165,812
Total liabilities	Before distribution	6,535,759	6,001,740	7,425,463	8,425,766	8,329,360
	After distribution	6,535,759	6,001,740	7,733,496	8,387,262	8,329,360
Equity attributable to owners of parent company		1,835,897	1,857,916	2,120,075	1,879,118	863,263
Capital stock		1,540,163	1,540,163	1,540,163	1,540,163	1,540,163
Capital surplus		92,566	92,566	92,566	92,566	92,566
Retained earnings	Before distribution	203,168	225,187	487,346	247,135	(769,028)
	After distribution	203,168	225,187	179,313	208,631	(769,028)
Other equity		-	-	-	(746)	(438)
Treasury shares		-	-	-	-	-
Non-controlling interests		-	-	-	-	-
Total Equity	Before distribution	1,835,897	1,857,916	2,120,075	1,879,118	863,263
	After distribution	1,835,897	1,857,916	1,812,042	1,840,614	863,263

Note 1: The financial information for the years 2018 to 2022 have been audited and attested by the CPAs.

Note 2: For those who have made asset revaluation in the year, the date of revaluation and the amount of revaluation increment should be indicated.

(4) Taiwan Financial Accounting Standards - Consolidated Financial Statements

The financial information has been prepared in accordance with International Financial Reporting Standards since 2013.

2. Condensed comprehensive income statement

(1) International Financial Reporting Standards - Consolidated Financial Statements

Unit: NTD thousand

Item	Year	Financial information for the most recent 5 years (Note)				
		2018	2019	2020	2021	2022
Operating revenues		2,380,741	1,622,810	3,191,189	3,185,720	578,022
Gross profit		549,372	416,267	678,610	700,728	154,189
Profit from operations		236,818	121,989	334,480	377,765	(104,738)
Non-operating income and expense		(83,723)	88,595	47,935	(279,956)	(866,860)
Profit before tax		153,095	210,584	382,415	97,809	(971,598)
Continuing operations Current period net profit		109,400	200,479	362,590	67,822	(977,659)
Losses from discontinued operations		-	-	-	-	-
Net profits (losses) for the period		109,400	200,479	362,590	67,822	(977,659)
Other comprehensive income for the period (Net after tax)		-	-	-	(746)	308
Total comprehensive income for the period		109,400	200,479	362,590	67,076	(977,351)
Net profits attributable to owners of parent company		109,400	200,479	362,590	67,822	(977,659)
Net profits attributable to non- controlling interests		-	-	-	-	-
Total comprehensive income attributable to owners of parent company		109,400	200,479	362,590	67,076	(977,351)
Total comprehensive income attributable to non-controlling interests		-	-	-	-	-
Earnings per Share		0.71	1.30	2.35	0.44	(6.35)

Note: The financial information for the years 2018 to 2022 have been audited and attested by the CPAs.

(2) Taiwan Financial Accounting Standards - Consolidated Financial Statements

The financial information has been prepared in accordance with International Financial Reporting Standards since 2013.

(3) International Financial Reporting Standards - standalone Financial Statements

Unit: NTD thousand

Item	Year	Financial information for the most recent 5 years (Note)				
		2018	2019	2020	2021	2022
Operating revenues		2,379,810	1,617,101	3,183,441	3,176,713	576,663
Gross profit		543,403	410,880	633,409	636,453	143,647
Profit from operations		242,768	131,157	327,087	371,051	(67,272)
Non-operating income and expense		(90,043)	77,810	48,831	(285,821)	(903,286)
Profit before tax		152,725	208,967	375,918	85,230	(970,558)
Net profits for the period from continuing operations		109,400	200,479	362,590	67,822	(977,659)
Losses from discontinued operations		-	-	-	-	-
Net profits (losses) for the period		109,400	200,479	362,590	67,822	(977,659)
Other comprehensive income for the period(Net after tax)		-	-	-	(746)	308
Total comprehensive income for the period		109,400	200,479	362,590	67,076	(977,351)
Net profits attributable to owners of parent company		109,400	200,479	362,590	67,822	(977,659)
Net profits attributable to non-controlling interests		-	-	-	-	-
Total comprehensive income attributable to owners of parent company		109,400	200,479	362,590	67,076	(977,351)
Total comprehensive income attributable to non-controlling interests		-	-	-	-	-
Earnings per Share		0.71	1.30	2.35	0.44	(6.35)

Note: The financial information for the years 2018 to 2022 have been audited and attested by the CPAs.

(4) Taiwan Financial Accounting Standards - Consolidated Financial Statements

The financial information has been prepared in accordance with International Financial Reporting Standards since 2013.

(III) Name and audit opinion of the CPA for the last five years

Year	Certified Public Accountant	CPA firm	Audit Opinion
2018	Su Ting-Chien, Yan Xiao-fang (Note 1)	Deloitte and Touche	Unqualified opinion
2019	Su Ting-Chien, Chiang Shu-Ching (Note 2)	Deloitte and Touche	Unqualified opinion
2020	Su Ting-Chien, Chiang Shu-Ching	Deloitte and Touche	Unqualified opinion
2021	Wang, Yu-Chuan, Liu, Mei Lan	PricewaterhouseCoopers, Taiwan	Unqualified opinion
2022	Wang, Yu-Chuan, Liu, Mei Lan (Note 3)	PricewaterhouseCoopers, Taiwan	Unqualified opinion

Note 1: Due to the internal business adjustment of Deloitte and Touche, the CPAs of the company's 2018 financial statements were changed from Yan Xiao-fang and Zeng Dong-yun to Su Ting-Chien and Yan Xiao-fang.

Note 2: Due to the internal business adjustment of Deloitte and Touche, the CPAs of the company's 2019 financial statements were changed from Su Ting-Chien and Yan Xiao-fang to Su Ting-Chien and Chiang Shu-Ching.

Note 3: In order to meet the needs of internal management, with the approval of the board of directors on 2021.9.22, the CPA firm and the CPA were changed. Since the Q3 of 2021, the CPA for the financial statement attestation will be changed to CPA Wang, Yu-Chuan and Liu, Mei Lan of PricewaterhouseCoopers, Taiwan.

II. Financial analysis for the most recent 5 years

(I) International Financial Reporting Standards - Consolidated Financial Statements

Analysis		Year	Financial analysis for the most recent 5 years (Note 1)				
		2018	2019	2020	2021	2022	
Financial performance (%)	Debt to assets ratio	77.83	76.24	78.24	82.38	91.09	
	Long-term capital to property, plant and equipment ratio	16,110.25	14,183.00	18,000.12	10,647.98	2,441.01	
Solvency (%)	Current ratio	137.89	149.14	144.74	135.53	109.95	
	Quick ratio	41.80	33.55	54.84	57.58	17.58	
	Times interest earned	3.33	4.96	7.88	1.32	(7.99)	
Operating performance	Accounts receivable turnover rate (times)	4.94	6.32	61.33	7.00	1.30	
	Average collection days	74	58	6	52	281	
	Inventory turnover rate (times)	0.33	0.22	0.48	0.47	0.07	
	Accounts payable turnover rate (times)	4.53	4.32	8.84	6.15	0.80	
	Average sales days	1,106	1,659	761	777	5,214	
	Property, plant and equipment turnover rate (times)	137.97	85.28	146.68	112.57	16.34	
	Total assets turnover rate (times)	0.30	0.20	0.36	0.31	0.06	
Profitability	Return on assets (%)	2.04	3.02	4.64	1.04	(9.32)	
	Return on equity (%)	5.95	10.85	18.23	3.39	(71.30)	
	Net profits before tax to paid-in capital (%) (Note 7)	9.94	13.67	21.72	6.35	(63.08)	
	Net profit margin (%)	4.60	12.35	11.36	2.13	(169.14)	
	Earnings per share (NT\$)	0.71	1.30	2.35	0.44	(6.35)	
Cash flows	Cash flow ratio (%)	(1.82)	17.40	10.01	3.38	(14.12)	
	Cash flow adequacy ratio (%)	(48.65)	73.00	168.09	147.83	20.19	
	Cash reinvestment ratio (%)	(9.61)	24.23	17.32	(1.98)	(127.34)	
Leverage	Operating leverage	1.06	1.21	1.08	1.06	0.77	
	Financial leverage	1.38	1.77	1.20	1.14	(Note 2)	
Please explain the reasons for the changes in the financial ratios for the last two years (if the change is less than 20%, the analysis is exempted)							
1. Changes in Long-term capital to property, plant and equipment ratio: mainly due to the decrease in non-current liabilities in 2022.							
2. Changes in Quick ratio: mainly due to the decrease in financial asset-liquidity measured at fair value through profit and loss in 2022.							
3. Changes in Times interest earned: mainly due to net loss in 2022.							
4. Changes in Accounts receivable turnover rate (times) and Average collection days: mainly due to the decrease in operating income in 2022.							
5. Changes in Inventory turnover rate (times), Accounts payable turnover rate (times), and Average sales days: This was mainly due to a decrease in operating costs in 2022.							
6. Changes in Property, plant and equipment turnover rate (times) and Total assets turnover rate (times): mainly due to the decrease in operating income in 2022.							
7. Changes in Return on assets, Return on equity, Net profits before tax to paid-in capital, Net profit margin and EPS: mainly due to net loss in 2022.							
8. Change in Cash flow ratio: mainly due to net cash outflow from operating activities in 2022.							
9. Change in Cash flow adequacy ratio: mainly due to changes in net cash outflow from average operating activities over the past five years.							
10. Change in Cash reinvestment ratio: This is mainly due to changes in net cash outflow from average operating activities over the past five years.							
11. Change in Operating leverage: mainly due to net operating loss in 2022.							

The financial analysis formula as follows:

1. Capital structure
 - (1) Debt to asset ratio = total liabilities/total assets
 - (2) Long-term capital to property, plant, and equipment ratio = (total equity + non-current liabilities)/net property, plant, and equipment
2. Solvency
 - (1) Current ratio = current assets/current liabilities
 - (2) Quick ratio = (current assets - inventory - prepaid expenses)/current liabilities
 - (3) Interests coverage multiplier = net profits before tax and interest expense/interest expense for the period
3. Operating performance
 - (1) Receivable (including accounts receivable and notes receivable from business operations) turnover rate = net sales / balance of average accounts receivable for various periods (including accounts receivable and notes receivable from business operations).
 - (2) Average collection days = 365/accounts receivable turnover rate
 - (3) Inventory turnover rate = costs of goods sold/average inventory
 - (4) Payable (including accounts payable and notes payable from business operations) turnover rate = costs of goods sold / balance of average accounts payable for various periods (including accounts payable and notes payable from business operations).
 - (5) Average sales days = 365/inventory turnover rate
 - (6) Property, plant, and equipment turnover rate = net sales/average property, plant, and equipment
 - (7) Total assets turnover rate = net sales/average total assets
4. Profitability
 - (1) Return on assets = [net profits after tax + interest expense x (1 - tax rate)]/average total assets
 - (2) Return on equity = net profits after tax/average total equity
 - (3) Net profit margin = net profits after tax/net sales
 - (4) Earnings per share = (net profits attributable to shareholders of the parent - preferred stock dividend)/weighted average number of shares outstanding (Note 4)
5. Cash flow
 - (1) Cash flow ratio = net cash flow from operating activities/current liabilities.
 - (2) Cash flow adequacy ratio = sum of net cash flow from operating activities for the most recent 5 years / sum of capital expenditures, inventory additions, and cash dividend for the most recent 5 years
 - (3) Cash flow reinvestment ratio = (net cash flow from operating activities - cash dividend) / (gross property, plant, and equipment + long-term investment + other non-current assets + working capitals). (Note 5)
6. Leverage
 - (1) Operating leverage = (net operating revenues - variable operating costs and expenses) /

operating profits (Note 6).

(2) Financial leverage = operating profits / (operating profits - interest expense).

Note 1: The Company's financial statements for the years 2018 to 2022 have been audited and attested by the CPAs.

Note 2: If the net cash flow from operating activities is an outflow, it is not counted.

Note 3: As there are less than 5 years of financial data under IFRS, it is not calculated.

Note 4: Special attention should be paid to the following when measuring earnings per share with the above calculation formula:

1. Based on the weighted-average number of common shares rather than the number of shares outstanding at the end of the year.
2. Where there is cash capital increase or treasury stock transactions, the weighted average number of shares should be used considering the period of circulation.
3. Where there is a capital increase by retained earnings or capital surplus, when calculating the annual or semi-annual earnings per share for previous years, retrospective adjustments should be made in proportion to the capital increase, regardless of the issuance period of such capital increase.
4. If the preferred shares are non-convertible and cumulative, their dividends for the current year (whether paid or not) should be deducted from the net profits after tax, or added to the net losses after tax. If the preferred shares are non-cumulative, their dividends should be deducted from net profits after tax if there are net profits after tax; if there are net losses, no adjustment is required.

Note 5: Special attention should be paid to the following in performing cash flow analysis.

1. Net cash flow from operating activities represents the net cash inflow from operating activities in the cash flow statement.
2. Capital expenditures represent the annual cash outflows from capital investments.
3. Increase in inventory is included only if the ending balance is greater than the beginning balance, or zero if inventory decreases at the end of the year.
4. Cash dividends include cash dividends on common stock and preferred stock.
5. Gross property, plant and equipment represents the total amount of property, plant and equipment before accumulated depreciation.

Note 6: The issuer should distinguish between fixed and variable operating costs and operating expenses according to their nature, and where estimates or subjective judgments are involved, pay attention to the reasonableness and maintain consistency.

Note 7: If the Company's stock has no face value or the face value per share is not NT\$10, the ratios related to paid-in capital in the preceding paragraph should be replaced with the ratio of equity attributable to shareholders of the parent in the balance sheet.

(II) Financial Analysis - International Financial Reporting Standards (standalone)

Analysis		Year	Financial analysis for the most recent 5 years (Note 1)				
		2018	2019	2020	2021	2022	
Financial performance (%)	Debt to assets ratio	78.07	76.36	77.79	81.76	90.61	
	Long-term capital to property, plant and equipment ratio	16,671.42	14,612.26	22,446.02	11,651.17	6,132.73	
Solvency (%)	Current ratio	135.30	146.49	144.84	134.92	110.26	
	Quick ratio	40.56	33.00	54.36	57.80	17.20	
	Times interest earned	3.33	4.94	7.92	1.24	(8.31)	
Operating performance	Accounts receivable turnover rate (times)	4.94	5.96	48.44	6.99	1.30	
	Average collection days	74	61	8	52	281	
	Inventory turnover rate (times)	0.33	0.22	0.49	0.50	0.07	
	Accounts payable turnover rate (times)	3.62	3.40	8.10	6.56	0.98	
	Average sales days	1,094	1,630	745	730	5,214	
	Property, plant and equipment turnover rate (times)	143.17	87.54	164.45	128.70	17.63	
	Total assets turnover rate (times)	0.30	0.20	0.37	0.32	0.06	
Profitability	Return on assets (%)	2.02	2.99	4.67	1.05	(9.73)	
	Return on equity (%)	5.95	10.85	17.10	3.39	(71.30)	
	Net profits before tax to paid-in capital (%) (Note 7)	9.92	13.57	24.41	5.53	(63.02)	
	Net profit margin (%)	4.60	12.40	11.39	2.13	(169.54)	
	Earnings per share (NT\$)	0.71	1.30	2.35	0.44	(6.35)	
Cash flows	Cash flow ratio (%)	(1.53)	16.84	11.01	4.15	(14.84)	
	Cash flow adequacy ratio (%)	(44.92)	67.32	179.20	164.20	24.95	
	Cash reinvestment ratio (%)	(8.95)	23.47	18.50	(0.98)	(125.00)	
Leverage	Operating leverage	1.05	1.20	1.06	1.05	0.67	
	Financial leverage	1.37	1.68	1.20	1.14	(Note 2)	

Analysis	Year	Financial analysis for the most recent 5 years (Note 1)				
	2018	2019	2020	2021	2022	
Please explain the reasons for the changes in the financial ratios for the last two years (if the change is less than 20%, the analysis is exempted)						
<ol style="list-style-type: none"> 1. Changes in Long-term capital to property, plant and equipment ratio: mainly due to the decrease in non-current liabilities in 2022. 2. Changes in Quick ratio: mainly due to the decrease in financial asset-liquidity measured at fair value through profit and loss in 2022. 3. Changes in Times interest earned: mainly due to net loss in 2022. 4. Changes in Accounts receivable turnover rate (times) and Average collection days: mainly due to the decrease in operating income in 2022. 5. Changes in Inventory turnover rate (times), Accounts payable turnover rate (times), and Average sales days: This was mainly due to a decrease in operating costs in 2022. 6. Changes in Property, plant and equipment turnover rate (times) and Total assets turnover rate (times): mainly due to the decrease in operating income in 2022. 7. Changes in Return on assets, Return on equity, Net profits before tax to paid-in capital, Net profit margin and EPS: mainly due to net loss in 2022. 8. Change in Cash flow ratio: mainly due to net cash outflow from operating activities in 2022. 9. Change in Cash flow adequacy ratio: mainly due to changes in net cash outflow from average operating activities over the past five years. 10. Change in Cash reinvestment ratio: This is mainly due to changes in net cash outflow from average operating activities over the past five years. 11. Change in Operating leverage: mainly due to net operating loss in 2022. 						

For the financial analysis formula and Notes 1~7, please refer to Schedule 1 above.

(III) Taiwan Financial Accounting Standards - Consolidated Financial Statements

The financial information has been prepared in accordance with International Financial Reporting Standards since 2013.

(IV) Taiwan Financial Accounting Standards - Consolidated Financial Statements

The financial information has been prepared in accordance with International Financial Reporting Standards since 2013.

III. Supervisors’ audit report on the financial statements for the most recent year

FULL WANG INTERNATIONAL DEVELOPMENT COMPANY LIMITED

Audit Committee's Review Report

The Board of Directors has prepared the Company's 2022 Business Report, Financial Statements, and Deficit Compensation. The CPA firm of PricewaterhouseCoopers was retained to audit the Company 's Financial Statements and has issued an audit report relating to the Financial Statements.

The Business Report, Financial Statements, and quarterly earnings allocation proposal have been reviewed and determined to be correct and accurate by the Audit Committee members of Full Wang International Development Company Limited. According to relevant requirements of the Securities and Exchange Act and the Company Law, we hereby submit this report.

FULL WANG INTERNATIONAL DEVELOPMENT COMPANY LIMITED

Chairman of the Audit Committee: 王春

February 23, 2023

IV. Financial statements for the most recent year

***Full Wang International Development Co., Ltd. and subsidiaries
Declaration of Consolidated Financial Statements of Affiliated Enterprises***

For the year ended December 31, 2022, pursuant to “Criteria Governing Preparation of Affiliation Reports, Consolidated Business Reports and Consolidated Financial Statements of Affiliated Enterprises,” the entity that is required to be included in the consolidated financial statements of affiliates, is the same as the entity required to be included in the consolidated financial statements of parent and subsidiary companies under International Financial Reporting Standards 10. Also, if relevant information that should be disclosed in the consolidated financial statements of affiliates has all been disclosed in the consolidated financial statements of parent and subsidiary companies, it shall not be required to prepare separate consolidated financial statements of affiliates.

Hereby declare

INDEPENDENT AUDITORS' REPORT TRANSLATED FROM CHINESE

To the Board of Directors and Shareholders of Full Wang International Development Co., Ltd.

Opinion

We have audited the accompanying consolidated balance sheets of Full Wang International Development Co., Ltd. and subsidiaries (the "Group") as at December 31, 2022 and 2021, and the related consolidated statements of comprehensive income, of changes in equity and of cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at December 31, 2022 and 2021, and its consolidated financial performance and its 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, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations that came into effect as endorsed by the Financial Supervisory commission.

Basis for opinion

We conducted our audits in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and Standards on Auditing of the Republic of China. Our responsibilities under those standards are further described in the *Auditors' responsibilities for the audit of the consolidated financial statements* section of our report. We are independent of the Group in accordance with the Norm of Professional Ethics for Certified Public Accountant of the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide 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 Group's 2022 consolidated financial statements. These matters were addressed in the context of our audit of the consolidated financial statements as a whole and, in forming our opinion thereon, we do not provide a separate opinion on these matters.

Key audit matters for the Group's 2022 consolidated financial statements are stated as follows:

Cut-off of building and land sales revenue

Description

Please refer to Note 4(25) for accounting policies on sales revenue, and Note 6(17) for details. For the year ended December 31, 2022, building and land sales revenue amounted to NT\$573,028 thousand, representing 99% of consolidated operating revenue.

In the construction industry, building and land sales revenue are recognised when control of the building and land has been transferred. Since building and land sales in the construction industry involve numerous customers, the control transfer related documents shall be reviewed before recognising revenue which usually involves manual work, and thus may result in inappropriate timing of revenue recognition around the balance sheet date. Thus, we identified the cut-off of building and land sales revenue as a key audit matter.

How our audit addressed the matter

We performed the following audit procedures on the above key audit matter:

1. Obtained an understanding, assessment and verification on operating procedures and internal controls in relation to building and land sales revenue, including the following items:
 - (1) Interviewed employees involved in operating procedures of building and land sales revenue in each segment and obtained revenue recognition procedures of building and land sales in order to confirm that they are in line with the operating regulations.
 - (2) Examined the internal control of building and land sale revenue, checked whether the home inspection information had been reviewed by the competent supervisors and verified whether the date and the information recorded in supporting documents (including land registrations, house ownership certificates, home inspection information and house handover information) were consistent with the date and the information recorded in building and land sales contracts in order

to ensure transactions were recorded in the proper period.

2. Performed cut-off test on building and land transactions around the end of the reporting period, including verifying land registration, transfer date in the house ownership certificate, customers' home inspection checklists and customers' signed receipts for handing over of property to confirm that the building and land sales revenue recognition timing was appropriate.

Assessment of allowance for inventory valuation losses

Description

Please refer to Note 4(12) for accounting policy on inventory valuation, Note 5(2) for accounting estimates and assumptions in relation to inventory valuation. As at December 31, 2022, the carrying amount of inventories and allowance for inventory valuation losses amounted to NT\$6,985,759 thousand and NT\$0 thousand, respectively.

The Group's inventories pertain to buildings and land held for sale and construction in progress, and inventories are measured at the lower of cost and net realisable value. Since the Group operates in the construction industry which involves a high degree of capital input and has a long capital recovery period, the market price of real estate has higher fluctuations due to the impact of the government's housing policy and the state of the economy in recent years and because the inventory valuation involves management's subjective judgment, thus, we identified assessment of allowance for inventory valuation losses as a key audit matter.

How our audit addressed the matter

We performed the following audit procedures on the above key audit matter:

1. Obtained an understanding of and assessed the nature of the Group's business and industry and discussed with management in order to assess the reasonableness of the method and the procedure that the Group used to determine net realizable value.
2. Obtained the net realizable value report of inventory at the end of the reporting period, sampled and tested the adequacy of basis used in estimation of net realizable assets, including obtaining recent transaction prices of each project, recent transaction information of similar assets of neighboring area or appraisal report issued by external experts and the adequacy of the estimated costs necessary to complete the sale, and confirmed the net realizable value of ending inventories in order to assess the reasonableness of allowance for inventory valuation losses.

Other matter - parent company only financial reports

We have audited and expressed an unqualified opinion and an unqualified opinion with other matter paragraph on the parent company only financial statements of Full Wang International Development Co., Ltd. as at and for the years ended December 31, 2022 and 2021.

Responsibilities of management and those charged with governance for the consolidated financial statements

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

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

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

Auditors' responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with 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 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 Group's internal control.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

We also provide those charged with governance with a statement that we have complied with 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 of the current period 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.

Wang, Yu-Chuan

Liu, Mei Lan

For and on behalf of PricewaterhouseCoopers, Taiwan

February 23, 2023

The accompanying consolidated financial statements are not intended to present the financial position and results of operations and cash flows in accordance with accounting principles generally accepted in countries and jurisdictions other than the Republic of China. The standards, procedures and practices in the Republic of China governing the audit of such financial statements may differ from those generally accepted in countries and jurisdictions other than the Republic of China. Accordingly, the accompanying consolidated financial statements and independent auditors' report are not intended for use by those who are not informed about the accounting principles or auditing standards generally accepted in the Republic of China, and their applications in practice.

As the financial statements are the responsibility of the management, PricewaterhouseCoopers cannot accept any liability for the use of, or reliance on, the English translation or for any errors or misunderstandings that may derive from the translation.

FULL WANG INTERNATIONAL DEVELOPMENT CO., LTD. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
DECEMBER 31, 2022 AND 2021
(Expressed in thousands of New Taiwan dollars)

Assets	Notes	December 31, 2022		December 31, 2021		
		AMOUNT	%	AMOUNT	%	
Current assets						
1100	Cash and cash equivalents	6(1)	\$ 197,812	2	\$ 673,067	6
1110	Financial assets at fair value through profit or loss - current	6(2) and 8	521,251	5	1,596,578	15
1136	Current financial assets at amortised cost	6(3) and 8	103,069	1	437,802	4
1150	Notes receivable, net	6(4)	1,486	-	7,310	-
1170	Accounts receivable, net	6(4)	43,858	1	832,031	8
1200	Other receivables	9(1)	20,143	-	74,335	1
1220	Current tax assets		9,440	-	-	-
130X	Inventories	6(5), 8 and 9(1)	6,985,759	72	5,258,266	49
1470	Other current assets	6(6) and 7(2)	548,364	6	471,520	5
11XX	Current Assets		<u>8,431,182</u>	<u>87</u>	<u>9,350,909</u>	<u>88</u>
Non-current assets						
1510	Non-current financial assets at fair value through profit or loss	6(2)	20	-	20	-
1535	Non-current financial assets at amortised cost	6(3) and 8	980,953	10	979,579	9
1600	Property, plant and equipment	6(7)	35,365	-	35,367	-
1755	Right-of-use assets	6(8) and 7(2)	163,637	2	184,270	2
1780	Intangible assets		923	-	1,101	-
1840	Deferred income tax assets	6(23)	30,154	-	28,105	-
1900	Other non-current assets	7(2) and 9(1)	51,418	1	85,931	1
15XX	Non-current assets		<u>1,262,470</u>	<u>13</u>	<u>1,314,373</u>	<u>12</u>
1XXX	Total assets		<u>\$ 9,693,652</u>	<u>100</u>	<u>\$ 10,665,282</u>	<u>100</u>

(Continued)

FULL WANG INTERNATIONAL DEVELOPMENT CO., LTD. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
DECEMBER 31, 2022 AND 2021
(Expressed in thousands of New Taiwan dollars)

Liabilities and Equity	Notes	December 31, 2022		December 31, 2021		
		AMOUNT	%	AMOUNT	%	
Current liabilities						
2100	Current borrowings	6(9)	\$ 4,759,162	49	\$ 4,754,743	45
2110	Short-term notes and bills payable	6(10)	348,737	4	349,518	3
2130	Current contract liabilities	6(17) and 7(2)	1,233,459	13	1,164,027	11
2150	Notes payable		23,085	-	41,458	-
2170	Accounts payable	9(1)	523,076	5	476,305	4
2200	Other payables	6(11)	52,730	1	57,437	1
2230	Current income tax liabilities		-	-	14,091	-
2280	Current lease liabilities	7(2)	11,589	-	12,632	-
2320	Long-term liabilities, current portion	6(12)	699,875	7	-	-
2399	Other current liabilities, others		16,437	-	29,201	-
21XX	Current Liabilities		<u>7,668,150</u>	<u>79</u>	<u>6,899,412</u>	<u>64</u>
Non-current liabilities						
2530	Corporate bonds payable	6(12)	999,605	10	1,698,916	16
2580	Non-current lease liabilities	7(2)	156,562	2	173,781	2
2600	Other non-current liabilities		6,072	-	14,055	-
25XX	Non-current liabilities		<u>1,162,239</u>	<u>12</u>	<u>1,886,752</u>	<u>18</u>
2XXX	Total Liabilities		<u>8,830,389</u>	<u>91</u>	<u>8,786,164</u>	<u>82</u>
Share capital						
3110	Share capital - common stock	6(14)	1,540,163	16	1,540,163	14
Capital surplus						
3200	Capital surplus	6(15)	92,566	1	92,566	1
Retained earnings						
3310	Legal reserve	6(16)	167,797	2	161,015	2
3320	Special reserve		746	-	-	-
3350	(Accumulated deficit) unappropriated retained earnings		(937,571)	(10)	86,120	1
3400	Other equity interest		(438)	-	(746)	-
31XX	Equity attributable to owners of the parent		<u>863,263</u>	<u>9</u>	<u>1,879,118</u>	<u>18</u>
3XXX	Total equity		<u>863,263</u>	<u>9</u>	<u>1,879,118</u>	<u>18</u>
Significant Contingent Liabilities and Unrecognised Contract Commitments						
Significant Events after the Balance Sheet Date						
3X2X	Total liabilities and equity		<u>\$ 9,693,652</u>	<u>100</u>	<u>\$ 10,665,282</u>	<u>100</u>

The accompanying notes are an integral part of these consolidated financial statements.

FULL WANG INTERNATIONAL DEVELOPMENT CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
YEARS ENDED DECEMBER 31, 2022 AND 2021
(Expressed in thousands of New Taiwan dollars)

	Items	Notes	Year ended December 31			
			2022		2021	
			AMOUNT	%	AMOUNT	%
4000	Sales revenue	6(17) and 7(2)	\$ 578,022	100	\$ 3,185,720	100
5000	Operating costs	6(5)	(423,833)	(73)	(2,484,992)	(78)
5900	Net operating margin		154,189	27	700,728	22
	Operating expenses	6(21)(22)				
6100	Selling expenses		(88,616)	(15)	(164,141)	(5)
6200	General and administrative expenses		(170,311)	(30)	(158,822)	(5)
6000	Total operating expenses		(258,927)	(45)	(322,963)	(10)
6900	Operating (loss) profit		(104,738)	(18)	377,765	12
	Non-operating income and expenses					
7100	Interest income		2,314	-	1,958	-
7010	Other income	6(18)	73,064	13	98,085	3
7020	Other gains and losses	6(19)	(905,722)	(157)	(332,616)	(10)
7050	Finance costs	6(20)	(36,516)	(6)	(47,383)	(2)
7000	Total non-operating income and expenses		(866,860)	(150)	(279,956)	(9)
7900	Profit (loss) before income tax		(971,598)	(168)	97,809	3
7950	Income tax expense	6(23)	(6,061)	(1)	(29,987)	(1)
8200	Profit (loss) for the year		<u>(\$ 977,659)</u>	<u>(169)</u>	<u>\$ 67,822</u>	<u>2</u>
	Other comprehensive income					
	Components of other comprehensive income that will be reclassified to profit or loss					
8361	Financial statements translation differences of foreign operations		\$ 308	-	(\$ 746)	-
8360	Components of other comprehensive income that will be reclassified to profit or loss		308	-	(746)	-
8300	Total other comprehensive income (loss) for the year		<u>\$ 308</u>	<u>-</u>	<u>(\$ 746)</u>	<u>-</u>
8500	Total comprehensive (loss) income for the year		<u>(\$ 977,351)</u>	<u>(169)</u>	<u>\$ 67,076</u>	<u>2</u>
	(Loss) profit, attributable to:					
8610	Owners of the parent		<u>(\$ 977,659)</u>	<u>(169)</u>	<u>\$ 67,822</u>	<u>2</u>
	Comprehensive (loss) income attributable to:					
8710	Owners of the parent		<u>(\$ 977,351)</u>	<u>(169)</u>	<u>\$ 67,076</u>	<u>2</u>
	Total basic (loss) earnings per share	6(24)				
9750	Total basic (loss) earnings per share		<u>(\$ 6.35)</u>		<u>\$ 0.44</u>	
	Diluted (loss) earnings per share	6(24)				
9850	Diluted (loss) earnings per share		<u>(\$ 6.35)</u>		<u>\$ 0.44</u>	

The accompanying notes are an integral part of these consolidated financial statements.

FULL WANG INTERNATIONAL DEVELOPMENT CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
YEARS ENDED DECEMBER 31, 2022 AND 2021
(Expressed in thousands of New Taiwan dollars)

	Notes	Equity attributable to owners of the parent					Exchange differences on translation of foreign financial statements	Total equity
		Share capital - common stock	Capital surplus, additional paid-in capital	Retained Earnings		Unappropriated retained earnings (accumulated deficit)		
			Legal reserve	Special reserve				
<u>Year ended December 31, 2021</u>								
Balance at January 1, 2021		\$ 1,540,163	\$ 92,566	\$ 124,756	\$ -	\$ 362,590	\$ -	\$ 2,120,075
Profit for the year		-	-	-	-	67,822	-	67,822
Other comprehensive loss for the year		-	-	-	-	-	(746)	(746)
Total comprehensive income (loss)		-	-	-	-	67,822	(746)	67,076
Appropriations and distribution of 2020 retained earnings	6(16)							
Legal reserve		-	-	36,259	-	(36,259)	-	-
Cash dividends		-	-	-	-	(308,033)	-	(308,033)
Balance at December 31, 2021		\$ 1,540,163	\$ 92,566	\$ 161,015	\$ -	\$ 86,120	(\$ 746)	\$ 1,879,118
<u>Year ended December 31, 2022</u>								
Balance at January 1, 2022		\$ 1,540,163	\$ 92,566	\$ 161,015	\$ -	\$ 86,120	(\$ 746)	\$ 1,879,118
Loss for the year		-	-	-	-	(977,659)	-	(977,659)
Other comprehensive income for the year		-	-	-	-	-	308	308
Total comprehensive income (loss)		-	-	-	-	(977,659)	308	(977,351)
Appropriations and distribution of 2021 retained earnings	6(16)							
Legal reserve		-	-	6,782	-	(6,782)	-	-
Special reserve		-	-	-	746	(746)	-	-
Cash dividends		-	-	-	-	(38,504)	-	(38,504)
Balance at December 31, 2022		\$ 1,540,163	\$ 92,566	\$ 167,797	\$ 746	(\$ 937,571)	(\$ 438)	\$ 863,263

The accompanying notes are an integral part of these consolidated financial statements.

FULL WANG INTERNATIONAL DEVELOPMENT CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2022 AND 2021
(Expressed in thousands of New Taiwan dollars)

	Notes	Year ended December 31	
		2022	2021
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>			
(Loss) profit before tax		(\$ 971,598)	\$ 97,809
Adjustments			
Adjustments to reconcile profit (loss)			
Depreciation expense - property, plant and equipment	6(7)(21)	12,175	12,501
Depreciation expense - right-of-use assets	6(8)(21)	11,247	8,622
Amortization expense	6(21)	655	596
Expected credit impairment gain	12(2)	-	447
Loss on financial assets at fair value through profit or loss	6(2)(19)	895,298	322,065
Interest expense	6(20)	36,516	47,383
Interest income		(2,314)	(1,958)
Dividend income	6(18)	(56,650)	(16,870)
Other income		-	(79,368)
Losses on disposals of property and equipment		50	-
Profit from lease modification	6(19)	(964)	-
Litigation loss	6(19)	5,977	8,635
Changes in operating assets and liabilities			
Changes in operating assets			
Notes receivable		5,824	3,379
Accounts receivable (including related parties)		788,173	(775,765)
Other receivables (including related parties)		(10,094)	(413)
Inventories		(1,647,018)	47,892
Other current assets		(76,844)	(248,658)
Changes in operating liabilities			
Current contract liabilities		69,432	705,688
Notes payable		(18,373)	40,482
Accounts payable		46,771	260,789
Other payables		(11,106)	(42,758)
Other current liabilities		(12,764)	(8,574)
Cash (outflow) inflow generated from operations		(935,607)	381,924
Interest received		2,314	1,958
Interest paid		(118,106)	(111,626)
Income taxes paid		(31,641)	(38,801)
Net cash flows (used in) from operating activities		(1,083,040)	233,455

(Continued)

FULL WANG INTERNATIONAL DEVELOPMENT CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2022 AND 2021
(Expressed in thousands of New Taiwan dollars)

	Notes	Year ended December 31	
		2022	2021
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>			
Acquisition of financial assets at fair value through profit or loss	6(25)	(\$ 9,384,464)	(\$ 46,092,115)
Proceeds from disposal of financial assets at fair value through profit or loss	6(25)	9,619,090	45,743,376
Capital reduction and refund from financial assets at fair value through profit or loss		4,617	-
Decrease (increase) in financial assets at amortised cost		333,359	(158,641)
Acquisition of property, plant and equipment	6(25)	(12,223)	(26,636)
Increase in refundable deposits		(9,669)	(54,069)
Decrease in refundable deposits		42,315	71,163
Acquisition of intangible assets		(477)	(578)
Decrease in prepayments for business facilities		-	2,857
Dividends received		56,650	16,870
Net cash flows from (used in) investing activities		649,198	(497,773)
<u>CASH FLOWS FROM FINANCING ACTIVITIES</u>			
Increase in short-term borrowings	6(26)	9,807,868	23,150,784
Decrease in short-term borrowings	6(26)	(9,803,449)	(22,712,497)
Increase in short-term notes and bills payable	6(26)	350,000	350,000
Decrease in short-term notes and bills payable	6(26)	(350,000)	(400,000)
Increase in guarantee deposits received	6(26)	867	212
Decrease in guarantee deposits received	6(26)	(591)	(575)
Repayment of principal portion of lease liabilities	6(26)	(7,912)	(6,536)
Cash dividends paid	6(16)(26)	(38,504)	(308,033)
Net cash flows (used in) from financing activities		(41,721)	73,355
Effect of change in foreign currency exchange		308	(746)
Net decrease in cash and cash equivalents		(475,255)	(191,709)
Cash and cash equivalents at beginning of year		673,067	864,776
Cash and cash equivalents at end of year		\$ 197,812	\$ 673,067

The accompanying notes are an integral part of these consolidated financial statements.

FULL WANG INTERNATIONAL DEVELOPMENT CO.,LTD. AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021

(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

1. History and Organisation

Full Wang International Development Co., Ltd. (the “Company”) was incorporated on April 23, 1997. The Company is primarily engaged in construction, development, sales, lease, agency and consignment of real estate. The Company’s stocks have been approved for public issuance by the Securities and Futures Commission, Ministry of Finance (currently named the Financial Supervisory Commission (FSC)) since July 26, 1997 and was listed on the Taipei Exchange starting from February 26, 2003.

2. The Date of Authorisation for Issuance of the Financial Statements and Procedures for Authorisation

These financial statements were authorised for issuance by the Board of Directors on February 23, 2023.

3. Application of New Standards, Amendments and Interpretations

(1) Effect of the adoption of new issuances of or amendments to International Financial Reporting Standards (“IFRS”) that came into effect as endorsed by the Financial Supervisory Commission (“FSC”)

New standards, interpretations and amendments that came into effect as endorsed by FSC and became effective from 2022 are as follows:

<u>New Standards, Interpretations and Amendments</u>	<u>Effective date by International Accounting Standards Board</u>
Amendments to IFRS 3, ‘Reference to the conceptual framework’	January 1, 2022
Amendments to IAS 16, ‘Property, plant and equipment:proceeds before intended use’	January 1, 2022
Amendments to IAS 37, ‘Onerous contracts—cost of fulfilling a contract’	January 1, 2022
Annual improvements to IFRS Standards 2018–2020	January 1, 2022

The above standards and interpretations have no significant impact to the Groups’s financial condition and financial performance based on the Group’s assessment.

(2) Effect of new issuances of or amendments to IFRSs that came into effect as endorsed by the FSC but not yet adopted by the Company

New standards, interpretations and amendments that came into effect as endorsed by the FSC effective from 2023 are as follows:

<u>New Standards, Interpretations and Amendments</u>	<u>Effective date by International Accounting Standards Board</u>
Amendments to IAS 1, 'Disclosure of accounting policies'	January 1, 2023
Amendments to IAS 8, 'Definition of accounting estimates'	January 1, 2023
Amendments to IAS 12, 'Deferred tax related to assets and liabilities arising from a single transaction'	January 1, 2023

The above standards and interpretations have no significant impact to the Group's financial condition and financial performance based on the Group's assessment.

(3) IFRSs issued by IASB but not yet endorsed by the FSC

New standards, interpretations and amendments issued by IASB but not yet included in the IFRSs as endorsed by the FSC are as follows:

<u>New Standards, Interpretations and Amendments</u>	<u>Effective date by International Accounting Standards Board</u>
Amendments to IFRS 10 and IAS 28, 'Sale or contribution of assets between an investor and its associate or joint venture'	To be determined by International Accounting Standards Board
Amendments to IFRS 16, 'Lease liability in a sale and leaseback'	January 1, 2024
IFRS 17, 'Insurance contracts'	January 1, 2023
Amendments to IFRS 17, 'Insurance contracts'	January 1, 2023
Amendment to IFRS 17, 'Initial application of IFRS 17 and IFRS 9 – comparative information'	January 1, 2023
Amendments to IAS 1, 'Classification of liabilities as current or non-current'	January 1, 2024
Amendments to IAS 1, 'Non-current liabilities with covenants'	January 1, 2024

The above standards and interpretations have no significant impact to the Group's financial condition and financial performance based on the Group's assessment.

4. Summary of Significant Accounting Policies

The principal accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the periods presented, unless otherwise stated.

(1) Compliance statement

The consolidated financial statements of the Group have been prepared in accordance with the "Regulations Governing the Preparation of Financial Reports by Securities Issuers", International

Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations that came into effect as endorsed by the FSC (collectively referred herein as the “IFRSs”).

(2) Basis of preparation

- A. Except for the financial assets at fair value through profit or loss, the consolidated financial statements have been prepared under the historical cost convention.
- B. The preparation of financial statements in conformity with IFRSs requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group’s accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in Note 5.

(3) Basis of consolidation

- A. Basis for preparation of consolidated financial statements:
 - (a) Subsidiaries are all entities (including structured entities) controlled by the Company. The Company controls an entity when the Company is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.
 - (b) Inter-company transactions, balances and unrealised gains or losses on transactions between companies within the Group are eliminated. Accounting policies of subsidiaries have been adjusted where necessary to ensure consistency with the policies adopted by the Group.
 - (c) Profit or loss and each component of other comprehensive income are attributed to the owners of the parent and to the non-controlling interests. Total comprehensive income is attributed to the owners of the parent and to the non-controlling interests even if this results in the noncontrolling interests having a deficit balance.

B. Subsidiaries included in the consolidated financial statements:

Name of investor	Name of subsidiary	Main business activities	Ownership(%)		Description
			December 31, 2022	December 31, 2021	
The Company	Sindar Technologies, Inc. (“Sindar”)	Merchant	100	100	
The Company	Full Wang Property Agency Co., Ltd (Full Wang Property Agency) BIFINITY	Trade, lease, agency and consignment of real estate	74	74	
The Company	BIOTECHNOLOGY CO., LTD.(BIFINITY) Baoxin Construction Co., Ltd.	Trade of cosmetic	100	100	Note 1
The Company	(Baoxin Company) Fuwong International Development Co., LTD (“FUWONG”)	Comprehensive construction	100	100	
The Company	Full Wang Real Estate Co., Ltd.(Full Wang Real Estate)	Trade of real estate	100	100	Note 2
The Company	Full Xin Global Real Estate Co., Ltd. (Full Xin)	Trade of real estate	100	100	Note 4
BIFINITY	Full Wang Property Agency Co., Ltd (Full Wang Property Agency) BIFINITY	Trade, lease, agency and consignment of real estate	26	26	
BIFINITY	BIOTECHNOLOGY CO., LTD.VN (BIFINITY VN)	Trade of cosmetic	-	100	Note 3

Note 1: On May 11, 2022, the Board of Directors of BIFINITY resolved on behalf of the shareholders to issue 2,000 thousand new shares and offsetting share proceeds with creditor’s rights amounting to \$20,000 thousand. The effective date of the capital increase was set on May 25, 2022, and the registration was completed on June 6, 2022.

Note 2: On April 20, 2018, the Board of Directors of the Group resolved to liquidate FUWONG, the liquidation is still in process.

Note 3: The Group liquidated BIFINITY (VN) on September 15, 2021, and the liquidation was completed in December 19, 2022.

Note 4: On May 11, 2022, the Board of Directors of FULL Xin resolved on behalf of the shareholders to increase its cash capital by issuing 3,000 thousand ordinary shares with a par value of \$10 (in dollars) per share totalling \$30,000 thousand, the relevant procedures are still in process.

C. Subsidiaries not included in the consolidated financial statements:

None.

- D. Adjustments for subsidiaries with different balance sheet dates:
None.
- E. Significant restrictions:
None.
- F. Subsidiaries that have non-controlling interests that are material to the Group:
None.

(4) Foreign currency translation

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The consolidated financial statements are presented in New Taiwan dollar, which is the Company's functional and the Group's presentation currency.

Foreign currency transactions and balances

- A. Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are remeasured. Foreign exchange gains and losses resulting from the settlement of such transactions are recognised in profit or loss in the period in which they arise.
- B. Monetary assets and liabilities denominated in foreign currencies at the period end are re-translated at the exchange rates prevailing at the balance sheet date. Exchange differences arising upon re-translation at the balance sheet date are recognised in profit or loss.
- C. Non-monetary assets and liabilities denominated in foreign currencies held at fair value through profit or loss are re-translated at the exchange rates prevailing at the balance sheet date; their translation differences are recognised in profit or loss. However, non-monetary assets and liabilities denominated in foreign currencies that are not measured at fair value are translated using the historical exchange rates at the dates of the initial transactions.
- D. All other foreign exchange gains and losses based on the nature of those transactions are presented in the statement of comprehensive income within 'other gains and losses'.

(5) Classification of current and non-current items

- A. Assets that meet one of the following criteria are classified as current assets:
 - (a) Assets arising from operating activities that are expected to be realised, or are intended to be sold or consumed within the normal operating cycle;
 - (b) Assets held mainly for trading purposes;
 - (c) Assets that are expected to be realised within twelve months from the balance sheet date;
 - (d) Cash and cash equivalents, excluding restricted cash and cash equivalents and those that are to be exchanged or used to settle liabilities more than twelve months after the balance sheet date.

Except for the assets related to construction and long-term construction contracts, assets that do not meet the above criteria are classified as non-current assets.

- B. Liabilities that meet one of the following criteria are classified as current liabilities:
- (a) Liabilities that are expected to be settled within the normal operating cycle;
 - (b) Liabilities arising mainly from trading activities;
 - (c) Liabilities that are to be settled within twelve months from the balance sheet date;
 - (d) Liabilities for which the repayment date cannot be extended unconditionally to more than twelve months after the balance sheet date. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

Except for the liabilities related to construction and long-term construction contracts, liabilities that do not meet the above criteria are classified as non-current liabilities.

- C. As the operating cycle for constructions and sales of buildings usually exceeds one year, the Company uses the operating cycle as its criteria for classifying current and non-current assets and liabilities related to construction contracts. For other assets and liabilities, the criterion is one year.

(6) Financial assets at fair value through profit or loss

- A. Financial assets at fair value through profit or loss are financial assets that are not measured at amortised cost or fair value through other comprehensive income.
- B. On a regular way purchase or sale basis, financial assets at fair value through profit or loss are recognised and derecognised using trade date accounting.
- C. At initial recognition, the Group measures the financial assets at fair value and recognises the transaction costs in profit or loss. The Group subsequently measures the financial assets at fair value, and recognises the gain or loss in profit or loss.
- D. The Group recognises the dividend income when the right to receive payment is established, future economic benefits associated with the dividend will flow to the Group and the amount of the dividend can be measured reliably.

(7) Financial assets at amortised cost

- A. Financial assets at amortised cost are those that meet all of the following criteria:
 - (a) The objective of the Group's business model is achieved by collecting contractual cash flows.
 - (b) The assets' contractual cash flows represent solely payments of principal and interest.
- B. On a regular way purchase or sale basis, financial assets at amortised cost are recognised and derecognised using trade date accounting.
- C. At initial recognition, the Group measures the financial assets at fair value plus transaction costs. Interest income from these financial assets is included in finance income using the effective interest method. A gain or loss is recognised in profit or loss when the asset is derecognised or impaired.
- D. The Group's time deposits which do not fall under cash equivalents are those with a short maturity period and are measured at initial investment amount as the effect of discounting is immaterial.

(8) Accounts and notes receivable

- A. Accounts and notes receivable entitle the Group a legal right to receive consideration in exchange for transferred goods or rendered services.
- B. The short-term accounts and notes receivable without bearing interest are subsequently measured at initial invoice amount as the effect of discounting is immaterial.

(9) Impairment of financial assets

For financial assets at amortised cost, at each reporting date, the Group recognises the impairment provision for 12 months expected credit losses if there has not been a significant increase in credit risk since initial recognition or recognises the impairment provision for the lifetime expected credit losses (ECLs) if such credit risk has increased since initial recognition after taking into consideration all reasonable and verifiable information that includes forecasts. On the other hand, for accounts receivable that do not contain a significant financing component, the Group recognises the impairment provision for lifetime ECLs.

(10) Derecognition of financial assets

The Group derecognises a financial asset when the contractual rights to receive the cash flows from the financial asset expire.

The Group derecognises a financial asset when one of the following conditions is met:

- A. The contractual rights to receive the cash flows from the financial asset expire.
- B. The contractual rights to receive cash flows of the financial asset have been transferred and the Group has transferred substantially all risks and rewards of ownership of the financial asset.
- C. The contractual rights to receive cash flows of the financial asset have been transferred; however, the Group has not retained control of the financial asset.

(11) Leasing arrangements (lessor) – operating leases

Lease income from an operating lease (net of any incentives given to the lessee) is recognised in profit or loss on a straight-line basis over the lease term.

(12) Inventories

- A. Inventories are stated at the lower of cost and net realizable value. Cost is determined using the weighted-average method. The item by item approach is used in applying the lower of cost and net realizable value. Net realizable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale.
- B. Inventories related to the construction industry include land held for sale, buildings held for sale, construction in progress and construction materials, etc., which are recorded at cost. Borrowing costs incurred during the construction period are capitalised. The cost is accumulated based on constructions and is determined based on floor space of a building. Also, inventories are assessed based on the lower of cost and net realizable value at the balance sheet date. Net realizable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale. The Group adopted specific

identification method to attribute costs to each construction project when comparing costs and net realizable value of inventories. The amount that the Group wrote down from cost to net realizable value was accounted for as cost of goods sold.

(13) Property, plant and equipment

- A. Property, plant and equipment are initially recorded at cost. Borrowing costs incurred during the construction period are capitalised.
- B. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to profit or loss during the financial period in which they are incurred.
- C. Land is not depreciated. Other property, plant and equipment apply cost model and are depreciated using the straight-line method to allocate their cost over their estimated useful lives. Each part of an item of property, plant, and equipment with a cost that is significant in relation to the total cost of the item must be depreciated separately.
- D. The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each financial year-end. If expectations for the assets' residual values and useful lives differ from previous estimates or the patterns of consumption of the assets' future economic benefits embodied in the assets have changed significantly, any change is accounted for as a change in estimate under IAS 8, 'Accounting Policies, Changes in Accounting Estimates and Errors', from the date of the change. The estimated useful lives of property, plant and equipment are as follows:

Leasehold improvements	1~2 year(s)
Other equipment	3~5 year(s)

(14) Leasing arrangements (lessee) — right-of-use assets/ lease liabilities

- A. Leases are recognised as a right-of-use asset and a corresponding lease liability at the date at which the leased asset is available for use by the Group. For short-term leases or leases of low-value assets, lease payments are recognised as an expense on a straight-line basis over the lease term.
- B. Lease liabilities include the net present value of the remaining lease payments at the commencement date, discounted using the incremental borrowing interest rate. Lease payments are comprised of the following:
 - (a) Fixed payments, less any lease incentives receivable; and
 - (b) Variable lease payments that depend on an index or a rate.

The Group subsequently measures the lease liability at amortised cost using the interest method and recognises interest expense over the lease term. The lease liability is remeasured and the amount of remeasurement is recognised as an adjustment to the right-of-use asset when there are changes in the lease term or lease payments and such changes do not arise from contract

modifications.

- C. At the commencement date, the right-of-use asset is stated at cost comprising the amount of the initial measurement of lease liability.

The right-of-use asset is measured subsequently using the cost model and is depreciated from the commencement date to the earlier of the end of the asset's useful life or the end of the lease term.

When the lease liability is remeasured, the amount of remeasurement is recognised as an adjustment to the right-of-use asset.

- D. For lease modifications that decrease the scope of the lease, the lessee shall decrease the carrying amount of the right-of-use asset and remeasure the lease liability to reflect the partial or full termination of the lease, and recognise the difference in profit or loss.

(15) Intangible assets

Computer software is stated at cost and amortised on a straight-line basis over its estimated useful life of 3 years.

(16) Impairment of non-financial assets

The Group assesses at each balance sheet date the recoverable amounts of those assets where there is an indication that they are impaired. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell or value in use. When the circumstances or reasons for recognising impairment loss for an asset in prior years no longer exist or diminish, the impairment loss is reversed. The increased carrying amount due to reversal should not be more than what the depreciated or amortised historical cost would have been if the impairment had not been recognised.

(17) Borrowings

Borrowings comprise long-term and short-term bank borrowings and other short-term loans. Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in profit or loss over the period of the borrowings using the effective interest method.

(18) Notes and accounts payable

A. Accounts payable are liabilities for purchases of raw materials, goods or services and notes payable are those resulting from operating and non-operating activities.

B. The short-term notes and accounts payable without bearing interest are subsequently measured at initial invoice amount as the effect of discounting is immaterial.

(19) Bonds payable

Ordinary corporate bonds issued by the Group are initially recognised at fair value less transaction costs. Any difference between the proceeds (net of transaction costs) and the redemption value is presented as an addition to or deduction from bonds payable, which is amortised to profit or loss over the period of bond circulation using the effective interest method as an adjustment to 'finance costs'.

(20) Derecognition of financial liabilities

A financial liability is derecognised when the obligation specified in the contract is either discharged or cancelled or expires.

(21) Employee benefits

A. Short-term employee benefits

Short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in respect of service rendered by employees in a period and should be recognised as expense in that period when the employees render service.

B. Pensions

For defined contribution plans, the contributions are recognised as pension expense when they are due on an accrual basis. Prepaid contributions are recognised as an asset to the extent of a cash refund or a reduction in the future payments.

C. Employees' compensation and directors' and supervisors' remuneration

Employees' compensation and directors' and supervisors' remuneration are recognised as expense and liability, provided that such recognition is required under legal or constructive obligation and those amounts can be reliably estimated. Any difference between the resolved amounts and the subsequently actual distributed amounts is accounted for as changes in estimates. If employee compensation is paid by shares, the Group calculates the number of shares based on the closing price at the previous day of the board meeting resolution.

(22) Income tax

A. The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or items recognised directly in equity, in which cases the tax is recognised in other comprehensive income or equity.

B. The current income tax expense is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the countries where the Company and its subsidiaries operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in accordance with applicable tax regulations. It establishes provisions where appropriate based on the amounts expected to be paid to the tax authorities. An additional tax is levied on the unappropriated retained earnings and is recorded as income tax expense in the year the stockholders resolve to retain the earnings.

C. Deferred tax is recognised, using the balance sheet liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated balance sheet. However, the deferred tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred tax is provided on temporary differences arising on investments in subsidiaries, except where the timing of the reversal of the temporary difference is controlled by the Group and it is probable

that the temporary difference will not reverse in the foreseeable future. Deferred tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled.

D. Deferred tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised. At each balance sheet date, unrecognised and recognised deferred tax assets are reassessed.

(23) Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or stock options are shown in equity as a deduction, net of tax, from the proceeds.

(24) Dividends

Cash dividends distributed to shareholders are recorded as liability in the financial statements when the Company's Board of Directors resolved to distribute dividends. Stock dividends distributed to shareholders are recorded as stock dividend to be distributed in the financial statements when the shareholders resolved to distribute dividends and transferred to ordinary shares at the effective date of new shares.

(25) Revenue recognition

A. Sales of real estate

(a) The Group is primarily engaged in building real estate through entrusting a construction company and sales of real estate. The revenue from sales of real estate is recognised when the control over the real estate is transferred to customers. The properties have generally no alternative use for the Group due to contractual restrictions. However, an enforceable right to payment does not arise until legal title has passed to the customer. Therefore, revenue is recognised at a point in time when the legal title has passed to the customer.

(b) Certain sales contract of pre-sale houses contains provision for advance sales receipts, wherein the period between advance collection and the transfer of control of goods is longer than one year. The Group assessed that there is no significant financial component in the individual contract, therefore the Company does not adjust the transaction price to reflect the time value of money.

B. Service revenue

Service revenue is derived from providing services based on commissioned sales contracts. Revenue is recognised when the provision of services is completed, and customer pays contract consideration when the provision of service is completed.

C. Sales of goods

(a) The Group sells cosmetics and skincare related products. Revenue from the sale of goods is recognised when the Group sells a product to the customer.

(b) Payment of the transaction price is due immediately when the customer purchases.

(c) A receivable is recognised when the goods are delivered as this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due.

D. Incremental costs of obtaining a contract

The Group recognises an asset (shown as 'other current assets') the incremental costs (mainly comprised of sales commissions) of obtaining a contract with a customer if the Group expects to recover those costs. The recognised asset is amortised on a systematic basis that is consistent with the transfers to the customer of the goods or services to which the asset relates. The Group recognises an impairment loss to the extent that the carrying amount of the asset exceeds the remaining amount of consideration that the Group expects to receive less the costs that have not been recognised as expenses.

(26) Operating segments

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The Group's chief operating decision-maker is responsible for allocating resources and assessing performance of the operating segments.

5. Critical Accounting Judgements, Estimates and Key Sources of Assumption Uncertainty

The preparation of these consolidated financial statements requires management to make critical judgements in applying the Group's accounting policies and make critical assumptions and estimates concerning future events. Assumptions and estimates may differ from the actual results and are continually evaluated and adjusted based on historical experience and other factors. Such assumptions and estimates have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year. There are no critical accounting judgements, estimates and assumption uncertainty.

(1) Critical judgements in applying the Company's accounting policies

None.

(2) Critical accounting estimates and assumptions

Evaluation of inventories

As inventories are stated at the lower of cost and net realizable value, the Group must determine the net realizable value of inventories on balance sheet date using judgements and estimates. Inventory valuation is primarily estimated based on the market price which may have significant changes due to the government's housing policy and the recent state of the economy on real estate.

As of December 31, 2022, the carrying amount of inventories was \$6,985,759 thousand.

6. Details of Significant Accounts

(1) Cash and cash equivalents

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Cash on hand and pretty cash	\$ 1,089	\$ 1,146
Checking accounts	3,142	2,141
Demand deposits	193,581	669,780
	<u>\$ 197,812</u>	<u>\$ 673,067</u>

- A. The Group transacts with a variety of financial institutions all with high credit quality to disperse credit risk, so it expects that the probability of counterparty default is remote.
- B. For the years ended December 31, 2022 and 2021, the Group's performance guarantee escrow account pertained to trust deposit of pre-sales new construction and time deposits with maturity date over 3 months amounting to \$103,069 thousand and \$437,802 thousand, respectively, which is listed as financial assets at amortised cost-current. Please refer to Notes 6(3) and 8 for details.
- C. For the years ended December 31, 2022 and 2021, certain demand deposits and time deposits were pledged to others as collateral for the Group's issuance of corporate bonds and short-term notes and bills payable amounting to \$980,953 thousand and \$979,579 thousand, respectively, which were listed as financial assets at amortised cost-non-current. Please refer to Notes 6(3) and 8 for details.

(2) Financial assets at fair value through profit or loss

<u>Items</u>	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Current items:		
Financial assets mandatorily measured at fair value through profit or loss		
Equity securities	\$ 543,784	\$ 1,504,183
Valuation adjustment	(22,533)	92,395
	<u>\$ 521,251</u>	<u>\$ 1,596,578</u>
Non-current items:		
Financial assets mandatorily measured at fair value through profit or loss		
Equity securities	<u>\$ 20</u>	<u>\$ 20</u>

- A. Amounts recognised in profit or loss in relation to financial assets at fair value through profit or loss are listed below:

	Year ended December 31	
	2022	2021
Financial assets mandatorily measured at fair value through profit or loss		
Equity instruments	(\$ 859,760)	(\$ 322,065)
Derivatives	(35,538)	-
	<u>(\$ 895,298)</u>	<u>(\$ 322,065)</u>

- B. Details of the Group's financial assets at fair value through profit or loss pledged to others as collateral are provided in Note 8.
- C. The fair value information and price risk pertaining to the financial assets at fair value through profit or loss are provided in Notes 12(2) and (3).

(3) Financial assets at amortised cost

Items	December 31, 2022	December 31, 2021
Current items:		
Performance guarantee escrow account	\$ 103,069	\$ 436,175
Time deposits with maturity date over 3 months	-	1,627
	<u>\$ 103,069</u>	<u>\$ 437,802</u>
Non-current items:		
Restricted demand deposits	\$ 977,653	\$ 976,279
Restricted time deposits	3,300	3,300
	<u>\$ 980,953</u>	<u>\$ 979,579</u>

- A. Amounts recognised in profit or loss in relation to financial assets at amortised cost are listed below:

	Year ended December 31	
	2022	2021
Interest income	<u>\$ 1,450</u>	<u>\$ 512</u>

- B. As at December 31, 2022 and 2021, without taking into account any collateral held or other credit enhancements, the maximum exposure to credit risk in respect of the amount that best represents the financial assets at amortised cost held by the Group was its carrying amount.
- C. Details of the Group's financial assets at amortised cost pledged to others as collateral are provided in Note 8.
- D. Information relating to credit risk of financial assets at amortised cost is provided in Note 12(2). The counterparties of the Group's investments in certificates of deposits are financial institutions with high credit quality, so the Group expects that the probability of counterparty default is remote.

(4) Accounts and notes receivable

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Notes receivable	\$ 1,486	\$ 7,310
Accounts receivable	44,557	832,730
Less: Allowance for uncollectible accounts	(699)	(699)
	<u>\$ 43,858</u>	<u>\$ 832,031</u>

A. The ageing analysis of accounts receivable and notes receivable that were past due but not impaired is as follows:

	<u>December 31, 2022</u>		<u>December 31, 2021</u>	
	Accounts receivable	Notes receivable	Accounts receivable	Notes receivable
Not past due	\$ 44,557	\$ 1,486	\$ 832,730	\$ 7,310
Up to 30 days	-	-	-	-
31 to 90 days	-	-	-	-
Over 91 days	-	-	-	-
	<u>\$ 44,557</u>	<u>\$ 1,486</u>	<u>\$ 832,730</u>	<u>\$ 7,310</u>

The above ageing analysis was based on past due date.

B. As of December 31, 2022 and 2021, accounts receivable and notes receivable were all from contracts with customers. And as of January 1, 2021, the balance of receivables from contracts with customers amounted to \$67,159 thousand.

C. As of December 31, 2022 and 2021, without taking into account any collateral held or other credit enhancements, the maximum exposure to credit risk in respect of the amount that best represents the Group's accounts receivable was its carrying amount.

D. Information relating to credit risk of accounts receivable is provided in Note 12(2).

(5) Inventories

	<u>December 31, 2022</u>		
	Cost	Allowance for valuation loss	Book value
Buildings and land held for sale	\$ 187,622	\$ -	\$ 187,622
Construction in progress	6,792,137	-	6,792,137
Merchandise inventory	6,000	-	6,000
	<u>\$ 6,985,759</u>	<u>\$ -</u>	<u>\$ 6,985,759</u>

	December 31, 2021		
	Cost	Allowance for valuation loss	Book value
Buildings and land held for sale	\$ 213,390	\$ -	\$ 213,390
Construction in progress	5,023,420	-	5,023,420
Prepayment for land	10,297	-	10,297
Merchandise inventory	11,159	-	11,159
	<u>\$ 5,258,266</u>	<u>\$ -</u>	<u>\$ 5,258,266</u>

A. The detail of inventories are listed below:

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
<u>Buildings and land held for sale</u>		
MinghSin Richman	\$ -	\$ 12,638
FULL WANG TAINAN SCIENCE AND TECHNOLOGY PARK (formerly named NO1 industrial town)	-	28,685
The Infinity	38,997	38,997
RIVER ONE	35,558	35,558
Pingzhen District, Taoyuan City (Shanziding section)	9,246	9,246
ZEN HOUSE	-	25,480
New Style	28,627	52,042
F House	64,450	-
Others	10,744	10,744
	<u>187,622</u>	<u>213,390</u>
<u>Construction in progress</u>		
My Style(formerly named sunshine town)	\$ 1,321,240	\$ 1,460,085
Wei Mei Chu(formerly Lantian W. section, Nanzi Dist., Kaohsiung City)	858,463	618,608
Yuan Zhong section, Nanzi Dist., Kaohsiung City	312,910	200,535
XIN HAI CHENG(formerly Luliao section, Shalu District)	582,393	327,579
Full of Happiness(formerly Qiaozhen section, Yunlin County)	200,365	98,432
Skyline W one(formerly Shangshi section)	1,059,454	847,273
GARDEN LANDMARK PLAZA YUNLIN(formerly Douliu Ming De section)	388,551	279,681
The melody of home(formerly Wenhui section, Miaoli County)	316,603	181,336
ELEGANT VILLAGE(formerly Qiaozhen section, Yunlin County 2)	278,125	209,702
Mayuantou section, West Dist.	636,970	414,383
Yunlinxi section, Douliu city	389,565	385,806
AIMEI(Jen Shing Section, Lukang Township)	447,498	-
	<u>6,792,137</u>	<u>5,023,420</u>
<u>Prepayment for land</u>		
Longjin section, Longjing Dist.	-	10,297
Others		
Merchandise inventory	6,000	11,159
	<u>\$ 6,985,759</u>	<u>\$ 5,258,266</u>

B. The cost of inventories recognised as expense for the year:

	Year ended December 31	
	2022	2021
Cost of goods sold	\$ 420,490	\$ 2,478,245
Cost of services	1,640	2,237
Others	1,703	4,510
	<u>\$ 423,833</u>	<u>\$ 2,484,992</u>

C. Information on capitalisation of interest is as follows:

	Year ended December 31	
	2022	2021
Interest capitalised	\$ 80,475	\$ 62,197
Interest capitalised ratio (%)	0.84%~2.62%	1.70%~2.05%

D. Information about the inventory that were pledged to others as collaterals is provided in Note 8.

E. Some of above inventories are involved in lawsuits related to performance disputes, refer to Note 9(1) F for details.

(6) Other current assets

	December 31, 2022	December 31, 2021
Assets recognised as incremental costs to obtain contracts with customers	\$ 406,759	\$ 322,545
Prepayments to suppliers	34,435	71,973
Prepaid expenses	21,520	30,588
Payment on behalf of others	35,664	28,344
Excess business tax paid	40,963	13,586
Others	9,023	4,484
	<u>\$ 548,364</u>	<u>\$ 471,520</u>

(7) Property, plant and equipment

	January 1, 2022	Additions	Disposals	December 31, 2022
Cost				
Leasehold improvements	\$ 12,793	\$ 1,585	\$ -	\$ 14,378
Other equipment	41,994	6,555	(725)	47,824
Unfinished construction	-	4,083	-	4,083
	<u>\$ 54,787</u>	<u>\$ 12,223</u>	<u>(\$ 725)</u>	<u>\$ 66,285</u>
Accumulated Depreciation				
Leasehold improvements	(\$ 6,504)	(\$ 4,834)	\$ -	(\$ 11,338)
Other equipment	(12,916)	(7,341)	675	(19,582)
	<u>(\$ 19,420)</u>	<u>(\$ 12,175)</u>	<u>\$ 675</u>	<u>(\$ 30,920)</u>
	<u>\$ 35,367</u>			<u>\$ 35,365</u>

	<u>January 1, 2021</u>	<u>Additions</u>	<u>Disposals</u>	<u>December 31, 2021</u>
Cost				
Leasehold improvements	\$ 19,177	\$ 5,384	(\$ 11,768)	\$ 12,793
Other equipment	52,582	21,252	(31,840)	41,994
	<u>\$ 71,759</u>	<u>\$ 26,636</u>	<u>(\$ 43,608)</u>	<u>\$ 54,787</u>
Accumulated Depreciation				
Leasehold improvements	(\$ 10,816)	(\$ 7,456)	\$ 11,768	(\$ 6,504)
Other equipment	(39,711)	(5,045)	31,840	(12,916)
	<u>(\$ 50,527)</u>	<u>(\$ 12,501)</u>	<u>\$ 43,608</u>	<u>(\$ 19,420)</u>
	<u>\$ 21,232</u>			<u>\$ 35,367</u>

(8) Lease arrangements – lessee

- A. The Group leases various assets including land and buildings. Rental contracts are typically made for periods of 20 and 5 years. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose covenants, but leased assets may not be used as security for borrowing purposes.
- B. Short-term leases with a lease term of 12 months or less comprise of advertising signboard and reception centre.
- C. The carrying amount of right-of-use assets and the depreciation charge are as follows:

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
	<u>Book value</u>	<u>Book value</u>
Land	\$ 158,971	\$ 177,453
Buildings	4,666	6,817
	<u>\$ 163,637</u>	<u>\$ 184,270</u>
	<u>Year ended December 31</u>	
	<u>2022</u>	<u>2021</u>
	<u>Depreciation charge</u>	<u>Depreciation charge</u>
Land	\$ 9,096	\$ 5,331
Buildings	2,151	3,291
	<u>\$ 11,247</u>	<u>\$ 8,622</u>

- D. The information on profit and loss accounts relating to lease contracts is as follows:

	<u>Year ended December 31</u>	
	<u>2022</u>	<u>2021</u>
<u>Items affecting profit or loss</u>		
Interest expense on lease liabilities	\$ 2,536	\$ 1,603
Expense on short-term lease contracts	5,061	11,436
Gain on sublease of right-of-use assets	347	686

- E. For the years ended December 31, 2022 and 2021, the additions to right-of-use assets were \$0 and \$188,347 thousand, respectively.

F. On June 9, 2021, the Company signed a land lease agreement for leasing land No.38 and No.39, Xingtaotie Section, in Taichung Railway Station area of high-speed rail amounting to \$182,784 thousand. The Company intends to operate small and medium business hotel and food and beverage stores on the aforementioned land, which is still in the construction stage as of December 31, 2022.

G. For the years ended December 31, 2022 and 2021, the Group's total cash outflow for leases were \$15,509 thousand and \$19,575 thousand, respectively.

H. Variable lease payments

(a) Some of the Group's lease contracts contain variable lease payment terms that are linked to the declaration of the land value. For the aforementioned leases, rents are calculated based on multiplying the land price announced by the Department of Land Administration by specific ratio.

(b) A 1% increase in the announced land values with such variable lease contracts would increase total lease payments by approximately \$84 thousand and \$45 thousand for the years ended December 31, 2022 and 2021, respectively.

(9) Short-term borrowings

<u>Type of borrowings</u>	<u>December 31, 2022</u>	<u>Interest rate range</u>	<u>Collateral</u>
Bank borrowings			
Secured borrowings	\$ 4,547,162	1.75%~2.98%	Inventories and financial assets at fair value through profit or loss
Unsecured borrowings	212,000	2.50%~4.30%	None
	<u>\$ 4,759,162</u>		
<u>Type of borrowings</u>	<u>December 31, 2021</u>	<u>Interest rate range</u>	<u>Collateral</u>
Bank borrowings			
Secured borrowings	\$ 4,387,743	1.70%~2.25%	Inventories and financial assets at fair value through profit or loss
Unsecured borrowings	367,000	2.00%~2.15%	None
	<u>\$ 4,754,743</u>		

A. Interest expense recognised in profit or loss amounted to \$14,434 thousand and \$27,368 for the years ended December 31, 2022 and 2021, respectively.

B. The above borrowings were intended for construction and fulfilling working capital uses. The borrowing period is from 2014 to 2027.

(10) Short-term notes and bills payable

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Commercial papers payable	\$ 350,000	\$ 350,000
Less: Discount on commercial papers payable	(1,263)	(482)
	<u>\$ 348,737</u>	<u>\$ 349,518</u>
Coupon rate	<u>1.19%</u>	<u>0.45%</u>

The above commercial papers payable were issued and guaranteed by Shanghai Commercial and Savings Bank.

(11) Other payables

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Interest payable	\$ 12,984	\$ 12,339
Litigation damages payable	11,557	-
Salary and bonus payable	7,468	13,054
Payables on investments	6,955	12,027
Accrued commission	1,929	3,682
Advertisement expense payable	1,429	2,839
Others	10,408	13,496
	<u>\$ 52,730</u>	<u>\$ 57,437</u>

(12) Bonds payable

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Bonds payable	\$ 1,700,000	\$ 1,700,000
Less: Discount on bonds payable	(520)	(1,084)
	1,699,480	1,698,916
Less: Current portion or exercise of put options	(699,875)	-
	<u>\$ 999,605</u>	<u>\$ 1,698,916</u>

The domestic secured ordinary corporate bonds issued by the Company are as follows:

A. The terms of the 2018 first secured ordinary corporate bonds issued by the Company are as follows:

The competent authority has approved the 2018 first secured ordinary corporate bonds issued by the Company. The bonds have a total issuance amount of \$300 million and a coupon rate of 1.02%, covering a 5-year period of issuance and a circulation period from December 21, 2018 to December 21, 2023. The Company will redeem the secured bonds at the face value and pay in full amount using cash at the maturity date. The secured ordinary corporate bonds were listed on the Taipei Exchange on December 21, 2018.

B. The terms of the 2019 first secured ordinary corporate bonds issued by the Company are as follows:

The competent authority has approved the 2019 first secured ordinary corporate bonds issued by the Company. The bonds have a total issuance amount of \$400 million and a coupon rate of 0.95%, covering a 5-year period of issuance and a circulation period from March 7, 2019 to

March 7, 2024. The Company will redeem the secured bonds at the face value and pay in full amount using cash at the maturity date. The secured ordinary corporate bonds were listed on the Taipei Exchange on March 7, 2019.

- C. The terms of the 2019 second secured ordinary corporate bonds issued by the Company are as follows:

The competent authority has approved the 2019 second secured ordinary corporate bonds issued by the Company. The bonds have a total issuance amount of \$300 million and a coupon rate of 0.88%, covering a 5-year period of issuance and a circulation period from May 9, 2019 to May 9, 2024. The Company will redeem the secured bonds at the face value and pay in full amount using cash at the maturity date. The secured ordinary corporate bonds were listed on the Taipei Exchange on May 9, 2019.

- D. The terms of the 2019 third secured ordinary corporate bonds issued by the Company are as follows:

The competent authority has approved the 2019 third secured ordinary corporate bonds issued by the Company. The bonds have a total issuance amount of \$300 million and a coupon rate of 1.05%, covering a 5-year period of issuance and a circulation period from July 11, 2019 to July 11, 2024. The Company will redeem the secured bonds at the face value and pay in full amount using cash at the maturity date. The secured ordinary corporate bonds were listed on the Taipei Exchange on July 11, 2019.

- E. The terms of the 2020 first secured ordinary corporate bonds issued by the Company are as follows:

The competent authority has approved the 2020 first secured ordinary corporate bonds issued by the Company. The bonds have a total issuance amount of \$400 million and a coupon rate of 0.74%, covering a 5-year period of issuance and a circulation period from April 15, 2020 to April 15, 2023. The Company will redeem the secured bonds at the face value and pay in full amount using cash at the maturity date. The secured ordinary corporate bonds were listed on the Taipei Exchange on April 15, 2020.

(13) Pensions

- A. Effective July 1, 2005, the Group has established a defined contribution pension plan (the “New Plan”) under the Labor Pension Act (the “Act”), covering all regular employees with R.O.C. nationality. Under the New Plan, the Group contribute monthly an amount based on 6% of the employees’ monthly salaries and wages to the employees’ individual pension accounts at the Bureau of Labor Insurance. The benefits accrued are paid monthly or in lump sum upon termination of employment.
- B. The pension costs under defined contribution pension plans of the Group for the years ended December 31, 2022 and 2021, were \$3,123 thousand and \$3,157 thousand, respectively.

(14) Share capital

As of December 31, 2022, the Company's authorized capital was \$3.5 billion, and the paid-in capital was \$1,540,163 thousand with a par value of \$10 (in dollars) per share. All proceeds from shares issued have been collected.

Certain authorized capital was reserved for issuing stock option certificates, bonds with warrant and preference shares with warrant amounting to 20 million shares which can be issued several times as approved by the Board of Directors.

(15) Capital surplus

Pursuant to the R.O.C. Company Act, capital surplus arising from paid-in capital in excess of par value on issuance of common stocks and donations can be used to cover accumulated deficit or to issue new stocks or cash to shareholders in proportion to their share ownership, provided that the Company has no accumulated deficit. Further, the R.O.C. Securities and Exchange Act requires that the amount of capital surplus to be capitalised mentioned above should not exceed 10% of the paid-in capital each year. However, capital surplus should not be used to cover accumulated deficit unless the legal reserve is insufficient.

(16) Retained earnings

- A. According to the earnings distribution policy specified in the Company's Articles of Incorporation, the Company's earnings or deficits shall be distributed or offset at the end of every quarter. The Board of Directors is authorised to distribute cash dividends and bonus by a special resolution. Dividends distributed by cash should meet the regulation on capital surplus or legal reserve stipulated in the Company Act which shall be reported to the latest shareholders' meeting.
- B. The Company's dividend policy is summarised below: the Company adopts a balanced dividend policy taking into consideration long-term finance plan and maximum interests for shareholders. The Company considers the future capital expenditure budget and capital needs to appropriate dividends and bonus no lower than 10% of distributable earnings to shareholders. Shareholders' dividends and bonus can be distributed in the form of cash or shares, of which cash dividends shall not be lower than 10% of total dividends.
- C. Legal reserve shall be appropriated until it equals the total capital stock balance. Legal reserve can be used to offset deficits. However, if the Company has no deficit, the amount that the legal reserve exceeds 25% of total paid-in capital can be transferred to share capital or distributed as cash dividends.
- D. In accordance with the regulations, the Company shall set aside special reserve from the debit balance on other equity items at the balance sheet date before distributing earnings. When debit balance on other equity items is reversed subsequently, the reversed amount could be included in the distributable earnings.

E. The appropriations of earnings of years 2021 and 2020 as resolved by the shareholders at their meetings on June 16, 2022 and May 10, 2021, respectively, are as follows:

	Year ended December 31			
	2022		2021	
	Amount	Dividends per share (in dollars)	Amount	Dividends per share (in dollars)
Legal reserve	\$ 6,782		\$ 36,259	
Special reserve	746		-	
Cash dividends	38,504	\$ 0.25	308,033	\$ 2.00
	<u>\$ 46,032</u>		<u>\$ 344,292</u>	

F. On February 23, 2023, the Board of Directors of the Company resolved not to appropriate the earnings as the Company had accumulated deficits in 2022.

G. For the information relating to employees' compensation and directors' and supervisors' remuneration, please refer to Note 6(22).

(17) Operating revenue

	Year ended December 31	
	2022	2021
Revenue from contracts customers	\$ 575,412	\$ 3,183,707
Others-rental revenue	2,610	2,013
	<u>\$ 578,022</u>	<u>\$ 3,185,720</u>

A. Disaggregation of revenue from contracts with customers

The Group derives revenue from the transfer of goods at a point in time, and revenue all arises from Taiwan. Details of revenue are as follows:

Year ended December 31, 2022	Building and	Service	Cosmetic sales	Total
	land sales	revenue	revenue	
Total segment revenue	<u>\$ 573,028</u>	<u>\$ 1,372</u>	<u>\$ 1,012</u>	<u>\$ 575,412</u>
Timing of revenue recognition				
At a point in time	<u>\$ 573,028</u>	<u>\$ 1,372</u>	<u>\$ 1,012</u>	<u>\$ 575,412</u>
Year ended December 31, 2021	Building and	Service	Cosmetic sales	Total
	land sales	revenue	revenue	
Total segment revenue	<u>\$ 3,155,614</u>	<u>\$ 19,086</u>	<u>\$ 9,007</u>	<u>\$ 3,183,707</u>
Timing of revenue recognition				
At a point in time	<u>\$ 3,155,614</u>	<u>\$ 19,086</u>	<u>\$ 9,007</u>	<u>\$ 3,183,707</u>

B. As of December 31, 2022 and 2021, the allocation of transaction prices and expected year of revenue recognition for the building and land sales contract that the Company entered into but not yet fulfilled performance obligation are summarised as follows:

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Contracts signed	\$ 8,681,698	\$ 7,337,040
Expected year of revenue recognition	2023~2025	2022~2025

C. Contract liabilities

The Group has recognised the following revenue-related contract liabilities

	<u>December 31, 2022</u>	<u>December 31, 2021</u>	<u>January 1, 2021</u>
Contract liabilities	\$ 1,233,459	\$ 1,164,027	\$ 458,339

Revenue recognised that was included in the contract liability balance at the beginning of the period

	<u>Year ended December 31</u>	
	<u>2022</u>	<u>2021</u>
Revenue recognised that was included in the contract liability balance at the beginning of the period	\$ 102,352	\$ 181,504

(18) Other income

	<u>Year ended December 31</u>	
	<u>2022</u>	<u>2021</u>
Dividend income	\$ 56,650	\$ 16,870
Indemnity revenue	12,500	-
Other income, others (Note)	3,914	81,215
	<u>\$ 73,064</u>	<u>\$ 98,085</u>

Note: The balance of 'other income, others' from 2021 was mainly the payables which had exceeded the period of statutory claim stipulated in the Civil Code, and therefore transferred to other income.

(19) Other gains and losses

	<u>Year ended December 31</u>	
	<u>2022</u>	<u>2021</u>
Losses on disposals of property, plant and equipment	(\$ 50)	\$ -
Gains arising from lease modifications	964	-
Foreign exchange gains (losses)	429	(784)
Losses on financial assets at fair value through profit or loss	(895,298)	(322,065)
Losses on disposals of investments	(23)	-
Litigation loss	(5,977)	(8,635)
Other losses	(5,767)	(1,132)
	<u>(\$ 905,722)</u>	<u>(\$ 332,616)</u>

(20) Finance costs

	Year ended December 31	
	2022	2021
Interest expense		
Bank borrowings	\$ 94,909	\$ 89,565
Bonds payable	16,173	16,167
Short-term notes and bills payable	3,373	2,245
Lease liability	2,536	1,603
Less: Capitalisation of qualifying assets	(80,475)	(62,197)
	<u>\$ 36,516</u>	<u>\$ 47,383</u>

(21) Expenses by nature

	Year ended December 31	
	2022	2021
Employee benefit expense	\$ 75,471	\$ 83,678
Depreciation-properties	12,175	12,501
Depreciation-right-of-use assets	11,247	8,622
Amortisation charge	655	596
	<u>\$ 99,548</u>	<u>\$ 105,397</u>

(22) Employee benefit expense

	Year ended December 31	
	2022	2021
Wages and salaries	\$ 61,124	\$ 67,522
Labour and health insurance fees	6,269	6,457
Pension costs	3,123	3,157
Directors' remuneration	1,685	1,955
Other personnel expenses	3,270	4,587
	<u>\$ 75,471</u>	<u>\$ 83,678</u>

A. In accordance with to the Articles of Incorporation of the Company, a ratio of distributable profit of the current year, after covering accumulated losses, shall be distributed as employees' compensation and directors' and supervisors' remuneration. The ratio shall not be lower than 3% for employees' compensation and shall not be higher than 3% for directors' and supervisors' remuneration.

B. Employees' compensation and directors' and supervisors' remuneration are accrued as follows:

	Year ended December 31	
	2022	2021
Employees' compensation	\$ -	\$ 2,686
Directors' and supervisors' remuneration	-	345
	<u>\$ -</u>	<u>\$ 3,031</u>

The aforementioned amounts were recognised in salary expenses and were accrued based on the current profit. Since there are losses in 2022, no estimates were made for the remuneration to

employees and directors and supervisors. For the year ended December 31, 2021, employees' compensation was accrued at 3.04%; directors' and supervisors' remuneration was accrued at 0.39%.

- C. Employees' compensation and directors' and supervisors' remuneration of 2021 as resolved by the Board of Directors were in agreement with those amounts recognized in the 2021 financial statements.

Information about employees' compensation and directors' and supervisors' remuneration of the Company as resolved by the Board of Directors will be posted in the "Market Observation Post System" at the website of the Taiwan Stock Exchange.

(23) Income tax

A. Income tax expense

	Year ended December 31	
	2022	2021
Current tax:		
Current tax on profits for the year	\$ -	\$ 16,285
Incremental tax on land value	5,921	17,289
Tax on undistributed earnings	-	915
Prior year income tax underestimation	2,189	8,527
Total current tax	<u>8,110</u>	<u>43,016</u>
Deferred tax:		
Origination and reversal of temporary differences	(2,049)	(13,029)
Total deferred tax	(2,049)	(13,029)
Income tax expense	<u>\$ 6,061</u>	<u>\$ 29,987</u>

B. Reconciliation between income tax expense and accounting profit

	Year ended December 31	
	2022	2021
Tax calculated based on (loss) profit before tax and statutory tax rate	(\$ 201,561)	\$ 33,704
Expenses disallowed by tax regulation	193,998	98,424
Tax exempt income by tax regulation	(13,114)	(97,428)
Income that should be added based on tax regulations	16,224	-
Tax losses not recognized in deferred income tax assets	4,258	2,337
Changes in estimation of deferred income tax assets	(1,854)	(33,781)
Prior year income tax underestimation	2,189	8,527
Incremental tax on land value	5,921	17,289
Tax on undistributed surplus earnings	-	915
Income tax expense	<u>\$ 6,061</u>	<u>\$ 29,987</u>

C. Amounts of deferred tax assets or liabilities as a result of temporary differences and tax losses are as follows:

	2022		
	January 1	Recognised in profit or loss	December 31
Deferred tax assets:			
Temporary differences:			
Loss on investments accounted for using equity method	\$ 5,030	\$ 22	\$ 5,052
Accrued litigation loss	2,707	(1,652)	1,055
Unrealized expenses	20,368	1,001	21,369
Deferred interest expense which the land purchased after 2016	-	2,004	2,004
Allowance for bad debts	-	391	391
Unrealized gross profit from sales	-	283	283
Total	\$ 28,105	\$ 2,049	\$ 30,154

	2021		
	January 1	Recognised in profit or loss	December 31
Deferred tax assets:			
Temporary differences:			
Loss on investments accounted for using equity method	\$ 14,096	(\$ 9,066)	\$ 5,030
Accrued litigation loss	980	1,727	2,707
Unrealized expenses	-	20,368	20,368
Total	\$ 15,076	\$ 13,029	\$ 28,105

D. Expiration dates of unused tax losses and amounts of unrecognised deferred tax assets are as follows:

(1) The Company

December 31, 2022				
Year incurred	Amount filed/ assessed	Unused amount	Unrecognised deferred tax assets	Expiry year
2015	Assessed	\$ 3,685	\$ 3,685	2025
2022	Estimated amount filed	18,197	18,197	2032

(2) BIFINITY

December 31, 2022

Year incurred	Amount filed/ assessed	Unused amount	Unrecognised deferred		Expiry year
			tax assets		
2012	Assessed	\$ 776	\$ 776		2022
2017	Assessed	9,452	9,452		2027
2018	Assessed	6,490	6,490		2028
2019	Assessed	7,028	7,028		2029
2020	Assessed	8,660	8,660		2030
2021	Amount filed	11,334	11,334		2031
2022	Estimated amount filed	2,806	2,806		2032

December 31, 2021

Year incurred	Amount filed/ assessed	Unused amount	Unrecognised deferred		Expiry year
			tax assets		
2012	Assessed	\$ 776	\$ 776		2022
2017	Assessed	9,452	9,452		2027
2018	Assessed	6,490	6,490		2028
2019	Assessed	7,028	7,028		2029
2020	Amount filed	8,660	8,660		2030
2021	Estimated amount filed	11,334	11,334		2031

E. The amounts of deductible temporary difference that are not recognised as deferred tax assets are as follows:

	December 31, 2022	December 31, 2021
Deductible temporary differences	\$ 4,600	\$ 4,600

F. The Company's income tax returns through 2019 have been assessed and approved by the Tax Authority. Its domestic subsidiaries'(Baoxin Company, BIFINITY, Full Wang Real Estate, Full Xin Global Real Estate and Full Wang Property Agency) income tax returns through 2020 have been assessed and approved by the Tax Authority.

(24) Earnings (loss) per share

	Year ended December 31, 2022		
	Amount after tax	Weighted average number of ordinary shares outstanding (share in thousands)	Loss per share (in dollars)
<u>Basic loss per share</u>			
Loss attributable to ordinary shareholders	(\$ 977,659)	154,016	(\$ 6.35)

	Year ended December 31, 2021		
	Amount after tax	Weighted average number of ordinary shares outstanding (share in thousands)	Earnings per share (in dollars)
<u>Basic earnings per share</u>			
Profit attributable to ordinary shareholders	\$ 67,822	154,016	\$ 0.44
<u>Diluted earnings per share</u>			
Profit attributable to ordinary shareholders	\$ 67,822	154,016	
Assumed conversion of all dilutive potential ordinary shares			
Employees' compensation	-	235	
Profit attributable to ordinary shareholders plus assumed conversion of all dilutive potential ordinary shares	\$ 67,822	154,251	\$ 0.44

- A. The potential ordinary shares have anti-dilutive effect due to the Group having net loss for the year ended December 31, 2022, so only the calculation of basic loss per share is shown.
- B. The number of weighted-average outstanding shares for the year ended December 31, 2021, is included for assumed conversion of all dilutive potential ordinary shares at the calculation of diluted earnings per share, based on the assumption that employees' compensation will be distributed in the form of shares in the current year.

(25) Supplemental cash flow information

- A. Purchase of property, plant and equipment

	Year ended December 31	
	2022	2021
Purchase of property, plant and equipment	\$ 12,223	\$ 26,636

- B. Acquisition of financial assets at fair value through profit or loss

	Year ended December 31	
	2022	2021
Acquisition of financial assets at fair value through profit or loss	\$ 9,379,392	\$ 45,840,317
Add: Payables at the beginning of the period	12,027	263,825
Less: Payables at the end of the period	(6,955)	(12,027)
	\$ 9,384,464	\$ 46,092,115

C. Proceeds from disposal of financial assets at fair value through profit or loss

	Year ended December 31	
	2022	2021
Proceeds from disposal of financial assets at fair value through profit or loss	\$ 10,335,174	\$ 45,784,218
Less: Loss on disposal	(780,370)	(472,744)
Add: Receivables at the beginning of the period	73,934	505,836
Less: Receivables at the end of the period	(9,648)	(73,934)
	<u>\$ 9,619,090</u>	<u>\$ 45,743,376</u>

(26) Changes in liabilities from financing activities

	January 1, 2022	Changes in				December 31, 2022
		cash flow from financing activities	Changes in non-cash items- increase	Changes in non-cash items- decrease	Changes in other non-cash items	
Short-term borrowings	\$ 4,754,743	\$ 4,419	\$ -	\$ -	\$ -	\$ 4,759,162
Short-term notes and bills payable	349,518	-	-	-	(781)	348,737
Lease liability	186,413	(7,912)	-	(10,350)	-	168,151
Bonds payable	1,698,916	-	-	-	564	1,699,480
Guarantee deposits received	520	276	-	-	-	796
Dividends payable, non-cash assets distributions	-	(38,504)	38,504	-	-	-
	<u>\$ 6,990,110</u>	<u>(\$ 41,721)</u>	<u>\$ 38,504</u>	<u>(\$ 10,350)</u>	<u>(\$ 217)</u>	<u>\$ 6,976,326</u>

	January 1, 2021	Changes in				December 31, 2021
		cash flow from financing activities	Changes in non-cash items- increase	Changes in non-cash items- decrease	Changes in other non-cash items	
Short-term borrowings	\$ 4,367,526	\$ 438,287	\$ -	(\$ 51,070)	\$ -	\$ 4,754,743
Short-term notes and bills payable	398,844	(50,000)	-	-	674	349,518
Lease liability	4,602	(6,536)	188,347	-	-	186,413
Bonds payable	1,698,352	-	-	-	564	1,698,916
Guarantee deposits received	883	(363)	-	-	-	520
Dividends payable, non-cash assets distributions	-	(308,033)	308,033	-	-	-
	<u>\$ 6,470,207</u>	<u>\$ 73,355</u>	<u>\$ 496,380</u>	<u>(\$ 51,070)</u>	<u>\$ 1,238</u>	<u>\$ 6,990,110</u>

7. Related Party Transactions

(1) Names of related parties and relationship

<u>Names of related parties</u>	<u>Relationship with the Company</u>
Chang Yun CONSTRUCTION DEVELOPMENT CO.,LTD.(Chang Yun Company)	A major shareholder of the Company
Tian Wei Asset Management Corporation CO.,LTD.(Tian Wei Company)	A major shareholder of the Company
Hung Chien CONSTRUCTION CO.,LTD. (Hung Chien Company)	The Company's chairman and the chairman of the company are within second degree of kinship
Tsung Yi Lin	Director
Yu Jen Lin	Representative of the Company's corporate director
HSIU-HUA HUANG	Key management personnel
YU-CHEN LIN	Key management personnel
Spouses of key management	Other related party

(2) Significant related party transactions

A. Operating revenue

	<u>Year ended December 31</u>	
	<u>2022</u>	<u>2021</u>
Sales of real estate		
Hung Chien Company	\$ -	\$ 963,928
Chang Yun Company	-	14,319
Service revenue		
Hung Chien Company	1,372	6,229
Chang Yun Company	-	12,857
	<u>\$ 1,372</u>	<u>\$ 997,333</u>

(a) On May 18, 2021, the Board of Directors resolved to sell real estate to Hung Chien Company, the transaction price was made based on the valuation report and general market price, and the collection terms were based on the progress of contracts. There was no significant difference with non-related parties.

(b) Service revenue is a consignment revenue that the Company received from related parties based on the contract, and the transaction price and collection terms have no significant difference with non-related parties.

B. Lease transactions—lessee

(a) The Group leases buildings from Tian Wei Company. The lease term was 5 years and rent was paid at the end of every year. Rent was made based on the general market price, there was no significant difference with non-related parties.

(b) Acquisition of use-of-right assets

	Year ended December 31	
	2022	2021
Tian Wei Company	\$ -	\$ 5,563

(c) Lease liability

i. Outstanding balance		
	December 31, 2022	December 31, 2021
Tian Wei Company	\$ 3,374	\$ 4,474
ii. Interest expense		

	Year ended December 31	
	2022	2021
Tian Wei Company	\$ 43	\$ 55

C. Deferred sales commissions (shown as other current assets)

	December 31, 2022	December 31, 2021
Chang Yun Company	\$ 497	\$ 497

It was the commission charged by Chang Yun Company for selling the construction of the Group as an agency. Since the construction had not been completed, the recognition of the commission was deferred.

D. Guarantee deposits paid (shown as other non-current assets)

	December 31, 2022	December 31, 2021
Hung Chien Company	\$ -	\$ 30,148
Tian Wei Company	140	-
	\$ 140	\$ 30,148

Guarantee deposits paid was the guarantee provided for the joint-construction and partitioning sales of the Company and Hung Chien Company and leasing offices from Tian Wei Company.

E. Contract liabilities

	December 31, 2022	December 31, 2021
Other related parties	\$ 11,327	\$ 13,522

A building and land payment received from related parties as the Group sold construction projects to related parties.

(3) Key management compensation

	Year ended December 31	
	2022	2021
Short-term employee benefits	\$ 12,099	\$ 21,015
Post-employment benefits	612	527
	\$ 12,711	\$ 21,542

Remuneration of directors and other key managements are determined by the Remuneration Committee based on the personal performance and market trend.

8. Pledged Assets

The Group's assets pledged as collateral are as follows:

Pledged asset	Book value		Purpose
	December 31, 2022	December 31, 2021	
Inventories	\$ 6,979,522	\$ 5,250,794	Short-term borrowings
Financial assets at fair value through profit or loss	489,836	1,291,018	Short-term borrowings
Financial assets at amortised cost— current	103,069	436,175	Trust deposit of pre-sales construction
Non-current financial assets at amortised cost	980,953	979,579	Bonds payable and short-term notes and bills payable
	<u>\$ 8,553,380</u>	<u>\$ 7,957,566</u>	

9. Significant Contingent Liabilities and Unrecognised Contract Commitments

(1) Contingencies

A. HSING YA CONSTRUCTION ENGINEERING CO., LTD. (“HSING YA Company”) undertook the Company’s ‘New construction of 96 households congregate housing in Songguan Sec., Beitun Dist., Taichung City’ on January 27, 2015 and undertook the Company’s ‘New construction of congregate housing flats with 11 floors in Tuku Sec., West Dist., Taichung City’ on July 4, 2014. HSING YA Company requested the Company to pay construction payment amounting to \$69,177 thousand and pay the interest, and requested to confirm that the warranty period of the above two constructions were calculated from December 28, 2017 and April 5, 2017, respectively. HSING YA Company also requested the Company to return the performance promissory note of HSING YA Company. The Company has recognised the above construction payment during the construction period, and listed as accounts payable.

On March 17, 2022, a lawsuit was ruled in favour of the Company, and the delayed fine was used to fully offset the requested construction payment. The above two construction warranty periods were calculated from December 15, 2018 and August 15, 2018, respectively, and the rest of HSING YA Company’s request was denied.

The Company and HSING YA Company both disagreed with the verdict and filed an appeal to the High Court. As of February 23, 2023, the case is awaiting the judgement of the High Court.

B. In 2013, Liyuan Construction Co., Ltd. (“Liyuan Company”) contracted the Company’s new construction of houses, and the total consideration for the construction amounted to \$255,678 thousand. The construction period is within 499 calendar day starting from the commencement date. Liyuan Company filed for the construction payment amounting to \$255,678 thousand from 2013 to 2014, and the Company had unpaid payments of \$43,558 thousand. However, Liyuan Company did not complete the construction during the construction period, and the Company claimed for default fine amounting to \$59,835 thousand. Under the judgement of first instance dated July 21, 2017, limit on the default fine for the overdue completion should be 15% of total

construction consideration based on the construction contract, equivalent to \$38,352 thousand which could be offset with the construction payment filed by Liyuan Company, the Company should pay \$ 5,206 thousand to Liyuan Company, and pay statutory interest at 5% annual interest rate from May 17, 2016 to the settlement date to Liyuan Company.

Liyuan Company disagreed with the verdict and filed an appeal. In order to request the dismissal of the appeal, the Company did not file an appeal for the losing part in the first appeal.

On September 26, 2022, the High Court advised a settlement. On November 9, 2022, the mediation between the Company and Liyuan Company failed to reach an agreement. As of February 23, 2023, the case is under the judgement of the High Court.

In addition, the Company had accrued the aforementioned construction payment amounting to \$43,558 thousand (shown as accounts payable) when the construction was in progress, and the Company deposited \$5,206 thousand according to the aforementioned judgement on August 3, 2017 (shown as other non-current assets).

- C. Li Rung Construction Co., Ltd. (“Li Rung Company”) contracted the Company’s congregate housing construction in 2014, and the total consideration for the construction amounted to \$130,541 thousand. The construction period is within 360 calendar day starting from the commencement date. Li Rung Company filed for the construction payment amounted to \$130,541 thousand for the period from September 2014 to March 2017, the Company had paid \$107,892 thousand for the construction payment, and there was \$22,649 thousand unpaid. However, Li Rung Company did not complete the construction with the construction period, the Company could offset the construction payment in the amount of \$25,153 thousand which had exceeded the payment requested by Li Rung Company, therefore, the lawsuit filed by Li Rung Company was dismissed in accordance with the judgement of first instance.

Li Rung Company disagreed with the verdict and filed an appeal. In accordance with the judgement of second instance dated May 5, 2021, the Company could offset the construction payment in the amount of \$12,342 thousand, the Company should pay \$10,306 thousand, and pay statutory interest at 5% annual interest rate from April 15, 2017 to the settlement date to Li Rung Company.

Since the Company disagreed with the verdict of the second instance and filed an appeal to the Supreme Court, the Supreme Court remanded the second instance on February 25, 2022. On August 12, 2022, the High Court advised a settlement. On September 21, 2022, the first mediation between the Company and Li Rung Company failed to reach an agreement. As of February 23, 2023, the case is still under the mediation.

In addition, the Company had accrued the aforementioned construction payment amounting to \$10,306 thousand (shown as accounts payable) when the construction was in progress, and the Company deposited \$10,306 thousand according to the aforementioned judgement on May 5, 2021 (shown as other non-current assets).

D. The engineering contractor filed three civil lawsuits against Baoxin Company to request the payment of construction expenses in the total amount of NT\$11,671 thousand. As of February 23, 2023, the case is under trial with the District Court.

The Company had accrued the aforementioned construction payment amounting to \$4,827 thousand (shown as accounts payable).

E. The customer filed a civil lawsuit against the Company with two cases requesting the sale proceeds to be refunded and for loss compensation in the total amount of \$8,459 thousand. As of February 23, 2023, the case is under trial with the District Court.

F. On June 19, 2021, the Company purchased land located in Yunlinxi Section, Douliu City, Yunlin County from Mr. LIN, FU-YONG, Mrs. LIN, LAN-GUI, Mr. LIN, HONG-JUN and Jiou Yi Investment Co., LTD (the “buyer”) for a total consideration of \$361,192 thousand. The Company had paid \$361,192 thousand for the land (shown as inventories). However, the land had performance disputes. In addition, the Company claimed for punitive-damage of \$361,192 thousand and damage compensation of \$1,556 thousand and its interest against the buyer.

During the litigation, the seller filed a counter-claim in the same litigation, requesting the Company to allow the seller to receive the land sale proceeds amounting to \$361,192 thousand in the trust property account, and pay the punitive damages amounting to \$361,192 thousand to the seller. As of February 23, 2023, the case is awaiting the judgement of the District Court.

G. On August 13, 2020, the Company purchased land located in Longjing District, Taichung City from Worship guilds JI, CHANG-XING (“Worship guilds”) for a total consideration of \$98,900 thousand. The Company had paid \$29,670 thousand for the land, however, Worship guilds did not demolish above-ground buildings and other specified items as stipulated in the contracts. As a result, the Company filed a lawsuit for contract performance in order to secure the Company’s right. The Company reached a settlement with Worship guilds on September 17, 2021 and recovered the consideration amounting to \$19,373 thousand, and the remaining consideration amounting to \$10,297 thousand (shown as Other receivables) was the paid land value increment tax which is pending for implementing return procedures based on the agreement of settlement. As of February 23, 2023, the remaining consideration had not been received.

(2) Commitments

A. As of December 31, 2022 and 2021, the Group’s contracted construction contracts amounted to \$1,225,221 thousand and \$865,486 thousand, and unaccrued amounts were \$782,300 thousand and \$766,075 thousand, respectively.

B. As of December 31, 2022, the Group’s construction in progress and the deed of trust signed with the entrusted financial institutions were both commissioned to Taichung Commercial Bank Co., Ltd. for implementing transfer registrations for consideration or real estate development trust.

10. Significant Disaster Loss

None.

11. Significant Events after the Balance Sheet Date

To improve the Company's financial structure, on February 23, 2023, the Board of Directors resolved to reduce its capital by retiring accumulated losses amounting to \$600,000 thousand. The Company retired 60,000 thousand shares of issued common shares with a par value of NT\$10 (in dollars) per share. The capital reduction ratio was 38.956922%. As of February 23, 2023, it was still awaiting approval from the shareholders.

12. Others

(1) Capital management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and to maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, issue new shares or sell assets to reduce debt. The Group regulates the borrowing amount of the Company based on the progress of the project and the funds required for the operation.

(2) Financial instruments

A. Financial instruments by category

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
<u>Financial assets</u>		
Financial assets at fair value through profit or loss		
Financial assets mandatorily measured at fair value through profit or loss	\$ 521,271	\$ 1,596,598
Financial assets at amortised cost		
Cash	\$ 197,812	\$ 673,067
Financial assets at amortised cost	1,084,022	1,417,381
Notes receivable	1,486	7,310
Accounts receivable due from related parties	43,858	832,031
Other receivables due from related parties	20,143	74,335
Guarantee deposits paid (shown as other non-current assets)	51,418	85,931
	<u>\$ 1,920,010</u>	<u>\$ 4,686,653</u>

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
<u>Financial liabilities</u>		
Financial liabilities at amortised cost		
Short-term borrowings	\$ 4,759,162	\$ 4,754,743
Short-term notes and bills payable	348,737	349,518
Notes payable	23,085	41,458
Accounts payable to related parties	523,076	476,305
Other payables to related parties	52,730	57,437
Corporate bonds payable (including current portion)	1,699,480	1,698,916
Guarantee deposits received (shown as other non-current liabilities)	796	520
	<u>7,407,066</u>	<u>7,378,897</u>
Lease liability	168,151	186,413
	<u>\$ 7,575,217</u>	<u>\$ 7,565,310</u>

B. Financial risk management policies

- (a) The Group's activities expose it to a variety of financial risks: market risk (including interest rate risk and price risk), credit risk and liquidity risk.
- (b) Risk management is carried out by the Group's treasury department through close co-operation with the Group's operating units to identify, evaluate and hedge financial risks, such as foreign exchange risk, interest rate risk, credit risk, use of derivative financial instruments and non-derivative financial instruments, and investment of excess liquidity.
- #### C. Significant financial risks and degrees of financial risks

(a) Market risk

Exchange rate risk

The Group's businesses involve functional currency operations (the Company's and certain subsidiaries' functional currency: NTD), the value affected by exchange rate fluctuations is remote and will not generate exchange rate risk accordingly.

Price risk

i. The Group's equity securities, which are exposed to price risk, are the held financial assets at fair value through profit or loss. To manage its price risk arising from investments in equity securities, the Group diversifies its portfolio. Diversification of the portfolio is done in accordance with the limits set by the Group.

ii. The Group's major investment is equity securities. The prices of equity securities would change due to the change of the future value of investee companies. If the prices of these equity securities had increased/decreased by 5% with all other variables held constant, post-tax profit for the years ended December 31, 2022 and 2021 would have increased/decreased by \$25,841 thousand and \$79,830 thousand, respectively, as a result of gains on equity securities classified as at fair value through profit or loss.

Cash flow and fair value interest rate risk

- i. The Group's main interest rate risk arises from borrowings with variable rates, which expose the Group to cash flow interest rate risk. During December 31, 2022 and 2021, the Company's borrowings at variable rate were mainly denominated in New Taiwan dollars.
 - ii. If the borrowing interest rate of New Taiwan dollars had increased/decreased by 0.1% with all other variables held constant, profit, net of tax for the years ended December 31, 2022 and 2021 would have increased/decreased by \$3,807 thousand and \$3,804 thousand, respectively. The main factor is that changes in interest expense result in floating-rate borrowings.
- (b) Credit risk
- i. Credit risk refers to the risk of financial loss to the Group arising from default by the clients or counterparties of financial instruments on the contract obligations. The main factor is that counterparties could not repay in full the accounts receivable based on the agreed terms, and the contract cash flows of financial assets stated at amortised cost.
 - ii. The Group manages their credit risk taking into consideration the entire Group's concern. For banks and financial institutions, checking their credit rating on deposits, only independently rated parties with a minimum rating of good credit quality are accepted. According to the Group's credit policy, each local entity in the Group is responsible for managing and analysing the credit risk for each of their new clients before standard payment and delivery terms and conditions are offered. Internal risk control assesses the credit quality of the customers, taking into account their financial position, past experience and other factors. Individual risk limits are set based on internal or external ratings in accordance with limits set by the Board of Directors. The utilisation of credit limits is regularly monitored.
 - iii. The Group adopts following assumptions under IFRS 9 to assess whether there has been a significant increase in credit risk on that instrument since initial recognition:
If the contract payments were past due over 30 days based on the terms, there has been a significant increase in credit risk on that instrument since initial recognition.
 - iv. The Group adopts the assumptions under IFRS 9 , the default occurs when the contract payments are past due over 90 days.
 - v. The Group primarily operates buildings and land business, such as sales of houses and plants. Revenue is recognised when transfer of ownership and house handover are completed, and the possibility of uncollectible accounts receivable is remote. The Company individually manages and regularly follows-up accounts receivable derived from special transactions. In addition, the Group classifies customers' accounts receivable in accordance with customer types and credit rating of customer. The Group applies the modified approach using a provision matrix to estimate the expected credit loss.
 - vi. The following indicators are used to determine whether the credit impairment of debt instruments has occurred:

- (i). It becomes probable that the issuer will enter bankruptcy or other financial reorganisation due to their financial difficulties;
- (ii). The disappearance of an active market for that financial asset because of financial difficulties;
- (iii). Default or delinquency in interest or principal repayments;
- (iv). Adverse changes in national or regional economic conditions that are expected to cause a default.
- vii. The Group wrote-off the financial assets, which cannot be reasonably expected to be recovered, after initiating recourse procedures. However, the Group will continue executing the recourse procedures to secure their rights. For the years ended December 31, 2022 and 2021, the Group's written-off financial assets that are still under recourse procedures amounted to \$0 thousand and \$1,940 thousand, respectively.
- viii. The Group used the historical and timely information to assess the default possibility of accounts receivable. On December 31, 2022 and 2021, the provision matrix is as follows:

	Not past due	Up to 90 days past due	Over 90 days past due	Total
<u>December 31, 2022</u>				
Expected loss rate	1.57%	-	-	
Total book value	\$ 44,557	\$ -	\$ -	\$ 44,557
Loss allowance	(\$ 699)	\$ -	\$ -	(\$ 699)
<u>December 31, 2021</u>				
Expected loss rate	0.08%	-	20%~100%	
Total book value	\$ 832,730	\$ -	\$ -	\$ 832,730
Loss allowance	(\$ 699)	\$ -	\$ -	(\$ 699)

- ix. Movements in relation to the Company applying the modified approach to provide loss allowance for accounts receivable are as follows:

	2022 Accounts receivable	2021 Accounts receivable
At January 1	\$ 699	\$ 3,086
(Gain on reversal of) expected credit impairment loss	-	(447)
Write-offs during the year	-	(1,940)
At December 31	\$ 699	\$ 699

- x. The Group estimated that the loss rate of financial assets at amortised costs, notes receivables, accounts receivable-related parties, other accounts receivable and guarantee deposits paid is remote, therefore, loss allowance is immaterial as of December 31, 2022 and 2021.

(c) Liquidity risk

- i. Cash flow forecasting is aggregated by Group treasury. Group treasury monitors rolling forecasts of the Group's liquidity requirements to ensure it has sufficient cash to meet operational needs while maintaining sufficient headroom on its undrawn committed borrowing facilities at all times.
- ii. As at December 31, 2022 and 2021, the Group has undrawn borrowing facilities amounting to \$2,722,404 thousand and \$3,584,342 thousand, respectively.
- iii. The table below analyses the Group's non-derivative financial liabilities into relevant maturity groupings based on the remaining period at the balance sheet date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

Non-derivative financial liabilities:

<u>December 31, 2022</u>	<u>Less than 3 months</u>	<u>Between 3 months</u>	<u>Between 1 and 3 years</u>	<u>Over 3 years</u>	<u>Total</u>
Short-term notes and bills payable	\$ -	\$ 350,000	\$ -	\$ -	\$ 350,000
Notes payable	6,422	5,418	11,245	-	23,085
Accounts payable	304,913	121,847	96,316	-	523,076
Other payables	36,767	15,963	-	-	52,730
Lease liability	2,929	8,861	23,230	155,277	190,297
Short-term borrowings	313,186	1,121,699	2,753,313	827,319	5,015,517
Guarantee deposits received (shown as other non-current liabilities)	-	704	92	-	796
Bonds payable	-	700,000	1,000,000	-	1,700,000

Non-derivative financial liabilities:

<u>December 31, 2021</u>	<u>Less than 3 months</u>	<u>Between 3 months</u>	<u>Between 1 and 3 years</u>	<u>Over 3 years</u>	<u>Total</u>
Short-term notes and bills payable	\$ -	\$ 350,000	\$ -	\$ -	\$ 350,000
Notes payable	11,740	3,560	-	26,158	41,458
Accounts payable	364,627	53,616	58,063	-	476,306
Other payables	24,029	33,408	-	-	57,437
Lease liability	3,063	9,569	24,637	174,959	212,228
Short-term borrowings	659,508	372,239	2,132,988	1,821,931	4,986,666
Guarantee deposits received (shown as other non-current liabilities)	-	-	520	-	520
Bonds payable	-	-	1,700,000	-	1,700,000

(3) Fair value information

A. The different levels that the inputs to valuation techniques are used to measure fair value of financial and non-financial instruments have been defined as follows:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date. A market is regarded as active where a

market in which transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis. The fair value of the Group's investment in listed stocks is included in Level 1.

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3: Unobservable inputs for the asset or liability.

B. Financial instruments not measured at fair value

The carrying amounts of the Group's financial instruments not measured at fair value (including cash, financial assets at amortised cost, notes receivable, accounts receivable, other receivables, guarantee deposits paid, short-term borrowings, short-term notes and bills payable, notes payable, accounts payable, other payables, other payables to related parties, bonds payable, guarantee deposits received and lease liabilities) are approximate to their fair values.

C. The related information of financial instruments measured at fair value by level on the basis of the nature, characteristics and risks of the assets and liabilities at December 31, 2022 and 2021 are as follows:

(a) The related information of natures of the assets is as follows:

<u>December 31, 2022</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Assets				
<u>Recurring fair value measurements</u>				
Financial assets at fair value through profit or loss				
Equity securities	\$ 521,251	\$ -	\$ 20	\$ 521,271
<u>December 31, 2021</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Assets				
<u>Recurring fair value measurements</u>				
Financial assets at fair value through profit or loss				
Equity securities	\$1,596,578	\$ -	\$ 20	\$1,596,598

(b) The methods and assumptions the Group used to measure fair value are as follows:

A. The instruments the Group used market quoted prices as their fair values (that is, Level 1) are listed below by characteristics:

Market quoted price	<u>Listed shares</u> Closing price
---------------------	---------------------------------------

D. For the years ended December 31, 2022 and 2021, there was no transfer between Level 1 and Level 2.

E. For the years ended December 31, 2022 and 2021, there was no transfer into or out from Level 3.

13. Supplementary Disclosures

(1) Significant transactions information

- A. Loans to others: Please refer to table 1.
- B. Provision of endorsements and guarantees to others: None.
- C. Holding of marketable securities at the end of the period (not including subsidiaries, associates and joint ventures): Please refer to table 2.
- D. Acquisition or sale of the same security with the accumulated cost exceeding \$300 million or 20% of the Company's paid-in capital: Please refer to table 3.
- E. Acquisition of real estate reaching \$300 million or 20% of paid-in capital or more: Please refer to table 4.
- F. Disposal of real estate reaching \$300 million or 20% of paid-in capital or more: None.
- G. Purchases or sales of goods from or to related parties reaching \$100 million or 20% of paid-in capital or more: Please refer to table 5.
- H. Receivables from related parties reaching \$100 million or 20% of paid-in capital or more: Please refer to table 6.
- I. Trading in derivative instruments undertaken during the reporting periods: None.
- J. Significant inter-company transactions during the reporting periods: Please refer to table 7.

(2) Information on investees

Names, locations and other information of investee companies (not including investees in Mainland China) : Please refer to table 8.

(3) Information on investments in Mainland China

- A. Basic information: None.
- B. Significant transactions conducted with investees in Mainland China directly or indirectly through other companies in the third areas: None.

(4) Major shareholders information

Major shareholders information: Please refer to table 9.

14. Segment Information

(1) General information

The Company operates business only in a single industry. The Company who allocates resources and assesses performance of the Company as a whole, has identified that the Company has only one reportable operating segment.

(2) Reconciliation for segment income (loss)

For the years ended December 31, 2022 and 2021, the total segment income or loss is consistent with the total income/(loss) before tax from continuing operations, therefore, no reconciliation is required.

(3) Information on products and services

Details of revenue are as follows:

	Year ended December 31, 2022	Year ended December 31, 2021
Buildings and land sales revenue	\$ 573,028	\$ 3,155,614
Service revenue	1,372	19,086
Rental revenue	2,610	2,013
Other revenue	1,012	9,007
	<u>\$ 578,022</u>	<u>\$ 3,185,720</u>

(4) Geographical information

Geographical information for the years ended December 31, 2022 and 2021 is as follows:

	<u>Year ended December 31, 2022</u>		<u>Year ended December 31, 2021</u>	
	Non-current		Non-current	
	<u>Revenue</u>	<u>assets</u>	<u>Revenue</u>	<u>assets</u>
Taiwan	<u>\$ 578,022</u>	<u>\$ 250,420</u>	<u>\$ 3,185,720</u>	<u>\$ 305,568</u>

The Group's geographic revenue is calculated based on countries where sales occur. Non-current assets pertain to property, plant and equipment, right-of-use assets and other non-current assets.

V. Standalone financial statements for the most recent year

INDEPENDENT AUDITORS' REPORT TRANSLATED FROM CHINESE

To the Board of Directors and Shareholders of Full Wang International Development Co., Ltd.

Opinion

We have audited the accompanying parent company only balance sheets of Full Wang International Development Co., Ltd. (the “Company”) as at December 31, 2022 and 2021, and the related parent company only statements of comprehensive income, of changes in equity and of cash flows for the years then ended, and notes to the parent company only financial statements, including a summary of significant accounting policies.

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

Basis for opinion

We conducted our audits in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and Standards on Auditing of the Republic of China. Our responsibilities under those standards are further described in the *Auditors' responsibilities for the audit of the parent company only financial statements* section of our report. We are independent of the Company in accordance with the Norm of Professional Ethics for Certified Public Accountant of the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide 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 Company's 2022 parent company only financial statements. These matters were addressed

in the context of our audit of the parent company only financial statements as a whole and, in forming our opinion thereon, we do not provide a separate opinion on these matters.

Key audit matters for the Company's 2022 parent company only financial statements are stated as follows:

Cut-off of building and land sales revenue

Description

Please refer to Note 4(25) for accounting policies on sales revenue, and Note 6(18) for details. For the year ended December 31, 2022, building and land sales revenue amounted to NT\$573,028 thousand, representing 99% of operating revenue.

In the construction industry, building and land sales revenue are recognised when control of the building and land has been transferred. Since building and land sales in the construction industry involve numerous customers, the control transfer related documents shall be reviewed before recognising revenue which usually involves manual work, and thus may result in inappropriate timing of revenue recognition around the balance sheet date. Thus, we identified the cut-off of building and land sales revenue as a key audit matter.

How our audit addressed the matter

We performed the following audit procedures on the above key audit matter:

1. Obtained an understanding, assessment and verification on operating procedures and internal controls in relation to building and land sales revenue, including the following items:
 - (1) Interviewed employees involved in operating procedures of building and land sales revenue in each segment and obtained revenue recognition procedures of building and land sales in order to confirm that they are in line with the operating regulations.
 - (2) Examined the internal control of building and land sale revenue, checked whether the home inspection information had been reviewed by the competent supervisors and verified whether the date and the information recorded in supporting documents (including land registrations, house ownership certificates, home inspection information and house handover information) were consistent with the date and the information recorded in building and land sales contracts in order

to ensure transactions were recorded in the proper period.

2. Performed cut-off test on building and land transactions around the end of the reporting period, including verifying land registration, transfer date in the house ownership certificate, customers' home inspection checklists and customers' signed receipts for handing over of property to confirm that the building and land sales revenue recognition timing was appropriate.

Assessment of allowance for inventory valuation losses

Description

Please refer to Note 4(11) for accounting policy on inventory valuation, Note 5(2) for accounting estimates and assumptions in relation to inventory valuation. As at December 31, 2022, the carrying amount of inventories and allowance for inventory valuation losses amounted to NT\$6,610,960 thousand and NT\$0 thousand, respectively.

The Company's inventories pertain to buildings and land held for sale and construction in progress, and inventories are measured at the lower of cost and net realisable value. Since the Company operates in the construction industry which involves a high degree of capital input and has a long capital recovery period, the market price of real estate has higher fluctuations due to the impact of the government's housing policy and the state of the economy in recent years and because the inventory valuation involves management's subjective judgment, thus, we identified assessment of allowance for inventory valuation losses as a key audit matter.

How our audit addressed the matter

We performed the following audit procedures on the above key audit matter:

1. Obtained an understanding of and assessed the nature of the Company's business and industry and discussed with management in order to assess the reasonableness of the method and the procedure that the Company used to determine net realizable value.
2. Obtained the net realizable value report of inventory at the end of the reporting period, sampled and tested the adequacy of basis used in estimation of net realizable assets, including obtaining recent transaction prices of each project, recent transaction information of similar assets of neighboring area or appraisal report issued by external experts and the adequacy of the estimated costs necessary to complete the sale, and confirmed the net realizable value of ending inventories in order to assess the reasonableness of allowance for inventory valuation losses.

Responsibilities of management and those charged with governance for the parent company only financial statements

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

In preparing the parent company only 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 the audit committee, are responsible for overseeing the Company's financial reporting process.

Auditors' responsibilities for the audit of the parent company only financial statements

Our objectives are to obtain reasonable assurance about whether the parent company only 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 parent company only financial statements.

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

1. Identify and assess the risks of material misstatement of the parent company only 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 parent company only 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 parent company only 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 appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the parent company only financial statements. We are responsible for the direction, supervision and performance of the 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 parent company only financial statements of the current period 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.

Wang, Yu-Chuan

Liu, Mei Lan

For and on behalf of PricewaterhouseCoopers, Taiwan

February 23, 2023

The accompanying parent company only financial statements are not intended to present the financial position and results of operations and cash flows in accordance with accounting principles generally accepted in countries and jurisdictions other than the Republic of China. The standards, procedures and practices in the Republic of China governing the audit of such financial statements may differ from those generally accepted in countries and jurisdictions other than the Republic of China. Accordingly, the accompanying parent company only financial statements and independent auditors' report are not intended for use by those who are not informed about the accounting principles or auditing standards generally accepted in the Republic of China, and their applications in practice.

As the financial statements are the responsibility of the management, PricewaterhouseCoopers cannot accept any liability for the use of, or reliance on, the English translation or for any errors or misunderstandings that may derive from the translation.

FULL WANG INTERNATIONAL DEVELOPMENT CO., LTD.
PARENT COMPANY ONLY BALANCE SHEETS
DECEMBER 31, 2022 AND 2021
(Expressed in thousands of New Taiwan dollars)

Assets	Notes	December 31, 2022		December 31, 2021		
		AMOUNT	%	AMOUNT	%	
Current assets						
1100	Cash and cash equivalents	6(1)	\$ 155,241	2	\$ 608,612	6
1110	Financial assets at fair value through profit or loss - current	6(2) and 8	482,524	5	1,486,980	14
1136	Current financial assets at amortised cost	6(3) and 8	102,919	1	430,245	4
1150	Notes receivable, net	6(4)	1,066	-	7,310	-
1170	Accounts receivable, net	6(4) and 7(2)	43,826	1	831,891	8
1200	Other receivables	7(2) and 9(1)	32,401	-	87,419	1
1220	Current tax assets		2,766	-	-	-
130X	Inventories	6(5), 7(2), 8 and 9(1)	6,610,960	72	5,001,399	49
1470	Other current assets	6(6) and 7(2)	466,917	5	367,946	4
11XX	Current Assets		<u>7,898,620</u>	<u>86</u>	<u>8,821,802</u>	<u>86</u>
Non-current assets						
1510	Non-current financial assets at fair value through profit or loss	6(2)	10	-	10	-
1535	Non-current financial assets at amortised cost	6(3) and 8	980,953	11	979,580	9
1550	Investments accounted for under equity method	6(7)	45,558	1	185,881	2
1600	Property, plant and equipment	6(8)	33,086	-	32,324	-
1755	Right-of-use assets	6(9) and 7(2)	163,637	2	184,270	2
1780	Intangible assets		876	-	953	-
1840	Deferred tax assets	6(25)	28,347	-	25,596	-
1900	Other non-current assets	7(2) and 9(1)	41,536	-	74,468	1
15XX	Non-current assets		<u>1,294,003</u>	<u>14</u>	<u>1,483,082</u>	<u>14</u>
1XXX	Total assets		<u>\$ 9,192,623</u>	<u>100</u>	<u>\$ 10,304,884</u>	<u>100</u>

(Continued)

FULL WANG INTERNATIONAL DEVELOPMENT CO., LTD.
PARENT COMPANY ONLY BALANCE SHEETS
DECEMBER 31, 2022 AND 2021
(Expressed in thousands of New Taiwan dollars)

	Liabilities and Equity	Notes	December 31, 2022		December 31, 2021	
			AMOUNT	%	AMOUNT	%
	Current liabilities					
2100	Short-term borrowings	6(10)	\$ 4,523,172	49	\$ 4,540,066	44
2110	Short-term notes and bills payable	6(11)	348,737	4	349,518	3
2130	Current contract liabilities	6(18) and 7(2)	1,134,148	12	1,083,295	11
2150	Notes payable		22,182	-	41,113	1
2170	Accounts payable	7(2) and 9(1)	382,835	4	435,674	4
2200	Other payables	6(12) and 7(2)	33,433	1	53,755	1
2230	Current income tax liabilities		-	-	2,054	-
2280	Current lease liabilities	7(2)	11,589	-	12,632	-
2320	Long-term liabilities, current portion	6(13)	699,875	8	-	-
2399	Other current liabilities, others		7,577	-	20,652	-
21XX	Current Liabilities		<u>7,163,548</u>	<u>78</u>	<u>6,538,759</u>	<u>64</u>
	Non-current liabilities					
2530	Bonds payable	6(13)	999,605	11	1,698,916	16
2580	Non-current lease liabilities	7(2)	156,562	2	173,781	2
2600	Other non-current liabilities	6(7)	9,645	-	14,310	-
25XX	Non-current liabilities		<u>1,165,812</u>	<u>13</u>	<u>1,887,007</u>	<u>18</u>
2XXX	Total Liabilities		<u>8,329,360</u>	<u>91</u>	<u>8,425,766</u>	<u>82</u>
	Equity					
	Share capital	6(15)				
3110	Share capital - common stock		1,540,163	16	1,540,163	15
	Capital surplus	6(16)				
3200	Capital surplus		92,566	1	92,566	1
	Retained earnings	6(17)				
3310	Legal reserve		167,797	2	161,015	1
3320	Special reserve		746	-	-	-
3350	(Accumulated deficit) unappropriated retained earnings		(937,571)	(10)	86,120	1
	Other equity interest					
3400	Other equity interest		(438)	-	(746)	-
3XXX	Total equity		<u>863,263</u>	<u>9</u>	<u>1,879,118</u>	<u>18</u>
	Significant Contingent Liabilities and Unrecognised Contract Commitments	9				
	Significant Events after the Balance Sheet Date	11				
3X2X	Total liabilities and equity		<u>\$ 9,192,623</u>	<u>100</u>	<u>\$ 10,304,884</u>	<u>100</u>

The accompanying notes are an integral part of these parent company only financial statements.

FULL WANG INTERNATIONAL DEVELOPMENT CO., LTD.
PARENT COMPANY ONLY STATEMENTS OF COMPREHENSIVE INCOME
YEARS ENDED DECEMBER 31, 2022 AND 2021

(Expressed in thousands of New Taiwan dollars, except (loss) earnings per share)

	Items	Notes	Year ended December 31			
			2022		2021	
			AMOUNT	%	AMOUNT	%
4000	Sales revenue	6(18) and 7(2)	\$ 576,663	100	\$ 3,176,713	100
5000	Operating costs	6(5)	(433,016)	(75)	(2,540,260)	(80)
5900	Net operating margin		<u>143,647</u>	<u>25</u>	<u>636,453</u>	<u>20</u>
	Operating expenses	7(2)				
6100	Selling expenses		(83,984)	(15)	(144,563)	(4)
6200	General and administrative expenses		(126,935)	(22)	(120,839)	(4)
6000	Total operating expenses		(210,919)	(37)	(265,402)	(8)
6900	Operating (loss) profit		(67,272)	(12)	<u>371,051</u>	<u>12</u>
	Non-operating income and expenses					
7100	Interest income	6(19)	2,423	1	2,002	-
7010	Other income	6(20)	69,315	12	43,353	1
7020	Other gains and losses	6(21)	(857,052)	(149)	(362,980)	(11)
7050	Finance costs	6(22)	(36,510)	(6)	(45,232)	(1)
7070	Share of (loss) profit of associates and joint ventures accounted for using equity method, net	6(7)	(81,462)	(14)	<u>77,036</u>	<u>2</u>
7000	Total non-operating income and expenses		(903,286)	(156)	(285,821)	(9)
7900	Profit (loss) before income tax		(970,558)	(168)	85,230	3
7950	Income tax expense	6(25)	(7,101)	(1)	(17,408)	(1)
8200	Profit (loss) for the year		<u>(\$ 977,659)</u>	<u>(169)</u>	<u>\$ 67,822</u>	<u>2</u>
	Components of other comprehensive income that will be reclassified to profit or loss					
8361	Financial statements translation differences of foreign operations		<u>\$ 308</u>	-	(\$ 746)	-
8360	Components of other comprehensive income that will be reclassified to profit or loss		<u>308</u>	-	(746)	-
8300	Other comprehensive income (loss) for the year		<u>\$ 308</u>	-	(\$ 746)	-
8500	Total comprehensive (loss) income for the year		<u>(\$ 977,351)</u>	<u>(169)</u>	<u>\$ 67,076</u>	<u>2</u>
	Total basic (loss) earnings per share					
9750	Total basic (loss) earnings per share	6(26)	<u>(\$ 6.35)</u>		<u>\$ 0.44</u>	
	Diluted (loss) earnings per share					
9850	Diluted (loss) earnings per share	6(26)	<u>(\$ 6.35)</u>		<u>\$ 0.44</u>	

The accompanying notes are an integral part of these parent company only financial statements.

FULL WANG INTERNATIONAL DEVELOPMENT CO., LTD.
PARENT COMPANY ONLY STATEMENTS OF CHANGES IN EQUITY
YEARS ENDED DECEMBER 31, 2022 AND 2021
(Expressed in thousands of New Taiwan dollars)

	Notes	Share capital - common stock	Capital surplus, additional paid- in capital	Retained Earnings		Unappropriated retained earnings (accumulated deficit)	Exchange differences on translation of foreign financial statements	Total equity
				Legal reserve	Special reserve			
<u>Year ended December 31, 2021</u>								
Balance at January 1, 2021		\$ 1,540,163	\$ 92,566	\$ 124,756	\$ -	\$ 362,590	\$ -	\$ 2,120,075
Profit for the year		-	-	-	-	67,822	-	67,822
Other comprehensive loss for the year		-	-	-	-	-	(746)	(746)
Total comprehensive income (loss)		-	-	-	-	67,822	(746)	67,076
Appropriations and distribution of 2020 retained earnings	6(17)							
Legal reserve		-	-	36,259	-	(36,259)	-	-
Cash dividends		-	-	-	-	(308,033)	-	(308,033)
Balance at December 31, 2021		\$ 1,540,163	\$ 92,566	\$ 161,015	\$ -	\$ 86,120	(\$ 746)	\$ 1,879,118
<u>Year ended December 31, 2022</u>								
Balance at January 1, 2022		\$ 1,540,163	\$ 92,566	\$ 161,015	\$ -	\$ 86,120	(\$ 746)	\$ 1,879,118
Loss for the year		-	-	-	-	(977,659)	-	(977,659)
Other comprehensive income for the year		-	-	-	-	-	308	308
Total comprehensive income (loss)		-	-	-	-	(977,659)	308	(977,351)
Appropriations and distribution of 2021 retained earnings	6(17)							
Legal reserve		-	-	6,782	-	(6,782)	-	-
Special reserve		-	-	-	746	(746)	-	-
Cash dividends		-	-	-	-	(38,504)	-	(38,504)
Balance at December 31, 2022		\$ 1,540,163	\$ 92,566	\$ 167,797	\$ 746	(\$ 937,571)	(\$ 438)	\$ 863,263

The accompanying notes are an integral part of these parent company only financial statements.

FULL WANG INTERNATIONAL DEVELOPMENT CO., LTD.
PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2022 AND 2021
(Expressed in thousands of New Taiwan dollars)

	Notes	Year ended December 31	
		2022	2021
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>			
(Loss) profit before tax		(\$ 970,558)	\$ 85,230
Adjustments			
Adjustments to reconcile profit (loss)			
Depreciation expense - property, plant and equipment	6(8)	10,596	10,982
Depreciation expense - right-of-use assets	6(9)	11,247	8,622
Amortization expense	6(23)	554	444
Expected credit impairment gain	12(2)	-	(447)
Loss on financial assets at fair value through profit or loss	6(2)(21)	856,582	361,169
Interest expense	6(22)	36,510	45,232
Interest income	6(19)	(2,423)	(2,002)
Dividend income	6(20)	(54,466)	(15,235)
Other income		-	(28,550)
Share of profit of associates for using the equity method	6(7)	81,462	(77,036)
Losses on disposals of property and equipment	6(21)	50	-
Profit from lease modification	6(21)	(964)	-
Litigation loss	6(21)	377	-
Changes in operating assets and liabilities			
Changes in operating assets			
Notes receivable		6,244	3,316
Accounts receivable (including related parties)		788,065	(776,646)
Other receivables		(10,160)	(31)
Other receivables due from related parties		(11,312)	(3,392)
Inventories		(1,533,714)	184,274
Other current assets		(98,972)	(186,031)
Changes in operating liabilities			
Current contract liabilities		50,853	646,194
Notes payable		(18,931)	40,706
Accounts payable(including related parties)		(52,839)	160,506
Other payables(including related parties)		(14,207)	(41,747)
Other current liabilities		(13,074)	(9,885)
Cash (outflow) inflow generated from operations		(939,080)	405,673
Interest received		2,423	2,002
Interest paid		(111,928)	(105,670)
Income taxes paid		(14,673)	(30,650)
Net cash flows (used in) from operating activities		(1,063,258)	271,355

(Continued)

FULL WANG INTERNATIONAL DEVELOPMENT CO., LTD.
PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2022 AND 2021
(Expressed in thousands of New Taiwan dollars)

	Notes	Year ended December 31	
		2022	2021
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>			
Acquisition of financial assets at fair value through profit or loss	6(27)	(\$ 9,008,910)	(\$ 38,268,984)
Proceeds from disposal of financial assets at fair value through profit or loss	6(27)	9,202,074	37,925,265
Capital reduction and refund from financial assets at fair value through profit or loss		4,440	-
Decrease (increase) in financial assets at amortised cost		325,953	(174,491)
Acquisition of property, plant and equipment	6(27)	(11,408)	(26,263)
Increase in refundable deposits		(8,897)	(44,096)
Decrease in refundable deposits		41,829	71,045
Acquisition of intangible assets		(477)	(578)
Decrease in prepayments for business facilities		-	2,857
Dividends received		128,460	25,882
Net cash flows from (used in) investing activities		<u>673,064</u>	<u>(489,363)</u>
<u>CASH FLOWS FROM FINANCING ACTIVITIES</u>			
Increase in short-term borrowings	6(28)	9,462,648	19,934,909
Decrease in short-term borrowings	6(28)	(9,479,542)	(19,543,455)
Increase in short-term notes and bills payable	6(28)	350,000	350,000
Decrease in short-term notes and bills payable	6(28)	(350,000)	(400,000)
Increase in guarantee deposits received	6(28)	725	212
Decrease in guarantee deposits received	6(28)	(592)	(575)
Repayment of principal portion of lease liabilities	6(28)	(7,912)	(6,536)
Cash dividends paid	6(17)(28)	(38,504)	(308,033)
Net cash flows (used in) from financing activities		<u>(63,177)</u>	<u>26,522</u>
Net decrease in cash and cash equivalents		(453,371)	(191,486)
Cash and cash equivalents at beginning of year		<u>608,612</u>	<u>800,098</u>
Cash and cash equivalents at end of year		<u>\$ 155,241</u>	<u>\$ 608,612</u>

The accompanying notes are an integral part of these parent company only financial statements.

FULL WANG INTERNATIONAL DEVELOPMENT CO., LTD.
NOTES TO THE PARENT COMPANY ONLY FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021

(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

1. History and Organisation

Full Wang International Development Co., Ltd. (the “Company”) was incorporated on April 23, 1997. The Company is primarily engaged in construction, development, sales, lease, agency and consignment of real estate. The Company’s stocks have been approved for public issuance by the Securities and Futures Commission, Ministry of Finance (currently named the Financial Supervisory Commission (FSC)) since July 26, 1997 and was listed on the Taipei Exchange starting from February 26, 2003.

2. The Date of Authorisation for Issuance of the Financial Statements and Procedures for Authorisation

These financial statements were authorised for issuance by the Board of Directors on February 23, 2023.

3. Application of New Standards, Amendments and Interpretations

(1) Effect of the adoption of new issuances of or amendments to International Financial Reporting Standards (“IFRS”) that came into effect as endorsed by the Financial Supervisory Commission (“FSC”)

New standards, interpretations and amendments that came into effect as endorsed by FSC and became effective from 2022 are as follows:

<u>New Standards, Interpretations and Amendments</u>	<u>Effective date by International Accounting Standards Board</u>
Amendments to IFRS 3, ‘Reference to the conceptual framework’	January 1, 2022
Amendments to IAS 16, ‘Property, plant and equipment:proceeds before intended use’	January 1, 2022
Amendments to IAS 37, ‘Onerous contracts—cost of fulfilling a contract’	January 1, 2022
Annual improvements to IFRS Standards 2018–2020	January 1, 2022

The above standards and interpretations have no significant impact to the Company’s financial condition and financial performance based on the Company’s assessment.

(2) Effect of new issuances of or amendments to IFRSs that came into effect as endorsed by the FSC but not yet adopted by the Company

New standards, interpretations and amendments that came into effect as endorsed by the FSC effective from 2023 are as follows:

New Standards, Interpretations and Amendments	Effective date by International Accounting Standards Board
Amendments to IAS 1, 'Disclosure of accounting policies'	January 1, 2023
Amendments to IAS 8, 'Definition of accounting estimates'	January 1, 2023
Amendments to IAS 12, 'Deferred tax related to assets and liabilities arising from a single transaction'	January 1, 2023

Except for the following, the above standards and interpretations have no significant impact to the Company's financial condition and financial performance based on the Company's assessment.

(3) IFRSs issued by IASB but not yet endorsed by the FSC

New standards, interpretations and amendments issued by IASB but not yet included in the IFRSs as endorsed by the FSC are as follows:

New Standards, Interpretations and Amendments	Effective date by International Accounting Standards Board
Amendments to IFRS 10 and IAS 28, 'Sale or contribution of assets between an investor and its associate or joint venture'	To be determined by International Accounting Standards Board
Amendments to IFRS 16, 'Lease liability in a sale and leaseback'	January 1, 2024
IFRS 17, 'Insurance contracts'	January 1, 2023
Amendments to IFRS 17, 'Insurance contracts'	January 1, 2023
Amendment to IFRS 17, 'Initial application of IFRS 17 and IFRS 9 – comparative information'	January 1, 2023
Amendments to IAS 1, 'Classification of liabilities as current or non-current'	January 1, 2024
Amendments to IAS 1, 'Non-current liabilities with covenants'	January 1, 2024

The above standards and interpretations have no significant impact to the Company's financial condition and financial performance based on the Company's assessment.

4. Summary of Significant Accounting Policies

The principal accounting policies applied in the preparation of these parent company only financial statements are set out below. These policies have been consistently applied to all the periods presented, unless otherwise stated.

(1) Compliance statement

The parent company only financial statements of the Company have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

(2) Basis of preparation

- A. Except for the financial assets at fair value through profit or loss, the parent company only financial statements have been prepared under the historical cost convention.
- B. The preparation of financial statements in conformity with International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations that came into effect as endorsed by the FSC (collectively referred herein as the “IFRSs”) requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company’s accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in Note 5.

(3) Foreign currency translation

Items included in the financial statements of each of the Company’s entities are measured using the currency of the primary economic environment in which the entity operates (the “functional currency”). The parent company only financial statements are presented in New Taiwan dollar, which is the Company’s functional currency.

Foreign currency transactions and balances

- A. Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are remeasured. Foreign exchange gains and losses resulting from the settlement of such transactions are recognised in profit or loss in the period in which they arise.
- B. Monetary assets and liabilities denominated in foreign currencies at the period end are re-translated at the exchange rates prevailing at the balance sheet date. Exchange differences arising upon re-translation at the balance sheet date are recognised in profit or loss.
- C. Non-monetary assets and liabilities denominated in foreign currencies held at fair value through profit or loss are re-translated at the exchange rates prevailing at the balance sheet date; their translation differences are recognised in profit or loss. However, non-monetary assets and liabilities denominated in foreign currencies that are not measured at fair value are translated using the historical exchange rates at the dates of the initial transactions.
- D. All other foreign exchange gains and losses based on the nature of those transactions are presented in the statement of comprehensive income within ‘other gains and losses’.

(4) Classification of current and non-current items

- A. Assets that meet one of the following criteria are classified as current assets:
 - (a) Assets arising from operating activities that are expected to be realised, or are intended to be sold or consumed within the normal operating cycle;
 - (b) Assets held mainly for trading purposes;
 - (c) Assets that are expected to be realised within twelve months from the balance sheet date;

- (d) Cash and cash equivalents, excluding restricted cash and cash equivalents and those that are to be exchanged or used to settle liabilities more than twelve months after the balance sheet date.

Except for the assets related to construction and long-term construction contracts, assets that do not meet the above criteria are classified as non-current assets.

- B. Liabilities that meet one of the following criteria are classified as current liabilities:
 - (a) Liabilities that are expected to be settled within the normal operating cycle;
 - (b) Liabilities arising mainly from trading activities;
 - (c) Liabilities that are to be settled within twelve months from the balance sheet date;
 - (d) Liabilities for which the repayment date cannot be extended unconditionally to more than twelve months after the balance sheet date. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

Except for the liabilities related to construction and long-term construction contracts, liabilities that do not meet the above criteria are classified as non-current liabilities.

- C. As the operating cycle for constructions and sales of buildings usually exceeds one year, the Company uses the operating cycle as its criteria for classifying current and non-current assets and liabilities related to construction contracts. For other assets and liabilities, the criterion is one year.

(5) Financial assets at fair value through profit or loss

- A. Financial assets at fair value through profit or loss are financial assets that are not measured at amortised cost or fair value through other comprehensive income.
- B. On a regular way purchase or sale basis, financial assets at fair value through profit or loss are recognised and derecognised using trade date accounting.
- C. At initial recognition, the Company measures the financial assets at fair value and recognises the transaction costs in profit or loss. The Company subsequently measures the financial assets at fair value, and recognises the gain or loss in profit or loss.
- D. The Company recognises the dividend income when the right to receive payment is established, future economic benefits associated with the dividend will flow to the Company and the amount of the dividend can be measured reliably.

(6) Financial assets at amortised cost

- A. Financial assets at amortised cost are those that meet all of the following criteria:
 - (a) The objective of the Company's business model is achieved by collecting contractual cash flows.
 - (b) The assets' contractual cash flows represent solely payments of principal and interest.
- B. On a regular way purchase or sale basis, financial assets at amortised cost are recognised and derecognised using trade date accounting.
- C. At initial recognition, the Company measures the financial assets at fair value plus transaction costs. Interest income from these financial assets is included in finance income using the effective

interest method. A gain or loss is recognised in profit or loss when the asset is derecognised or impaired.

D. The Company's time deposits which do not fall under cash equivalents are those with a short maturity period and are measured at initial investment amount as the effect of discounting is immaterial.

(7) Accounts and notes receivable

A. Accounts and notes receivable entitle the Company a legal right to receive consideration in exchange for transferred goods or rendered services.

B. The short-term accounts and notes receivable without bearing interest are subsequently measured at initial invoice amount as the effect of discounting is immaterial.

(8) Impairment of financial assets

For financial assets at amortised cost, at each reporting date, the Company recognises the impairment provision for 12 months expected credit losses if there has not been a significant increase in credit risk since initial recognition or recognises the impairment provision for the lifetime expected credit losses (ECLs) if such credit risk has increased since initial recognition after taking into consideration all reasonable and verifiable information that includes forecasts. On the other hand, for accounts receivable that do not contain a significant financing component, the Company recognises the impairment provision for lifetime ECLs.

(9) Derecognition of financial assets

The Company derecognises a financial asset when the contractual rights to receive the cash flows from the financial asset expire.

The Company derecognises a financial asset when one of the following conditions is met:

A. The contractual rights to receive the cash flows from the financial asset expire.

B. The contractual rights to receive cash flows of the financial asset have been transferred and the Company has transferred substantially all risks and rewards of ownership of the financial asset.

C. The contractual rights to receive cash flows of the financial asset have been transferred; however, the Company has not retained control of the financial asset.

(10) Leasing arrangements (lessor) – operating leases

Lease income from an operating lease (net of any incentives given to the lessee) is recognised in profit or loss on a straight-line basis over the lease term.

(11) Inventories

Inventories related to the construction industry include land held for sale, buildings held for sale, construction in progress and construction materials, etc., which are recorded at cost. Borrowing costs incurred during the construction period are capitalised. The cost is accumulated based on constructions and is determined based on floor space of a building. Also, inventories are assessed based on the lower of cost and net realizable value at the balance sheet date. Net realizable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale. The Company adopted specific identification

method to attribute costs to each construction project when comparing costs and net realizable value of inventories. The amount that the Company wrote down from cost to net realizable value was accounted for as cost of goods sold.

(12) Subsidiaries accounted for using equity method

- A. Subsidiaries are all entities (including structured entities) controlled by the Company. The Company controls an entity when the Company is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.
- B. Inter-company transactions, balances and unrealised gains or losses on transactions between companies within the Company are eliminated. Accounting policies of subsidiaries have been adjusted where necessary to ensure consistency with the policies adopted by the Company.
- C. The Company's share of its associates' post-acquisition profits or losses is recognised in profit or loss, and its share of post-acquisition movements in other comprehensive income is recognised in other comprehensive income. When the Company's share of losses in a subsidiary equals or exceeds its interest in the subsidiary, the Company continues to recognise losses proportionate to its ownership.
- D. Pursuant to the Regulations Governing the Preparation of Financial Reports by Securities Issuers, profit (loss) of the current period and other comprehensive income in the non-consolidated financial statements shall be equal to the amount attributable to owners of the parent in the consolidated financial statements. Owners' equity in the non-consolidated financial statements shall be equal to equity attributable to owners of the parent in the consolidated financial statements.

(13) Property, plant and equipment

- A. Property, plant and equipment are initially recorded at cost. Borrowing costs incurred during the construction period are capitalised.
- B. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to profit or loss during the financial period in which they are incurred.
- C. Land is not depreciated. Other property, plant and equipment apply cost model and are depreciated using the straight-line method to allocate their cost over their estimated useful lives. Each part of an item of property, plant, and equipment with a cost that is significant in relation to the total cost of the item must be depreciated separately.
- D. The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each financial year-end. If expectations for the assets' residual values and useful lives differ from previous estimates or the patterns of consumption of the assets' future economic benefits embodied in the assets have changed significantly, any change is accounted for as a

change in estimate under IAS 8, 'Accounting Policies, Changes in Accounting Estimates and Errors', from the date of the change. The estimated useful lives of property, plant and equipment are as follows:

Leasehold improvements	1 ~ 2 year(s)
Other equipment	3 ~ 5 year(s)

(14) Leasing arrangements (lessee) – right-of-use assets/ lease liabilities

A. Leases are recognised as a right-of-use asset and a corresponding lease liability at the date at which the leased asset is available for use by the Company. For short-term leases or leases of low-value assets, lease payments are recognised as an expense on a straight-line basis over the lease term.

B. Lease liabilities include the net present value of the remaining lease payments at the commencement date, discounted using the incremental borrowing interest rate. Lease payments are comprised of the following:

- (a) Fixed payments, less any lease incentives receivable; and
- (b) Variable lease payments that depend on an index or a rate.

The Company subsequently measures the lease liability at amortised cost using the interest method and recognises interest expense over the lease term. The lease liability is remeasured and the amount of remeasurement is recognised as an adjustment to the right-of-use asset when there are changes in the lease term or lease payments and such changes do not arise from contract modifications.

C. At the commencement date, the right-of-use asset measured at cost shall comprise the amount of the initial measurement of lease liability.

The right-of-use asset is measured subsequently using the cost model and is depreciated from the commencement date to the earlier of the end of the asset's useful life or the end of the lease term. When the lease liability is remeasured, the amount of remeasurement is recognised as an adjustment to the right-of-use asset.

D. For lease modifications that decrease the scope of the lease, the lessee shall decrease the carrying amount of the right-of-use asset and remeasure the lease liability to reflect the partial or full termination of the lease, and recognise the difference in profit or loss.

(15) Intangible assets

Computer software is stated at cost and amortised on a straight-line basis over its estimated useful life of 3 years.

(16) Impairment of non-financial assets

The Company assesses at each balance sheet date the recoverable amounts of those assets where there is an indication that they are impaired. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell or value in use. When the circumstances or reasons for recognising impairment loss for an asset in prior years no longer exist or diminish, the

impairment loss is reversed. The increased carrying amount due to reversal should not be more than what the depreciated or amortised historical cost would have been if the impairment had not been recognised.

(17) Borrowings

Borrowings comprise long-term and short-term bank borrowings and other short-term loans. Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in profit or loss over the period of the borrowings using the effective interest method.

(18) Notes and accounts payable

A. Accounts payable are liabilities for purchases of raw materials, goods or services and notes payable are those resulting from operating and non-operating activities.

B. The short-term notes and accounts payable without bearing interest are subsequently measured at initial invoice amount as the effect of discounting is immaterial.

(19) Bonds payable

Ordinary corporate bonds issued by the Company are initially recognised at fair value less transaction costs. Any difference between the proceeds (net of transaction costs) and the redemption value is presented as an addition to or deduction from bonds payable, which is amortised to profit or loss over the period of bond circulation using the effective interest method as an adjustment to 'finance costs'.

(20) Derecognition of financial liabilities

A financial liability is derecognised when the obligation specified in the contract is either discharged or cancelled or expires.

(21) Employee benefits

A. Short-term employee benefits

Short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in respect of service rendered by employees in a period and should be recognised as expense in that period when the employees render service.

B. Pensions

For defined contribution plans, the contributions are recognised as pension expense when they are due on an accrual basis. Prepaid contributions are recognised as an asset to the extent of a cash refund or a reduction in the future payments.

C. Employees' compensation and directors' and supervisors' remuneration

Employees' compensation and directors' and supervisors' remuneration are recognised as expense and liability, provided that such recognition is required under legal or constructive obligation and those amounts can be reliably estimated. Any difference between the resolved amounts and the subsequently actual distributed amounts is accounted for as changes in estimates. If employee compensation is paid by shares, the Company calculates the number of shares based

on the closing price at the previous day of the board meeting resolution.

(22) Income tax

- A. The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or items recognised directly in equity, in which cases the tax is recognised in other comprehensive income or equity.
- B. The current income tax expense is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the countries where the Company and its subsidiaries operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in accordance with applicable tax regulations. It establishes provisions where appropriate based on the amounts expected to be paid to the tax authorities. An additional tax is levied on the unappropriated retained earnings and is recorded as income tax expense in the year the stockholders resolve to retain the earnings.
- C. Deferred tax is recognised, using the balance sheet liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated balance sheet. However, the deferred tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred tax is provided on temporary differences arising on investments in subsidiaries, except where the timing of the reversal of the temporary difference is controlled by the Company and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled.
- D. Deferred tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised. At each balance sheet date, unrecognised and recognised deferred tax assets are reassessed.

(23) Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or stock options are shown in equity as a deduction, net of tax, from the proceeds.

(24) Dividends

Cash dividends distributed to shareholders are recorded as liability in the financial statements when the Company's Board of Directors resolved to distribute dividends. Stock dividends distributed to shareholders are recorded as stock dividend to be distributed in the financial statements when the shareholders resolved to distribute dividends and transferred to ordinary shares at the effective date of new shares.

(25) Revenue recognition

A. Sales of real estate

- (a) The Company is primarily engaged in building real estate through entrusting a construction company and sales of real estate. The revenue from sales of real estate is recognised when the control over the real estate is transferred to customers. The properties have generally no alternative use for the Company due to contractual restrictions. However, an enforceable right to payment does not arise until legal title has passed to the customer. Therefore, revenue is recognised at a point in time when the legal title has passed to the customer.
- (b) Certain sales contract of pre-sale houses contains provision for advance sales receipts, wherein the period between advance collection and the transfer of control of goods is longer than one year. The Company assessed that there is no significant financial component in the individual contract, therefore the Company does not adjust the transaction price to reflect the time value of money.

B. Service revenue

Service revenue is derived from providing services based on commissioned sales contracts. Revenue is recognised when the provision of services is completed, and customer pays contract consideration when the provision of service is completed.

C. Incremental costs of obtaining a contract

The Company recognises an asset (shown as 'other current assets') the incremental costs (mainly comprised of sales commissions) of obtaining a contract with a customer if the Company expects to recover those costs. The recognised asset is amortised on a systematic basis that is consistent with the transfers to the customer of the goods or services to which the asset relates. The Company recognises an impairment loss to the extent that the carrying amount of the asset exceeds the remaining amount of consideration that the Company expects to receive less the costs that have not been recognised as expenses.

(26) Operating segments

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The Company's chief operating decision-maker is responsible for allocating resources and assessing performance of the operating segments.

5. Critical Accounting Judgements, Estimates and Key Sources of Assumption Uncertainty

The preparation of these parent company only financial statements requires management to make critical judgements in applying the Company's accounting policies and make critical assumptions and estimates concerning future events. Assumptions and estimates may differ from the actual results and are continually evaluated and adjusted based on historical experience and other factors. Such assumptions and estimates have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year. There are no critical accounting judgements, estimates and assumption uncertainty.

(1) Critical judgements in applying the Company's accounting policies

None.

(2) Critical accounting estimates and assumptions

Evaluation of inventories

As inventories are stated at the lower of cost and net realisable value, the Company must determine the net realisable value of inventories on balance sheet date using judgements and estimates. Inventory valuation is primarily estimated based on the market price which may have significant changes due to the government's housing policy and the recent state of the economy on real estate.

As of December 31, 2022, the carrying amount of inventories was \$6,610,960 thousand.

6. Details of Significant Accounts

(1) Cash and cash equivalents

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Cash on hand and pretty cash	\$ 844	\$ 900
Checking accounts	2,943	2,114
Demand deposits	148,110	602,587
Foreign currency deposits	3,344	3,011
	<u>\$ 155,241</u>	<u>\$ 608,612</u>

- A. The Company transacts with a variety of financial institutions all with high credit quality to disperse credit risk, so it expects that the probability of counterparty default is remote.
- B. For the years ended December 31, 2022 and 2021, the Company's performance guarantee escrow account pertained to trust deposit of pre-sales new construction amounting to \$102,919 thousand and \$430,245 thousand, respectively, which is listed as financial assets at amortised cost-current. Please refer to Notes 6(3) and 8 for details.
- C. For the years ended December 31, 2022 and 2021, certain demand deposits and time deposits were pledged to others as collateral for the Company's issuance of corporate bonds and short-term notes and bills payable amounting to \$980,953 thousand and \$979,580 thousand, respectively, which were listed as financial assets at amortised cost-non-current. Please refer to Notes 6(3) and 8 for details.

(2) Financial assets at fair value through profit or loss

Items	December 31, 2022	December 31, 2021
Current items:		
Financial assets mandatorily measured at fair value through profit or loss		
Equity securities	\$ 498,028	\$ 1,399,065
Valuation adjustment	(15,504)	87,915
	\$ 482,524	\$ 1,486,980

Non-current items:

Financial assets mandatorily measured at fair value through profit or loss

Equity securities	\$ 10	\$ 10
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- A. Amounts recognised in profit or loss in relation to financial assets at fair value through profit or loss are listed below:

	Year ended December 31	
	2022	2021
Financial assets mandatorily measured at fair value through profit or loss		
Equity instruments	(\$ 821,044)	(\$ 361,169)
Derivatives	(35,538)	\$ -
	(\$ 856,582)	(\$ 361,169)

- B. Details of the Company's financial assets at fair value through profit or loss pledged to others as collateral are provided in Note 8.

- C. The fair value information and price risk pertaining to the financial assets at fair value through profit or loss are provided in Notes 12(2) and (3).

(3) Financial assets at amortised cost

Items	December 31, 2022	December 31, 2021
Current items:		
Performance guarantee escrow account	\$ 102,919	\$ 430,245
Non-current items:		
Restricted demand deposits	\$ 977,653	\$ 976,280
Restricted time deposits	3,300	3,300
	\$ 980,953	\$ 979,580

- A. Amounts recognised in profit or loss in relation to financial assets at amortised cost are listed below:

	Year ended December 31	
	2022	2021
Interest income	\$ 1,450	\$ 412

- B. As at December 31, 2022 and 2021, without taking into account any collateral held or other credit enhancements, the maximum exposure to credit risk in respect of the amount that best represents the financial assets at amortised cost held by the Company was its carrying amount.
- C. Details of the Company's financial assets at amortised cost pledged to others as collateral are provided in Note 8.
- D. Information relating to credit risk of financial assets at amortised cost is provided in Note 12(2). The counterparties of the Company's investments in certificates of deposits are financial institutions with high credit quality, so the Company expects that the probability of counterparty default is remote.

(4) Accounts and notes receivable

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Notes receivable	\$ 1,066	\$ 7,310
Accounts receivable	44,525	832,590
Less: Allowance for uncollectible accounts	(699)	(699)
	<u>\$ 43,826</u>	<u>\$ 831,891</u>

- A. The ageing analysis of accounts receivable and notes receivable that were past due but not impaired is as follows:

	<u>December 31, 2022</u>		<u>December 31, 2021</u>	
	Accounts receivable	Notes receivable	Accounts receivable	Notes receivable
Not past due	\$ 44,525	\$ 1,066	\$ 832,590	\$ 7,310
Up to 30 days	-	-	-	-
31 to 90 days	-	-	-	-
Over 91 days	-	-	-	-
	<u>\$ 44,525</u>	<u>\$ 1,066</u>	<u>\$ 832,590</u>	<u>\$ 7,310</u>

The above ageing analysis was based on past due date.

- B. As of December 31, 2022 and 2021, accounts receivable and notes receivable were all from contracts with customers. And as of January 1, 2021, the balance of receivables from contracts with customers amounted to \$65,424 thousand.
- C. As at December 31, 2022 and 2021, without taking into account any collateral held or other credit enhancements, the maximum exposure to credit risk in respect of the amount that best represents the Company's accounts receivable was its carrying amount.
- D. Information relating to credit risk of accounts receivable is provided in Note 12(2).

(5) Inventories

	December 31, 2022		
	Cost	Allowance for valuation loss	Book value
Buildings and land held for sale	\$ 192,727	\$ -	\$ 192,727
Construction in progress	6,418,233	-	6,418,233
	<u>\$ 6,610,960</u>	<u>\$ -</u>	<u>\$ 6,610,960</u>

	December 31, 2021		
	Cost	Allowance for valuation loss	Book value
Buildings and land held for sale	\$ 215,280	\$ -	\$ 215,280
Construction in progress	4,775,822	-	4,775,822
Prepayment for land	10,297	-	10,297
	<u>\$ 5,001,399</u>	<u>\$ -</u>	<u>\$ 5,001,399</u>

A. The detail of inventories are listed below:

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
<u>Buildings and land held for sale</u>		
MinghSin Richman	\$ -	\$ 13,216
FULL WANG TAINAN SCIENCE AND TECHNOLOGY PARK (formerly named NO1 industrial town)	-	28,685
The Infinity	39,011	39,011
RIVER ONE	35,703	35,703
Pingzhen District, Taoyuan City (Shanziding section)	9,246	9,246
ZEN HOUSE	-	26,633
New Style	28,170	52,042
F House	69,853	-
Others	10,744	10,744
	<u>192,727</u>	<u>215,280</u>
<u>Construction in progress</u>		
My Style(formerly named sunshine town)	\$ 1,325,062	\$ 1,424,995
Wei Mei Chu(formerly Lantian W. section, Nanzi Dist., Kaohsiung City)	954,044	633,159
Yuan Zhong section, Nanzi Dist., Kaohsiung City	328,003	217,767
XIN HAI CHENG(formerly Luliao section, Shalu District)	481,589	331,841
Full of Happiness(formerly Qiaozhen section, Yunlin County)	171,774	131,678
Skyline W one(formerly Shangshi section)	1,059,454	847,273
The melody of home(formerly Wenhui section, Miaoli County)	349,364	180,814
ELEGANT VILLAGE(formerly Qiaozhen section, Yunlin County 2)	274,910	208,106
Mayuantou section, West Dist.	636,970	414,383
Yunlinxi section, Douliu city	389,565	385,806
AIMEI(Jen Shing Section, Lukang Township)	447,498	-
	<u>6,418,233</u>	<u>4,775,822</u>
<u>Prepayment for land</u>		
Longjin section, Longjing Dist.	-	10,297
	<u>\$ 6,610,960</u>	<u>\$ 5,001,399</u>

B. The cost of inventories recognised as expense for the year:

	<u>Year ended December 31</u>	
	<u>2022</u>	<u>2021</u>
Cost of goods sold	\$ 431,376	\$ 2,538,023
Cost of services	1,640	2,237
	<u>\$ 433,016</u>	<u>\$ 2,540,260</u>

C. Information on capitalisation of interest is as follows:

	Year ended December 31	
	2022	2021
Interest capitalised	\$ 75,846	\$ 59,962
Interest capitalised ratio (%)	0.84%~2.62%	1.70%~2.05%

D. Information about the inventory that were pledged to others as collaterals is provided in Note 8.

E. Some of above inventories are involved in lawsuits related to performance disputes, refer to Note 9(1) E for details.

(6) Other current assets

	December 31, 2022	December 31, 2021
Assets recognised as incremental costs to obtain contracts with customers	\$ 392,691	\$ 311,002
Prepaid expenses	20,976	30,023
Payment on behalf of others	31,909	13,636
Excess business tax paid	10,385	9,040
Others	10,956	4,245
	<u>\$ 466,917</u>	<u>\$ 367,946</u>

(7) Investments accounted for using equity method

	December 31, 2022	December 31, 2021
<u>Investments accounted for using equity method</u>		
Baoxin Construction Co., Ltd.	\$ 20,912	\$ 173,157
Full Xin Global Real Estate Co., Ltd.	7,026	7,322
Full Wang Real Estate Co., Ltd.	4,956	4,951
Fuwong International Development Co., Ltd	388	451
BIFINITY BIOTECHNOLOGY CO., LTD.	12,276	-
	<u>\$ 45,558</u>	<u>\$ 185,881</u>
<u>Credit balance of investments accounted for using equity method (shown as other non-current liabilities)</u>		
Full Wang Property Agency Co., Ltd	\$ 3,392	\$ 3,392
BIFINITY BIOTECHNOLOGY CO., LTD.	-	5,174
Sindar Technologies, Inc.	323	323
	<u>\$ 3,715</u>	<u>\$ 8,889</u>

A. Details of the Company's subsidiaries are provided in Note 4(3) of the Company's consolidated financial statements as of and for the year ended December 31, 2022.

B. For the years ended December 31, 2022 and 2021, above subsidiaries accounted for using equity method were accounted based on each investee's audited financial statements for the corresponding period. Details of investments income (loss) and share of other comprehensive income are as follows:

	<u>Year ended December 31</u>	
	<u>2022</u>	<u>2021</u>
Share of profit (loss) of subsidiaries accounted for using equity method		
Baoxin Construction Co., Ltd.	(\$ 78,250)	\$ 87,809
Full Xin Global Real Estate Co., Ltd.	(296)	(122)
Full Wang Real Estate Co., Ltd.	5	-
Fuwong International Development Co., Ltd	(115)	486
BIFINITY BIOTECHNOLOGY CO., LTD.	(2,806)	(11,143)
Full Wang Property Agency Co., Ltd	-	(1)
Sindar Technologies, Inc.	-	7
	<u>(\$ 81,462)</u>	<u>\$ 77,036</u>
Share of other comprehensive income of subsidiaries accounted for using equity method		
BIFINITY BIOTECHNOLOGY CO., LTD.	\$ 256	(\$ 256)
Fuwong International Development Co., Ltd	<u>52</u>	<u>(490)</u>
	<u>\$ 308</u>	<u>(\$ 746)</u>

C. On May 11, 2022, the Board of Directors of BIFINITY BIOTECHNOLOGY CO., LTD. resolved on behalf of the shareholders to issue 2,000 thousand new shares and offsetting share proceeds with creditor's rights amounting to \$20,000 thousand. The effective date of the capital increase was set on May 25, 2022, and the registration was completed on June 6, 2022.

(8) Property, plant and equipment

	<u>January 1, 2022</u>	<u>Additions</u>	<u>Disposals</u>	<u>December 31, 2022</u>
Cost				
Leasehold improvements	\$ 8,644	\$ 1,585	\$ -	\$ 10,229
Other equipment	39,274	5,740	(115)	44,899
Unfinished construction	-	4,083	-	4,083
	<u>\$ 47,918</u>	<u>\$ 11,408</u>	<u>(\$ 115)</u>	<u>\$ 59,211</u>
Accumulated Depreciation				
Leasehold improvements	(\$ 5,007)	(\$ 3,437)	\$ -	(\$ 8,444)
Other equipment	(10,587)	(7,159)	65	(17,681)
	<u>(\$ 15,594)</u>	<u>(\$ 10,596)</u>	<u>\$ 65</u>	<u>(\$ 26,125)</u>
	<u>\$ 32,324</u>			<u>\$ 33,086</u>

	<u>January 1, 2021</u>	<u>Additions</u>	<u>Disposals</u>	<u>December 31, 2021</u>
Cost				
Leasehold improvements	\$ 15,217	\$ 5,194	(\$ 11,767)	\$ 8,644
Other equipment	50,044	21,069	(31,839)	39,274
	<u>\$ 65,261</u>	<u>\$ 26,263</u>	<u>(\$ 43,606)</u>	<u>\$ 47,918</u>
Accumulated Depreciation				
Leasehold improvements	(\$ 10,653)	(\$ 6,121)	\$ 11,767	(\$ 5,007)
Other equipment	(37,565)	(4,861)	31,839	(10,587)
	<u>(\$ 48,218)</u>	<u>(\$ 10,982)</u>	<u>\$ 43,606</u>	<u>(\$ 15,594)</u>
	<u>\$ 17,043</u>			<u>\$ 32,324</u>

A. No borrowing cost was capitalised as part of property, plant and equipment.

B. The Company did not have property, plant and equipment pledged to others as collaterals.

(9) Lease arrangements – lessee

A. The Company leases various assets including land and buildings. Rental contracts are typically made for periods of 20 and 5 years. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose covenants, but leased assets may not be used as security for borrowing purposes.

B. Short-term leases with a lease term of 12 months or less comprise of advertising signboard and reception centre.

C. The carrying amount of right-of-use assets and the depreciation charge are as follows:

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
	<u>Book value</u>	<u>Book value</u>
Land	\$ 158,971	\$ 177,453
Buildings	4,666	6,817
	<u>\$ 163,637</u>	<u>\$ 184,270</u>
	<u>Year ended December 31</u>	
	<u>2022</u>	<u>2021</u>
	<u>Depreciation charge</u>	<u>Depreciation charge</u>
Land	\$ 9,096	\$ 5,331
Buildings	2,151	3,291
	<u>\$ 11,247</u>	<u>\$ 8,622</u>

D. The information on profit and loss accounts relating to lease contracts is as follows:

	<u>Year ended December 31</u>	
	<u>2022</u>	<u>2021</u>
<u>Items affecting profit or loss</u>		
Interest expense on lease liabilities	\$ 2,536	\$ 1,603
Expense on short-term lease contracts	4,157	9,824
Gain on sublease of right-of-use assets	-	686

- E. For the years ended December 31, 2022 and 2021, the additions to right-of-use assets were \$0 and \$188,347 thousand, respectively.
- F. On June 9, 2021, the Company signed a land lease agreement for leasing land No.38 and No.39, Xingaojie Section, in Taichung Railway Station area of high-speed rail amounting to \$182,784 thousand. The Company intends to operate small and medium business hotel and food and beverage stores on the aforementioned land, which is still in the construction stage as of December 31, 2022.
- G. For the years ended December 31, 2022 and 2021, the Company's total cash outflow for leases were \$14,605 thousand and \$17,963 thousand, respectively.
- H. Variable lease payments
- (a) Some of the Company's lease contracts contain variable lease payment terms that are linked to the declaration of the land value. For the aforementioned leases, rents are calculated based on multiplying the land price announced by the Department of Land Administration by specific ratio.
- (b) A 1% increase in the announced land values with such variable lease contracts would increase total lease payments by approximately \$84 thousand and \$45 thousand for the years ended December 31, 2022 and 2021, respectively.

(10) Short-term borrowings

<u>Type of borrowings</u>	<u>December 31, 2022</u>	<u>Interest rate range</u>	<u>Collateral</u>
Bank borrowings			
Secured borrowings	\$ 4,311,172	1.75%~2.98%	Inventories and financial assets at fair value through profit or loss
Unsecured borrowings	212,000	2.50%~4.30%	None
	<u>\$ 4,523,172</u>		
<u>Type of borrowings</u>	<u>December 31, 2021</u>	<u>Interest rate range</u>	<u>Collateral</u>
Bank borrowings			
Secured borrowings	\$ 4,173,066	1.70%~2.25%	Inventories and financial assets at fair value through profit or loss
Unsecured borrowings	367,000	2.00%~2.15%	None
	<u>\$ 4,540,066</u>		

- A. Interest expense recognised in profit or loss amounted to \$14,428 thousand and \$25,217 for the years ended December 31, 2022 and 2021, respectively.
- B. The above borrowings were intended for construction and fulfilling working capital uses. The borrowings period is from 2014 to 2027.

(11) Short-term notes and bills payable

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Commercial papers payable	\$ 350,000	\$ 350,000
Less: Discount on commercial papers payable	(1,263)	(482)
	<u>\$ 348,737</u>	<u>\$ 349,518</u>
Coupon rate	<u>1.19%</u>	<u>0.45%</u>

The above commercial papers payable was issued and guaranteed by Shanghai Commercial and Savings Bank.

(12) Other payables

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Payables on investments	\$ 5,268	\$ 12,027
Interest payable	12,984	12,339
Salary and bonus payable	2,681	10,741
Accrued commission	1,929	3,682
Advertisement expense payable	1,429	2,839
Others	9,142	12,127
	<u>\$ 33,433</u>	<u>\$ 53,755</u>

(13) Bonds payable

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Bonds payable	\$ 1,700,000	\$ 1,700,000
Less: Discount on bonds payable	(520)	(1,084)
	1,699,480	1,698,916
Less: Current portion or exercise of put options	(699,875)	-
	<u>\$ 999,605</u>	<u>\$ 1,698,916</u>

The domestic secured ordinary corporate bonds issued by the Company are as follows:

A. The terms of the 2018 first secured ordinary corporate bonds issued by the Company are as follows:

The competent authority has approved the 2018 first secured ordinary corporate bonds issued by the Company. The bonds have a total issuance amount of \$300 million and a coupon rate of 1.02%, covering a 5-year period of issuance and a circulation period from December 21, 2018 to December 21, 2023. The Company will redeem the secured bonds at the face value and pay in full amount using cash at the maturity date. The secured ordinary corporate bonds were listed on the Taipei Exchange on December 21, 2018.

B. The terms of the 2019 first secured ordinary corporate bonds issued by the Company are as follows:

The competent authority has approved the 2019 first secured ordinary corporate bonds issued by the Company. The bonds have a total issuance amount of \$400 million and a coupon rate of 0.95%, covering a 5-year period of issuance and a circulation period from March 7, 2019 to

March 7, 2024. The Company will redeem the secured bonds at the face value and pay in full amount using cash at the maturity date. The secured ordinary corporate bonds were listed on the Taipei Exchange on March 7, 2019.

- C. The terms of the 2019 second secured ordinary corporate bonds issued by the Company are as follows:

The competent authority has approved the 2019 second secured ordinary corporate bonds issued by the Company. The bonds have a total issuance amount of \$300 million and a coupon rate of 0.88%, covering a 5-year period of issuance and a circulation period from May 9, 2019 to May 9, 2024. The Company will redeem the secured bonds at the face value and pay in full amount using cash at the maturity date. The secured ordinary corporate bonds were listed on the Taipei Exchange on May 9, 2019.

- D. The terms of the 2019 third secured ordinary corporate bonds issued by the Company are as follows:

The competent authority has approved the 2019 third secured ordinary corporate bonds issued by the Company. The bonds have a total issuance amount of \$300 million and a coupon rate of 1.05%, covering a 5-year period of issuance and a circulation period from July 11, 2019 to July 11, 2024. The Company will redeem the secured bonds at the face value and pay in full amount using cash at the maturity date. The secured ordinary corporate bonds were listed on the Taipei Exchange on July 11, 2019.

- E. The terms of the 2020 first secured ordinary corporate bonds issued by the Company are as follows:

The competent authority has approved the 2020 first secured ordinary corporate bonds issued by the Company. The bonds have a total issuance amount of \$400 million and a coupon rate of 0.74%, covering a 5-year period of issuance and a circulation period from April 15, 2020 to April 15, 2023. The Company will redeem the secured bonds at the face value and pay in full amount using cash at the maturity date. The secured ordinary corporate bonds were listed on the Taipei Exchange on April 15, 2020.

(14) Pensions

- A. Effective July 1, 2005, the Company and its domestic subsidiaries have established a defined contribution pension plan (the “New Plan”) under the Labor Pension Act (the “Act”), covering all regular employees with R.O.C. nationality. Under the New Plan, the Company and its domestic subsidiaries contribute monthly an amount based on 6% of the employees’ monthly salaries and wages to the employees’ individual pension accounts at the Bureau of Labor Insurance. The benefits accrued are paid monthly or in lump sum upon termination of employment.
- B. The pension costs under defined contribution pension plans of the Company for the years ended December 31, 2022 and 2021, were \$1,635 thousand and \$1,633 thousand, respectively.

(15) Share capital

As of December 31, 2022, the Company's authorized capital was \$3.5 billion, and the paid-in capital was \$1,540,163 thousand with a par value of \$10 (in dollars) per share. All proceeds from shares issued have been collected.

Certain authorized capital was reserved for issuing stock option certificates, bonds with warrant and preference shares with warrant amounting to 20 million shares which can be issued several times as approved by the Board of Directors.

(16) Capital surplus

Pursuant to the R.O.C. Company Act, capital surplus arising from paid-in capital in excess of par value on issuance of common stocks and donations can be used to cover accumulated deficit or to issue new stocks or cash to shareholders in proportion to their share ownership, provided that the Company has no accumulated deficit. Further, the R.O.C. Securities and Exchange Act requires that the amount of capital surplus to be capitalised mentioned above should not exceed 10% of the paid-in capital each year. However, capital surplus should not be used to cover accumulated deficit unless the legal reserve is insufficient.

(17) (Accumulated deficit)Retained earnings

- A. According to the earnings distribution policy specified in the Company's Articles of Incorporation, the Company's earnings or deficits shall be distributed or offset at the end of every quarter. The Board of Directors is authorised to distribute cash dividends and bonus by a special resolution. Dividends distributed by cash should meet the regulation on capital surplus or legal reserve stipulated in the Company Act which shall be reported to the latest shareholders' meeting.
- B. The Company's dividend policy is summarised below: the Company adopts a balanced dividend policy taking into consideration long-term finance plan and maximum interests for shareholders. The Company considers the future capital expenditure budget and capital needs to appropriate dividends and bonus no lower than 10% of distributable earnings to shareholders. Shareholders' dividends and bonus can be distributed in the form of cash or shares, of which cash dividends shall not be lower than 10% of total dividends.
- C. Legal reserve shall be appropriated until it equals the total capital stock balance. Legal reserve can be used to offset deficits. However, if the Company has no deficit, the amount that the legal reserve exceeds 25% of total paid-in capital can be transferred to share capital or distributed as cash dividends.
- D. In accordance with the regulations, the Company shall set aside special reserve from the debit balance on other equity items at the balance sheet date before distributing earnings. When debit balance on other equity items is reversed subsequently, the reversed amount could be included in the distributable earnings.

- E. The appropriations of earnings of years 2021 and 2020 as resolved by the shareholders at their meetings on June 16, 2022 and May 10, 2021, respectively, are as follows:

	Year ended December 31			
	2022		2021	
	Amount	Dividends per share (in dollars)	Amount	Dividends per share (in dollars)
Legal reserve	\$ 6,782		\$ 36,259	
Special reserve	746		-	
Cash dividends	38,504	\$ 0.25	308,033	\$ 2
	<u>\$ 46,032</u>		<u>\$ 344,292</u>	

- F. On February 23, 2023, the Board of Directors of the Company resolved not to appropriate the earnings as the Company had accumulated deficits in 2022.

- G. For the information relating to employees' compensation and directors' and supervisors' remuneration, please refer to Note 6(24).

(18) Operating revenue

	Year ended December 31	
	2022	2021
Revenue from contracts customers	\$ 574,400	\$ 3,174,700
Others-rental revenue	2,263	2,013
	<u>\$ 576,663</u>	<u>\$ 3,176,713</u>

- A. Disaggregation of revenue from contracts with customers

The Company derives revenue from the transfer of goods and services at a point in time, and revenue all arises from Taiwan. Details of revenue are as follows:

Year ended December 31, 2022	Building and land sales	Service revenue	Total
Total segment revenue	\$ 573,028	\$ 1,372	\$ 574,400
Timing of revenue recognition			
At a point in time	\$ 573,028	\$ 1,372	\$ 574,400
Year ended December 31, 2021	Building and land sales	Service revenue	Total
Total segment revenue	\$ 3,155,614	\$ 19,086	\$ 3,174,700
Timing of revenue recognition			
At a point in time	\$ 3,155,614	\$ 19,086	\$ 3,174,700

- B. As of December 31, 2022 and 2021, the allocation of transaction prices and expected year of revenue recognition for the building and land sales contract that the Company entered into but not yet fulfilled performance obligation are summarised as follows:

	December 31, 2022	December 31, 2021
Contracts signed	\$ 8,157,648	\$ 6,848,140
Expected year of revenue recognition	2023~2025	2022~2025

C. Contract liabilities

The Company has recognised the following revenue-related contract liabilities

	<u>December 31, 2022</u>	<u>December 31, 2021</u>	<u>January 1, 2021</u>
Contract liabilities	\$ 1,134,148	\$ 1,083,295	\$ 434,728

Revenue recognised that was included in the contract liability balance at the beginning of the period

	<u>Year ended December 31</u>	
	<u>2022</u>	<u>2021</u>
Revenue recognised that was included in the contract liability balance at the beginning of the period	\$ 102,352	\$ 181,504

(19) Interest income

	<u>Year ended December 31</u>	
	<u>2022</u>	<u>2021</u>
Interest income from bank deposits	\$ 1,827	\$ 2,002
Other interest income	596	-
	<u>\$ 2,423</u>	<u>\$ 2,002</u>

(20) Other income

	<u>Year ended December 31</u>	
	<u>2022</u>	<u>2021</u>
Dividend income	\$ 54,466	\$ 15,235
Indemnity revenue	12,500	-
Other income, others (Note)	2,349	28,118
	<u>\$ 69,315</u>	<u>\$ 43,353</u>

Note: The balance of 'other income, others' from 2021 was mainly the payables which had exceeded the period of statutory claim stipulated in the Civil Code, and therefore transferred to other income.

(21) Other gains and losses

	<u>Year ended December 31</u>	
	<u>2022</u>	<u>2021</u>
Losses on disposals of property, plant and equipment	(\$ 50)	\$ -
Foreign exchange gains (losses)	421	(784)
Losses on financial assets at fair value through loss	(856,582)	(361,169)
Gains arising from lease modifications	964	-
Litigation loss	(377)	-
Other losses	(1,428)	(1,027)
	<u>(\$ 857,052)</u>	<u>(\$ 362,980)</u>

(22) Finance costs

	Year ended December 31	
	2022	2021
Interest expense		
Bank borrowings	\$ 90,274	\$ 85,179
Bonds payable	16,173	16,167
Short-term notes and bills payable	3,373	2,245
Lease liability	2,536	1,603
Less: Capitalisation of qualifying assets	(75,846)	(59,962)
	<u>\$ 36,510</u>	<u>\$ 45,232</u>

(23) Expenses by nature

	Year ended December 31	
	2022	2021
Employee benefit expense	\$ 35,786	\$ 50,963
Depreciation-properties	10,596	10,982
Depreciation-right-of-use assets	11,247	8,622
Amortisation charge	554	444
	<u>\$ 58,183</u>	<u>\$ 71,011</u>

(24) Employee benefit expense

	Year ended December 31	
	2022	2021
Wages and salaries	\$ 27,629	\$ 41,042
Labour and health insurance fees	3,253	3,351
Pension costs	1,635	1,633
Directors' remuneration	1,685	1,955
Other personnel expenses	1,584	2,982
	<u>\$ 35,786</u>	<u>\$ 50,963</u>

A. In accordance with to the Articles of Incorporation of the Company, a ratio of distributable profit of the current year, after covering accumulated losses, shall be distributed as employees' compensation and directors' and supervisors' remuneration. The ratio shall not be lower than 3% for employees' compensation and shall not be higher than 3% for directors' and supervisors' remuneration.

B. Employees' compensation and directors' and supervisors' remuneration are accrued as follows:

	Year ended December 31	
	2022	2021
Employees' compensation	\$ -	\$ 2,686
Directors' and supervisors' remuneration	-	345
	<u>\$ -</u>	<u>\$ 3,031</u>

C. The aforementioned amounts were recognised in salary expenses and were accrued based on the current profit. Since there are losses in 2022, no estimates were made for the remuneration to

employees and directors and supervisors. For the year ended December 31, 2021, employees' compensation was accrued at 3.04%; directors' and supervisors' remuneration was accrued at 0.39%.

- D. Employees' compensation and directors' and supervisors' remuneration of 2021 as resolved by the Board of Directors were in agreement with those amounts recognized in the 2021 financial statements.

Information about employees' compensation and directors' and supervisors' remuneration of the Company as resolved by the Board of Directors will be posted in the "Market Observation Post System" at the website of the Taiwan Stock Exchange.

(25) Income tax

A. Income tax expense

Components of income tax expense:

	Year ended December 31	
	2022	2021
Current tax:		
Current tax on profits for the year	\$ -	\$ 1,197
Incremental tax on land value	5,921	17,289
Tax on undistributed earnings	-	915
Prior year income tax underestimation	3,931	8,527
Total current tax	<u>9,852</u>	<u>27,928</u>
Deferred tax:		
Origination and reversal of temporary differences	(2,751)	(10,520)
Total deferred tax	<u>(2,751)</u>	<u>(10,520)</u>
Income tax expense	<u>\$ 7,101</u>	<u>\$ 17,408</u>

B. Reconciliation between income tax expense and accounting profit

	Year ended December 31	
	2022	2021
Tax calculated based on (loss) profit before tax and statutory tax rate	(\$ 194,112)	\$ 17,046
Expenses disallowed by tax regulation	185,962	98,421
Tax exempt income by tax regulation	(12,894)	(91,009)
Income that should be added based on tax regulation	16,224	-
Tax losses not recognized in deferred income tax assets	3,639	-
Changes in estimation of deferred income tax assets	(1,570)	(33,781)
Prior year income tax underestimation	3,931	8,527
Tax on undistributed surplus earnings	-	915
Incremental tax on land value	5,921	17,289
Income tax expense	<u>\$ 7,101</u>	<u>\$ 17,408</u>

C. Amounts of deferred tax assets or liabilities as a result of temporary differences and tax losses are as follows:

	2022		
	January 1	Recognised in profit or loss	December 31
Deferred tax assets:			
Temporary differences:			
Loss on investments			
accounted for using	\$ 5,030	\$ 22	\$ 5,052
equity method			
Accrued litigation loss	980	75	1,055
Unrealized expenses	19,586	(24)	19,562
Deferred interest expense			
which the land purchased	-	2,004	2,004
after 2016			
Allowance for bad debts	-	391	391
Unrealized gross profit from			
sales	-	283	283
Total	\$ 25,596	\$ 2,751	\$ 28,347

	2021		
	January 1	Recognised in profit or loss	December 31
Deferred tax assets:			
Temporary differences:			
Loss on investments			
accounted for using	\$ 14,096	(\$ 9,066)	\$ 5,030
equity method			
Accrued litigation loss	980	-	980
Unrealized expenses	-	19,586	19,586
Total	\$ 15,076	\$ 10,520	\$ 25,596

D. Expiration dates of unused tax losses and amounts of unrecognised deferred tax assets are as follows:

December 31, 2022				
Year incurred	Amount filed/ assessed	Unused amount	Unrecognised deferred tax assets	Expiry year
2015	Assessed	\$ 3,685	\$ 3,685	2025
2022	Estimated amount filed	18,197	18,197	2032

December 31, 2021 : None.

E. The amounts of deductible temporary difference that are not recognised as deferred tax assets are as follows:

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Deductible temporary differences	\$ 4,600	\$ 4,600

F. The Company's income tax returns through 2019 have been assessed and approved by the Tax Authority.

(26) Earnings per share

	<u>Year ended December 31, 2022</u>		
	Amount after tax	Weighted average number of ordinary shares outstanding (share in thousands)	Loss per share (in dollars)
<u>Basic loss per share</u>			
Loss attributable to ordinary shareholders	(\$ 977,659)	154,016	(\$ 6.35)
	<u>Year ended December 31, 2021</u>		
	Amount after tax	Weighted average number of ordinary shares outstanding (share in thousands)	Earnings per share (in dollars)
<u>Basic earnings per share</u>			
Profit attributable to ordinary shareholders	\$ 67,822	154,016	\$ 0.44
<u>Diluted earnings per share</u>			
Profit attributable to ordinary shareholders	\$ 67,822	154,016	
Assumed conversion of all dilutive potential ordinary shares			
Employees' compensation	-	235	
Profit attributable to ordinary shareholders plus assumed conversion of all dilutive potential ordinary shares	\$ 67,822	154,251	\$ 0.44

A. The potential ordinary shares have anti-dilutive effect due to the Group having net loss for the year ended December 31, 2022, so only the calculation of basic loss per share is shown.

B. The number of weighted-average outstanding shares for the year ended December 31, 2021, is included for assumed conversion of all dilutive potential ordinary shares at the calculation of diluted earnings per share, based on the assumption that employees' compensation will be distributed in the form of shares in the current year.

(27) Supplemental cash flow information

A. Purchase of property, plant and equipment

	Year ended December 31	
	2022	2021
Purchase of property, plant and equipment	\$ 11,408	\$ 26,263

B. Acquisition of financial assets at fair value through profit or loss

	Year ended December 31	
	2022	2021
Acquisition of financial assets at fair value through profit or loss	\$ 9,002,151	\$ 38,017,186
Add: Payables at the beginning of the period	12,027	263,825
Less: Payables at the end of the period	(5,268)	(12,027)
	<u>\$ 9,008,910</u>	<u>\$ 38,268,984</u>

C. Proceeds from disposal of financial assets at fair value through profit or loss

	Year ended December 31	
	2022	2021
Proceeds from disposal of financial assets at fair value through profit or loss	\$ 9,898,748	\$ 38,034,739
Less: Loss on disposal	(\$ 753,163)	(\$ 503,013)
Add: Receivables at the beginning of the period	66,137	459,676
Less: Receivables at the end of the period	(9,648)	(66,137)
	<u>\$ 9,202,074</u>	<u>\$ 37,925,265</u>

(28) Changes in liabilities from financing activities

	January 1, 2022	Changes in cash flow from financing activities	Changes in non-cash items- increase	Changes in non-cash items- decrease	Changes in other non-cash items	December 31, 2022
Short-term borrowings	\$ 4,540,066	(\$ 16,894)	\$ -	\$ -	\$ -	\$ 4,523,172
Short-term notes and bills payable	349,518	-	-	-	(781)	348,737
Lease liability	186,413	(7,912)	-	(10,350)	-	168,151
Bonds payable	1,698,916	-	-	-	564	1,699,480
Guarantee deposits received	520	133	-	-	-	653
Dividends payable, non-cash assets distributions	-	(38,504)	38,504	-	-	-
	<u>\$ 6,775,433</u>	<u>(\$ 63,177)</u>	<u>\$ 38,504</u>	<u>(\$ 10,350)</u>	<u>(\$ 217)</u>	<u>\$ 6,740,193</u>

	January 1, 2021	Changes in cash flow from financing activities	Changes in non-cash items- increase	Changes in non-cash items- decrease	Changes in other non-cash items	December 31, 2021
Short-term borrowings	\$ 4,199,682	\$ 391,454	\$ -	(\$ 51,070)	\$ -	\$ 4,540,066
Short-term notes and bills payable	398,844	(50,000)	-	-	674	349,518
Lease liability	4,602	(6,536)	188,347	-	-	186,413
Bonds payable	1,698,352	-	-	-	564	1,698,916
Guarantee deposits received	883	(363)	-	-	-	520
Dividends payable, non-cash assets distributions	-	(308,033)	308,033	-	-	-
	<u>\$ 6,302,363</u>	<u>\$ 26,522</u>	<u>\$ 496,380</u>	<u>(\$ 51,070)</u>	<u>\$ 1,238</u>	<u>\$ 6,775,433</u>

7. Related Party Transactions

(1) Names of related parties and relationship

Names of related parties	Relationship with the Company
Chang Yun CONSTRUCTION DEVELOPMENT CO.,LTD.(Chang Yun Company)	A major shareholder of the Company
Tian Wei Asset Management Corporation CO.,LTD.(Tian Wei Company)	A major shareholder of the Company
Hung Chien CONSTRUCTION CO.,LTD. (Hung Chien Company)	The Company's chairman and the chairman of the company are within second degree of kinship
Baoxin Construction Co., Ltd. (Baoxin Company)	Subsidiary
BIFINITY BIOTECHNOLOGY CO., LTD.	Subsidiary
Full Wang Property Agency Co., Ltd	Subsidiary
Full Wang Real Estate Co., Ltd.	Subsidiary
Sindar Technologies, Inc. (“Sindar”)	Subsidiary
FUWONG INTERNATIONAL DEVELOPMENT CO., LTD (“FUWONG”)	Subsidiary
Tsung Yi Lin	The company's director
Yu Jen Lin	Representative of the Company’s corporate director
HSIU-HUA HUANG	Key management personnel
YU-CHEN LIN	Key management personnel
Spouses of key management	Other related party

(2) Significant related party transactions

A. Operating revenue

	Year ended December 31	
	2022	2021
Sales of real estate		
Hung Chien Company	\$ -	\$ 963,928
Other related party	-	14,319
Service revenue		
Hung Chien Company	1,372	6,229
Chang Yun Company	-	12,857
Total	<u>\$ 1,372</u>	<u>\$ 997,333</u>

(a) On May 18, 2021, the Board of Directors resolved to sell real estate to Hung Chien Company, the transaction price was made based on the valuation report and general market price, and the collection terms were based on the progress of contracts. There was no significant difference with non-related parties.

(b) Service revenue is a consignment revenue that the Company received from related parties based on the contract, and the transaction price and collection terms have no significant difference with non-related parties.

B. Purchase and commitment

	Year ended December 31	
	2022	2021
Subcontracting constructions:		
Baoxin Company	<u>\$ 1,040,591</u>	<u>\$ 862,496</u>

(a) Subcontracting constructions pertained to the Company commissioning Baoxin Company to contract construction, the transaction price was made based on mutual agreement and the collection terms were based on the progress of the contract. There was no significant difference with non-related parties.

(b) As of December 31, 2022, the total consideration of the construction that the Company had entered into with Baoxin Company but not yet completed amounted (untaxed) to \$3,077,687 thousand, and the unpaid construction payment amounted (untaxed) to \$1,794,217 thousand.

C. Receivables from related parties

	December 31, 2022	December 31, 2021
Other receivables		
Baoxin Company	\$ 3,636	\$ 137
FUWONG	7,791	-
Full Wang Property Agency	397	397
Sindar	439	418
Full Wang Real Estate	1	-
	<u>\$ 12,264</u>	<u>\$ 952</u>

Receivables from related parties mainly arose from operating activities and payment on behalf of others.

D. Payables to related parties

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Accounts payable:		
Baoxin Company	\$ 178,534	\$ 214,738
BIFINITY	-	62
	<u>\$ 178,534</u>	<u>\$ 214,800</u>

Payables to related parties mainly arose from subcontracting construction.

E. Payment on behalf of others (shown as other current assets)

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Chang Yun Company	\$ -	\$ 67
Baoxin Company	126	128
FUWONG	165	526
Other related parties	-	380
	<u>\$ 291</u>	<u>\$ 1,101</u>

The Company paid payments on behalf of subsidiaries and other related parties.

F. Guarantee deposits paid (shown as other non-current assets)

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Hung Chien Company	\$ -	\$ 30,148
Tian Wei Company	140	-
	<u>\$ 140</u>	<u>\$ 30,148</u>

Guarantee deposits paid was the guarantee provided for the joint-construction and partitioning sales of the Company and Hung Chien Company and leasing offices from Tian Wei Company.

G. Contract liabilities

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Other related parties	\$ 11,327	\$ 13,522

A building and land payment received from related parties as the Company sold construction projects to related parties.

H. Receipts under custody (shown as other current liabilities)

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Baoxin Company	\$ -	\$ 160

Payments that the Company received on behalf of Baoxin Company.

I. Lease arrangements — lessee

(a) The Company leases buildings from Tian Wei Company. The lease term was 5 years and rent was paid at the end of every year.

(b) Acquisition of use-of-right assets

	Year ended December 31	
	2022	2021
Tian Wei Company	\$ -	\$ 5,563

(c) Lease liability

i. Outstanding balance

	December 31, 2022	December 31, 2021
	Tian Wei Company	\$ 3,374

ii. Interest expense

	Year ended December 31	
	2022	2021
Tian Wei Company	\$ 43	\$ 55

J. Rent expenses (shown as administrative expenses)

	Year ended December 31	
	2022	2021
Tian Wei Company	\$ -	\$ 969

The Company leased offices from Tian Wei Company, and rent was payable at the end of every year.

K. Loan to/from related parties

Loans to related parties:

(a) Outstanding balance:

	December 31, 2022	December 31, 2021
	BIFINITY	\$ -

(b) Interest income:

	Year ended December 31	
	2022	2021
BIFINITY	\$ 160	\$ 216

The loans to BIFINITY are principal repayable at maturity at 2.05% per annum for the years ended December 31, 2022 and 2021.

(3) Key management compensation

	Year ended December 31	
	2022	2021
Short-term employee benefits	\$ 9,263	\$ 18,429
Post-employment benefits	503	502
	\$ 9,766	\$ 18,931

Remuneration of directors and other key managements are determined by the Remuneration Committee based on the personal performance and market trend.

8. Pledged Assets

The Company's assets pledged as collateral are as follows:

Pledged asset	Book value		Purpose
	December 31, 2022	December 31, 2021	
Inventories	\$ 6,590,970	\$ 4,971,113	Short-term borrowings
Financial assets at fair value through profit or loss	453,872	1,197,000	Short-term borrowings
Financial assets at amortised cost— current	102,919	430,245	Trust deposit of pre-sales construction
Non-current financial assets at amortised cost	980,953	979,580	Bonds payable and short-term notes and bills payable
	<u>\$ 8,128,714</u>	<u>\$ 7,577,938</u>	

9. Significant Contingent Liabilities and Unrecognised Contract Commitments

(1) Contingencies

A. HSING YA CONSTRUCTION ENGINEERING CO., LTD. (“HSING YA Company”) undertook the Company's ‘New construction of 96 households congregate housing in Songguan Sec., Beitun Dist., Taichung City’ on January 27, 2015 and undertook the Company's ‘New construction of congregate housing flats with 11 floors in Tuku Sec., West Dist., Taichung City’ on July 4, 2014. HSING YA Company requested the Company to pay construction payment amounting to \$69,177 thousand and pay the interest, and requested to confirm that the warranty period of the above two constructions were calculated from December 28, 2017 and April 5, 2017, respectively. HSING YA Company also requested the Company to return the performance promissory note of HSING YA Company. The Company has recognised the above construction payment during the construction period, and listed as accounts payable.

On March 17, 2022, a lawsuit was ruled in favour of the Company, and the delayed fine was used to fully offset the requested construction payment. The above two construction warranty periods were calculated from December 15, 2018 and August 15, 2018, respectively, and the rest of HSING YA Company's request was denied.

The Company and HSING YA Company both disagreed with the verdict and filed an appeal to the High Court. As of February 23, 2023, the case is awaiting the judgement of the High Court.

B. In 2013, Liyuan Construction Co., Ltd. (“Liyuan Company”) contracted the Company's new construction of houses, and the total consideration for the construction amounted to \$255,678 thousand. The construction period is within 499 calendar day starting from the commencement date. Liyuan Company filed for the construction payment amounting to \$255,678 thousand from 2013 to 2014, and the Company had unpaid payments of \$43,558 thousand. However, Liyuan Company did not complete the construction during the construction period, and the Company claimed for default fine amounting to \$59,835 thousand. Under the judgement of first instance dated July 21, 2017, limit on the default fine for the overdue completion should be 15% of total

construction consideration based on the construction contract, equivalent to \$38,352 thousand which could be offset with the construction payment filed by Liyuan Company, the Company should pay \$ 5,206 thousand to Liyuan Company, and pay statutory interest at 5% annual interest rate from May 17, 2016 to the settlement date to Liyuan Company.

Liyuan Company disagreed with the verdict and filed an appeal. In order to request the dismissal of the appeal, the Company did not file an appeal for the losing part in the first appeal.

On September 26, 2022, the High Court advised a settlement. On November 9, 2022, the mediation between the Company and Liyuan Company failed to reach an agreement. As of February 23, 2023, the case is under the judgement of the High Court.

In addition, the Company had accrued the aforementioned construction payment amounting to \$43,558 thousand (shown as accounts payable) when the construction was in progress, and the Company deposited \$5,206 thousand according to the aforementioned judgement on August 3, 2017 (shown as other non-current assets).

- C. Li Rung Construction Co., Ltd. (“Li Rung Company”) contracted the Company’s congregate housing construction in 2014, and the total consideration for the construction amounted to \$130,541 thousand. The construction period is within 360 calendar day starting from the commencement date. Li Rung Company filed for the construction payment amounted to \$130,541 thousand for the period from September 2014 to March 2017, the Company had paid \$107,892 thousand for the construction payment, and there was \$22,649 thousand unpaid. However, Li Rung Company did not complete the construction within the construction period, the Company could offset the construction payment in the amount of \$25,153 thousand which had exceeded the payment requested by Li Rung Company, therefore, the lawsuit filed by Li Rung Company was dismissed in accordance with the judgement of first instance.

Li Rung Company disagreed with the verdict and filed an appeal. In accordance with the judgement of second instance dated May 5, 2021, the Company could offset the construction payment in the amount of \$12,342 thousand, the Company should pay \$10,306 thousand, and pay statutory interest at 5% annual interest rate from April 15, 2017 to the settlement date to Li Rung Company.

Since the Company disagreed with the verdict of the second instance and filed an appeal to the Supreme Court, the Supreme Court remanded the second instance on February 25, 2022. On August 12, 2022, the High Court advised a settlement. On September 21, 2022, the first mediation between the Company and Li Rung Company failed to reach an agreement. As of February 23, 2023, the case is still under the mediation.

In addition, the Company had accrued the aforementioned construction payment amounting to \$10,306 thousand (shown as accounts payable) when the construction was in progress, and the Company deposited \$10,306 thousand according to the aforementioned judgement on May 5, 2021 (shown as other non-current assets)

- D. The customer filed a civil lawsuit against the Company with two cases requesting the sale proceeds to be refunded and for loss compensation in the total amount of \$8,459 thousand. As of February 23, 2023, the case is under trial with the District Court.
- E. On June 19, 2021, the Company purchased land located in Yunlinxi Section, Douliu City, Yunlin County from Mr. LIN,FU-YONG, Mrs. LIN,LAN-GUI, Mr. LIN,HONG-JUN and Jiou Yi Investment Co., LTD (the “buyer”) for a total consideration of \$361,192 thousand. The Company had paid \$361,192 thousand for the land (shown as inventories). However, the land had performance disputes. In addition, the Company claimed for punitive-damage of \$361,192 thousand and damage compensation of \$1,556 thousand and its interest against the buyer. During the litigation, the seller filed a counter-claim in the same litigation, requesting the Company to allow the seller to receive the land sale proceeds amounting to \$361,192 thousand in the trust property account, and pay the punitive damages amounting to \$361,192 thousand to the seller. As of February 23, 2023, the case is awaiting the judgement of the District Court.
- F. On August 13, 2020, the Company purchased land located in Longjing District, Taichung City from Worship guilds JI,CHANG-XING (“Worship guilds”) for a total consideration of \$98,900 thousand. The Company had paid \$29,670 thousand for the land, however, Worship guilds did not demolish above-ground buildings and other specified items as stipulated in the contracts. As a result, the Company filed a lawsuit for contract performance in order to secure the Company’s right. The Company reached a settlement with Worship guilds on September 17, 2021 and recovered the consideration amounting to \$19,373 thousand, and the remaining consideration amounting to \$10,297 thousand (shown as Other receivables) was the paid land value increment tax which is pending for implementing return procedures based on the agreement of settlement. As of February 23, 2023, the remaining consideration had not been received.

(2) Commitments

- A. As of December 31, 2022 and 2021, the Company’s contracted construction contracts amounted to \$4,100,515 thousand and \$3,061,209 thousand, and unaccrued amounts were \$2,641,310 thousand and \$2,541,796 thousand, respectively.
- B. As of December 31, 2022, the Company’s construction in progress and the deed of trust signed with the entrusted financial institutions were both commissioned to Taichung Commercial Bank Co., Ltd. for implementing transfer registrations for consideration or real estate development trust.

10. Significant Disaster Loss

None.

11. Significant Events after the Balance Sheet Date

To improve the Company’s financial structure, on February 23, 2023, the Board of Directors resolved to reduce its capital by retiring accumulated losses amounting to \$600,000 thousand. The Company retired 60,000 thousand shares of issued common shares with a par value of NT\$10 (in dollars) per share. The capital reduction ratio was 38.956922%. As of February 23, 2023, it was still awaiting approval from the shareholders.

12. Others

(1) Capital management

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders and to maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, issue new shares or sell assets to reduce debt. The Company regulates the borrowing amount of the Company based on the progress of the project and the funds required for the operation.

(2) Financial instruments

A. Financial instruments by category

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
<u>Financial assets</u>		
Financial assets at fair value through profit or loss		
Financial assets mandatorily measured at fair value through profit or loss	\$ 482,534	\$ 1,486,990
Financial assets at amortised cost		
Cash	\$ 155,241	\$ 608,612
Financial assets at amortised cost	1,083,872	1,409,825
Notes receivable	1,066	7,310
Accounts receivable (including related parties)	43,826	831,891
Other receivables (including related parties)	32,401	87,419
Guarantee deposits paid (shown as other non-current assets)	41,536	74,468
	<u>\$ 1,840,476</u>	<u>\$ 4,506,515</u>
	<u>December 31, 2022</u>	<u>December 31, 2021</u>
<u>Financial liabilities</u>		
Financial liabilities at amortised cost		
Short-term borrowings	\$ 4,523,172	\$ 4,540,066
Short-term notes and bills payable	348,737	349,518
Notes payable	22,182	41,113
Accounts payable (including related parties)	382,835	435,674
Other payables (including related parties)	33,433	53,755
Corporate bonds payable (including current portion)	1,699,480	1,698,916
Guarantee deposits received (shown as other non-current liabilities)	653	520
	<u>7,010,492</u>	<u>7,119,562</u>
Lease liability	168,151	186,413
	<u>\$ 7,178,643</u>	<u>\$ 7,305,975</u>

B. Financial risk management policies

- (a) The Company's activities expose it to a variety of financial risks: market risk (including interest rate risk and price risk), credit risk and liquidity risk.
- (b) Risk management is carried out by the Company's treasury department through close co-operation with the Company's operating units to identify, evaluate and hedge financial risks, such as foreign exchange risk, interest rate risk, credit risk, use of derivative financial instruments and non-derivative financial instruments, and investment of excess liquidity.

C. Significant financial risks and degrees of financial risks

(a) Market risk

Exchange rate risk

The Company's businesses involve functional currency operations (the Company's and certain subsidiaries' functional currency: NTD), the value affected by exchange rate fluctuations is remote and will not generate exchange rate risk accordingly.

Price risk

- i. The Company's equity securities, which are exposed to price risk, are the held financial assets at fair value through profit or loss. To manage its price risk arising from investments in equity securities, the Company diversifies its portfolio. Diversification of the portfolio is done in accordance with the limits set by the Company.
- ii. The Company's major investment is equity securities. The prices of equity securities would change due to the change of the future value of investee companies. If the prices of these equity securities had increased/decreased by 5% with all other variables held constant, post-tax profit for the years ended December 31, 2022 and 2021 would have increased/decreased by \$23,904 thousand and \$74,350 thousand, respectively, as a result of gains on equity securities classified as at fair value through profit or loss.

Cash flow and fair value interest rate risk

- i. The Company's main interest rate risk arises from long-term borrowings with variable rates, which expose the Company to cash flow interest rate risk. During December 31, 2022 and 2021, the Company's borrowings at variable rate were mainly denominated in New Taiwan dollars.
- ii. If the borrowing interest rate of New Taiwan dollars had increased/decreased by 0.1% with all other variables held constant, profit, net of tax for the years ended December 31, 2022 and 2021 would have increased/decreased by \$3,619 thousand and \$3,623 thousand, respectively. The main factor is that changes in interest expense result in floating-rate borrowings.

(b) Credit risk

- i. Credit risk refers to the risk of financial loss to the Group arising from default by the clients or counterparties of financial instruments on the contract obligations. The main factor is that counterparties could not repay in full the accounts receivable based on the agreed terms,

- and the contract cash flows of financial assets stated at amortised cost.
- ii. The Company manages their credit risk taking into consideration the entire company's concern. For banks and financial institutions, checking their credit rating on deposits, only independently rated parties with a minimum rating of good credit quality are accepted. According to the Company's credit policy, each local entity in the Group is responsible for managing and analysing the credit risk for each of their new clients before standard payment and delivery terms and conditions are offered. Internal risk control assesses the credit quality of the customers, taking into account their financial position, past experience and other factors. Individual risk limits are set based on internal or external ratings in accordance with limits set by the Board of Directors. The utilisation of credit limits is regularly monitored.
 - iii. The Company adopts following assumptions under IFRS 9 to assess whether there has been a significant increase in credit risk on that instrument since initial recognition:
If the contract payments were past due over 30 days based on the terms, there has been a significant increase in credit risk on that instrument since initial recognition.
 - iv. The Company adopts the assumptions under IFRS 9, the default occurs when the contract payments are past due over 90 days.
 - v. The Company primarily operates buildings and land business, such as sales of houses and plants. Revenue is recognised when transfer of ownership and house handover are completed, and the possibility of uncollectible accounts receivable is remote. The Company individually manages and regularly follows-up accounts receivable derived from special transactions. In addition, the Company classifies customers' accounts receivable in accordance with customer types and credit rating of customer. The Company applies the modified approach using a provision matrix to estimate the expected credit loss.
 - vi. The following indicators are used to determine whether the credit impairment of debt instruments has occurred:
 - (i). It becomes probable that the issuer will enter bankruptcy or other financial reorganisation due to their financial difficulties;
 - (ii). The disappearance of an active market for that financial asset because of financial difficulties;
 - (iii). Default or delinquency in interest or principal repayments;
 - (iv). Adverse changes in national or regional economic conditions that are expected to cause a default.
 - vii. The Company wrote-off the financial assets, which cannot be reasonably expected to be recovered, after initiating recourse procedures. However, the Company will continue executing the recourse procedures to secure their rights. For the years ended December 31, 2022 and 2021, the Company's written-off financial assets that are still under recourse procedures amounted to \$0 thousand and \$1,940 thousand, respectively.

viii. The Company used the historical and timely information to assess the default possibility of accounts receivable. On December 31, 2022 and 2021, the provision matrix is as follows:

	<u>Not past due</u>	<u>Up to 90 days past due</u>	<u>Over 90 days past due</u>	<u>Total</u>
<u>December 31, 2022</u>				
Expected loss rate	1.57%	0%	20%~100%	
Total book value	\$ 44,525	\$ -	\$ -	\$ 44,525
Loss allowance	(\$ 699)	\$ -	\$ -	(\$ 699)

<u>December 31, 2021</u>				
Expected loss rate	0%	0%	20%~100%	
Total book value	\$ 832,590	\$ -	\$ -	\$ 832,590
Loss allowance	(\$ 699)	\$ -	\$ -	(\$ 699)

ix. Movements in relation to the Company applying the modified approach to provide loss allowance for accounts receivable are as follows:

	<u>2022</u>	<u>2021</u>
	<u>Accounts receivable</u>	<u>Accounts receivable</u>
At January 1	\$ 699	\$ 3,086
Write-offs during the year	-	(1,940)
(Gain on reversal of) expected credit impairment loss	-	(447)
At December 31	<u>\$ 699</u>	<u>\$ 699</u>

x. The Company estimated that the loss rate of financial assets at amortised costs, notes receivables, accounts receivable-related parties, other accounts receivable and guarantee deposits paid is remote, therefore, loss allowance is immaterial as of December 31, 2022 and 2021.

(c) Liquidity risk

- i. Cash flow forecasting is aggregated by Company treasury. Company treasury monitors rolling forecasts of the Company's liquidity requirements to ensure it has sufficient cash to meet operational needs while maintaining sufficient headroom on its undrawn committed borrowing facilities at all times.
- ii. As at December 31, 2022 and 2021, the Company has undrawn borrowing facilities amounting to \$2,695,589 thousand and \$3,499,816 thousand, respectively.
- iii. The table below analyses the Company's non-derivative financial liabilities into relevant maturity groupings based on the remaining period at the balance sheet date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

Non-derivative financial liabilities:

<u>December 31, 2022</u>	<u>Less than 3 months</u>	<u>Between 3 months and 1 year</u>	<u>Between 1 and 3 years</u>	<u>Over 3 years</u>	<u>Total</u>
Short-term notes and bills payable	\$ -	\$ 350,000	\$ -	\$ -	\$ 350,000
Notes payable	5,801	5,136	11,245	-	22,182
Accounts payable	172,473	203,117	7,245	-	382,835
Other payables	17,470	15,963	-	-	33,433
Lease liability	2,929	8,861	23,230	155,277	190,297
Short-term borrowings	293,295	902,978	2,753,313	827,319	4,776,905
Guarantee deposits received(shown as other non-current liabilities)	-	561	92	-	653
Bonds payable	-	700,000	1,000,000	-	1,700,000

Non-derivative financial liabilities:

<u>December 31, 2021</u>	<u>Less than 3 months</u>	<u>Between 3 months and 1 year</u>	<u>Between 1 and 3 years</u>	<u>Over 3 years</u>	<u>Total</u>
Short-term notes and bills payable	\$ -	\$ 350,000	\$ -	\$ -	\$ 350,000
Notes payable	11,395	3,560	-	26,158	41,113
Accounts payable	204,709	230,965	-	-	435,674
Other payables	20,815	32,940	-	-	53,755
Lease liability	3,063	9,569	24,637	174,959	212,228
Short-term borrowings	751,791	202,121	1,970,160	1,821,931	4,746,003
Guarantee deposits received(shown as other non-current liabilities)	-	-	520	-	520
Bonds payable	-	-	1,700,000	-	1,700,000

(3) Fair value information

A. The different levels that the inputs to valuation techniques are used to measure fair value of financial and non-financial instruments have been defined as follows:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date. A market is regarded as active where a market in which transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis. The fair value of the Company's investment in listed stocks is included in Level 1.

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3: Unobservable inputs for the asset or liability.

B. Financial instruments not measured at fair value

The carrying amounts of the Company's financial instruments not measured at fair value (including cash, financial assets at amortised cost, notes payable, accounts receivable, other receivables, guarantee deposits paid, short-term borrowings, short-term notes and bills payable, notes payable, accounts payable, other payables, other payables to related parties, bonds payable

guarantee deposits received and lease liabilities are approximate to their fair values.

C. The related information of financial instruments measured at fair value by level on the basis of the nature, characteristics and risks of the assets and liabilities at December 31, 2022 and 2021 are as follows:

(a) The related information of natures of the assets is as follows:

<u>December 31, 2022</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Assets				
<u>Recurring fair value measurements</u>				
Financial assets at fair value through profit or loss				
Equity securities	\$ 482,524	\$ -	\$ 10	\$ 482,534
<u>December 31, 2021</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Assets				
<u>Recurring fair value measurements</u>				
Financial assets at fair value through profit or loss				
Equity securities	\$1,486,980	\$ -	\$ 10	\$1,486,990

(b) The methods and assumptions the Company used to measure fair value are as follows:

The instruments the Company used market quoted prices as their fair values (that is, Level 1) are listed below by characteristics:

Market quoted price	<u>Listed shares</u> Closing price
---------------------	---------------------------------------

D. For the years ended December 31, 2022 and 2021, there was no transfer between Level 1 and Level 2.

E. For the years ended December 31, 2022 and 2021, there was no transfer into or out from Level 3.

13. Supplementary Disclosures

(1) Significant transactions information

A. Loans to others: Please refer to table 1.

B. Provision of endorsements and guarantees to others: None.

C. Holding of marketable securities at the end of the period (not including subsidiaries, associates and joint ventures): Please refer to table 2.

D. Acquisition or sale of the same security with the accumulated cost exceeding \$300 million or 20% of the Company's paid-in capital: Please refer to table 3.

E. Acquisition of real estate reaching \$300 million or 20% of paid-in capital or more: Please refer to table 4.

F. Disposal of real estate reaching \$300 million or 20% of paid-in capital or more: None.

G. Purchases or sales of goods from or to related parties reaching \$100 million or 20% of paid-in capital or more: Please refer to table 5.

H. Receivables from related parties reaching \$100 million or 20% of paid-in capital or more: Please refer to table 6.

I. Trading in derivative instruments undertaken during the reporting periods: None.

J. Significant inter-company transactions during the reporting periods: Please refer to table 7.

(2) Information on investees

Names, locations and other information of investee companies (not including investees in Mainland China) : Please refer to table 8.

(3) Information on investments in Mainland China

A. Basic information: None.

B. Significant transactions conducted with investees in Mainland China directly or indirectly through other companies in the third areas: None.

(4) Major shareholders information

Major shareholders information: Please refer to table 9.

14. Segment Information

None.

VI. The Company or its affiliates have experienced financial difficulties in the most recent year or during the current year up to the date of publication of the annual report and their effects on the Company's financial status: No such situation.

SEVEN. Review and analysis of financial status and financial performance and risk

I. Financial status

Unit: NTD thousand

Item \ Year	2021	2022	Increase (decrease) amount	Change %	Description (Note)
Current assets	9,350,909	8,431,182	(919,727)	-9.84%	
Financial assets at fair value through profit or loss - noncurrent	20	20	0	0.00%	
Property, Plant and Equipment	35,367	35,365	(2)	-0.01%	
Intangible assets	1,101	923	(178)	-16.17%	
Deferred tax assets	28,105	30,154	2,049	7.29%	
Other non-current assets	85,931	51,418	(34,513)	-40.16%	(1)
Other assets	1,163,849	1,144,590	(19,259)	-1.65%	
Total assets	10,665,282	9,693,652	(971,630)	-9.11%	
Current liabilities	6,899,412	7,668,150	768,738	11.14%	
Corporate bonds payable	1,698,916	999,605	(699,311)	-41.16%	(2)
Non-current lease liabilities	173,781	156,562	(17,219)	-9.91%	
Other non-current liabilities	14,055	6,072	(7,983)	-56.80%	
Total liabilities	8,786,164	8,830,389	44,225	0.50%	
Capital stock	1,540,163	1,540,163	0	0.00%	
Capital surplus	92,566	92,566	0	0.00%	
Retained earnings	247,135	-769,028	(1,016,163)	-411.18%	(3)
Total shareholders' equity	1,879,118	863,263	(1,015,855)	-54.06%	(3)

Note: The major reasons for the significant changes in the Company's assets, liabilities and shareholders' equity in the last two years (changes of 20% or more between the previous and subsequent periods, and changes amounting to NT\$10 million), their effects and future corresponding plan.

1. Analysis of changes in the increase or decrease:
 - (1) Other non-current assets: Mainly due to the decrease in decrease in the deposit margin in 2022.
 - (2) Corporate bonds payable: Mainly due to 2 tranches of payable corporate bonds due within one year.
 - (3) Retained earnings and Total shareholders' equity: Mainly due to the net loss after tax in 2022.
2. Future corresponding plan for significant changes.
 The Company's overall poor performance is mainly due to the decrease in revenue and non-business losses, and the Company will continue to develop new projects, and cooperate with the marketing and sales strategy of real estate to drive the overall revenue momentum upward; And overcome the adverse factors of the industry to affect the progress of the project, complete the construction project schedule on schedule, and successfully hand over the house to reach the account.

II. Financial performance

Unit: NTD thousand

Item \ Year	2021	2022	Increase (decrease) amount	Change %	Description (Note)
Net operating revenues	3,185,720	578,022	(2,607,698)	-81.86%	(1)
Operating cost	2,484,992	423,833	(2,061,159)	-82.94%	(1)
Gross profit	700,728	154,189	(546,539)	-78.00%	(1)
Operating expenses	322,963	258,927	(64,036)	-19.83%	
Profit from operations	377,765	(104,738)	(482,503)	-127.73%	
Non-operating income and expense	(279,956)	(866,860)	(586,904)	209.64%	(2)
Profit before tax	97,809	(971,598)	(1,069,407)	-1093.36%	(3)
Income tax (expense) benefit	29,987	6,061	(23,926)	-79.79%	(4)
Net profits for the year	67,822	(977,659)	(1,045,481)	-1541.51%	(3)
Other comprehensive income for the year	-746	308	1,054	0.00%	
Total comprehensive income	67,076	(977,351)	(1,044,427)	-1557.08%	(3)

Note: The main reasons and the effect for items with a more than 20% change and the amount of the change is more than NT\$10 million between the previous and the current period

1. Analysis of changes in the increase or decrease:

- (1) Operating revenues, operating costs, gross profits and net operating profits: This was mainly due to the fact that the 111 construction project was affected by the external environment and did not receive the accounts as expected.
 - (2) Non-operating incomes and expenses: This was primarily due to the net loss of financial assets measured at fair value through profit or loss in 2022.
 - (3) Net profits before tax, net profits for the year, and total comprehensive income for the year: This was mainly due to the decrease in operating income in 2022 and the occurrence of a net loss of financial assets measured at fair value through profit or loss.
 - (4) Income tax (expense) benefit: Mainly due to the decrease of land value increment tax paid in 2022.
2. Estimated sales volume for the coming year and its basis, possible impact on the Company's future finance and business matters and corresponding plan: The Company has not disclosed its financial forecast for 2022, so does not intend to disclose the expected sales volume.

III. Cash flow

1. Analysis of changes in cash flows for the most recent year.

Unit: NTD thousand; %

Cash balance at the beginning of the period	Net cash outflow from operating activities for the year	Net cash inflow from investment activities for the year	Net cash outflow from financing activities for the year	Estimated cash balance (shortfall)	Remedies for cash shortfall	
					Investment plan	Financing plan
673,067	(1,083,040)	649,198	(41,721)	197,812	-	-

Analysis of changes in cash flows for the current year.

1. Net cash outflow from operating activities of \$1,083,040 thousand: This was mainly due to the increase in the amount of inventory due to the cost of capital investment in construction projects in 2022.

2. Net cash inflow from investing activities of \$649,198 thousand: This was mainly due to the decrease in financial assets obtained in 2022 that were measured at fair value through profit or loss.
3. Net cash outflow from financing activities of \$41,721 thousand: This was mainly due to a decrease in short-term borrowings and short-term notes payable by banks.

2. Improvement plan for liquidity deficiency: The Company has no liquidity deficiency.

3. Cash flow analysis for the coming year

Unit: NTD thousand

Cash balance at the beginning of the period (1)	Estimated net cash flows from operating activities for the year	Estimated net cash flows from investment or financing activities for the year	Estimated cash balance (shortfall) (1)+(2)+(3)	Remedies for estimated cash shortfall	
				Investment plan	Financing plan
197,812	1,070,524	(894,434)	373,902	-	-
1. Analysis of changes in cash flows for the coming year. (1) Net cash inflow from operating activities: Net cash inflow from the Company's projected operations. (2) Net cash outflow from investment and financing activities: This is mainly due to the expected that the net cash outflow arising from land and construction financing will be repaid at the same time as the construction is completed. 2. Remedies for estimated cash shortage and liquidity analysis: It is estimated cash shall have a balance of \$373,902 thousand so it is not applicable.					

IV. Effect of major capital expenditures on finance and business matters in the most recent year:

(I) Status of significant capital expenditures and sources of funds: The Company had no significant capital expenditures in the most recent year.

(II) Expected possible benefits: None.

V. Investment policy for the most recent year, the main reasons for profit or loss, improvement plan and investment plan for the coming year.

Unit: NTD thousand

Gain (loss) on the	Investment policy	Gain (loss) on Investee recognized in 2022	Main reasons for gain or loss	Improvement plan	Future investment plan
Baoxin Construction Co., Ltd.	Long-term investment	(78,580)	Mainly due to the recognition of construction-related service revenues.	None	None
Bifinity Biotechnology Co., Ltd.	Long-term investment	(2,816)	The revenue was lower.	Cost down.	None
Full Wang Property Agency Co., Ltd.	Long-term investment	-	Closed for business.	None	None
Full Wang Real Estate Co., Ltd.	Long-term investment	5	Closed for business.	None	None
Full Xin Global Real Estate Co., Ltd.	Long-term investment	(296)	The revenue was lower.	Cost down.	None
Sinder Technologies, Inc.	Long-term investment	-	It is an offshore company, which has no operating revenues and only incurs maintenance expenses.	None	None
Fuwong International Development Co., Ltd.	Long-term investment	(115)	It is an offshore company, which has no operating revenues yet and only incurs maintenance expenses.	In order to reduce operational risk, the application for cancellation of registration is in progress.	None
BIFINITY BIOTECHNOLOGY COMPANY LIMITED (VN)	Long-term investment	-	-	The cancellation and liquidation were completed on December 19, 2022	None

VI. Information on risks for the last two years and for the current year up to the publication date of the annual report

(I) The impact of change in interest rate, exchange rate change and inflation on the Company's profit and loss and future countermeasures

1. The impact of change in interest rate on the Company's profit and loss and future countermeasures

The interest expenses of the Consolidated Company were \$47,383 thousand and \$36,516 thousand for 2021 and 2022, respectively, which accounted for 1.49% and 6.32% of net operating revenues, respectively, and were very low. The Company has good credit relationships with its banks and had good credit standing as of the publication date of the annual report for 2021 and 2022. In response to changes in interest rate, the Company will pay close attention to the trend of interest rate in the future, adjust its borrowing structure in a timely manner and take necessary measures to hedge the risk of interest rate increases.

2. The impact of change in exchange rate change on the Company's profit and loss and future countermeasures

The exchange gains and losses of the combined company in 2021 and 2022 were \$784 thousand and \$429 thousand respectively, accounting for 0.02% and 0.07% of the net operating income, respectively, because the company as of the date of publication of the annual report is mainly based on domestic construction projects, the purchase and sales are denominated in Taiwan dollars, and exchange rate changes do not have a significant impact on the company's profit and loss.

3. The impact of inflation on the Company's profit and loss and future countermeasures

In recent years, inflation and rising prices of raw materials and energy have caused prices to rise, but because of the public's desire to preserve the value of their properties and the stable housing market transactions, inflation has not yet had a significant impact on the Company's consolidated profit and loss.

(II) Policies on high-risk, high-leverage investments, lending funds others, endorsement and guarantee, and derivatives transactions, main reasons for gain or loss, and future countermeasures:

1. In order to manage financial risks, the Consolidated Company has established relevant financial and operation-based internal management practices and operating procedures, including the "Procedures for Acquisition or Disposal of Assets," which cover the regulation of derivative transactions, and the "Procedures for the Lending of Funds to Others" and "Operating Procedures for Lending Funds to Others" to regulate the risk of endorsement and guarantee operations. All transactions are conducted in accordance with the relevant regulations, and the Consolidated Company does not engage in high-risk, high-leverage investments.

2. The Consolidated Company's derivative transactions as of the publication date of the annual report amounted to NT\$200,000 thousand for the first domestic secured convertible bond issued on October 14, 2013, NT\$100,000 thousand for the second domestic unsecured convertible bond issued on October 15, 2013, and NT\$400 thousand for the third domestic unsecured convertible bond

issued on May 12, 2014, As of December 31, 2015, the loss on the change in fair value of the above-mentioned convertible bonds amounted to NT\$10,882 thousand, which accounted for 0.84% of the net operating revenues for the year and was insignificant to the Company's profit or loss.

(III) Future research and development plans and estimated expenditures in research and development

The Consolidated Company has no plans for product research and development and no estimated expenditures in research and development for the purpose of construction related businesses. The construction industry is not like the general manufacturing industry or high-tech industry that requires new product R&D and design, so the Company does not have relevant research and development expenses and specific results.

(IV) The impact of important domestic and foreign policy and legal changes on the Company's finance and business and countermeasures

The operating policies of the Consolidated Company are in line with the laws and regulations, and the Consolidated Company keeps an eye on important domestic and foreign policies and legal changes, consults with experts when necessary to assess the impact of laws and regulations on the Consolidated Company and adjusts its internal systems in a timely manner. For the years ended December 31, 2021 and 2022, there were no significant changes in domestic or foreign policies and laws that affected the finance and business matters of the Consolidated Company as of the publication date of the annual report.

(V) The impact of important changes in technology or industry on the Company's finance and business and countermeasures:

The Consolidated Company is mainly engaged in land development, investment and residential construction to generate revenues and profits, and in order to keep abreast of market changes in response to technological and industrial changes, the Consolidated Company actively obtains industry information through various means to expand its business. The Company uses the Internet to allow customers to continuously track the progress of its projects and communicate with them, and also uses the Internet to promote the information and features of its projects. Therefore, there is no significant impact on the Company's finance and business matters due to changes in technology or industry.

(VI) The impact of change in corporate image on corporate crisis management and countermeasures

The Consolidated Company has been operating in a decent manner and has a good corporate image and has been certified as an honest and trustworthy construction developer in Taiwan. As of the publication date of the annual report, nothing has happened to affect the corporate image.

(VII) Expected benefits and possible risks of mergers and acquisitions and countermeasures: None.

(VIII) Expected benefits and possible risks of plant expansion and countermeasures: None.

(IX) Risks of concentrations of purchases or sales and countermeasures:

The Consolidated Company's main purchases are land and construction materials. The source of land is mainly from open market bids, private purchases and joint development, and there is no risk of concentration of land sources on a single target. In order to control the quality of construction, the Company entrusts the main construction projects to the contractors with Grade A construction contractor qualification and the Company's subsidiary, Baoxin Construction, and assigns construction management staff to supervise and manage the construction sites in order to effectively control the quality and progress of the construction. Therefore, there should be no risk of concentration of purchases.

The Consolidated Company's main sources of sales are residential construction and land development. The Consolidated Company does not sell to specific customers, so there is no risk of concentration of sales.

(X) The impact on the Company and risks of the massive transfer or change of shares by directors, supervisors or major shareholders with 10% stake or more and countermeasures

The directors, supervisors or major shareholders holding more than 10% of the shares of the Consolidated Company have not transferred a large number of shares, and the current shareholding percentages of directors and supervisors are in compliance with the regulations of the competent authorities.

(XI) The impact on the Company and risks of change in management rights and countermeasures

There was no change in the management rights of the Consolidated Company in 2021, 2022 and as of the publication date of this annual report.

(XII) Litigation or non-litigation events

1. For the most recent two years and the current year up to the date of publication of the annual report, if the Company has been convicted by final and binding judgments or is still bound by significant litigation, non-litigation or administrative disputes, the results of which may have a significant impact on shareholder interests or securities prices, the facts of the dispute, the amount of the subject matter, the start date of the litigation, the main parties involved and the handling of the case as of the date of publication of the annual report shall be disclosed.

For the most recent two years and the current year up to the date of publication of the annual report, if the Company has been convicted by final and binding judgments or is still bound by significant litigation, non-litigation or administrative disputes, the facts of the dispute, the amount of the subject matter, the start date of the litigation, the main parties involved and the handling of the case as of the date of publication of the annual report are disclosed as below:

Subject	Litigation Description	Possible Impacts
Request of payment for construction works	The contractor of the company's construction case of the large contractor sued the company against the company for payment of the project payment, and the case was being heard by the court.	None

Subject	Litigation Description	Possible Impacts
Request of payment for construction works	The contractor of the company's construction case of the large contractor sued the company against the company for payment of the project payment, and the case was being heard by the court.	None
Request of payment for construction works	The contractor of the company's construction case of the large contractor sued the company against the company for payment of the project payment, and the case was being heard by the court.	None
Request compensation and refund of the price	The consumer filed a civil lawsuit against the Company for refund of the price and damages, and the case was pending in court.	None
Request for return of the price	The Company purchased the land from the landlord in a dispute over performance, so it claimed to rescind the contract and requested the return of the asking price, punitive liquidated damages, damages and interest, and the case was pending in court.	None
Request payment for works and overdue rent	The project contractor filed a civil lawsuit against Baoxin Company for payment of the project payment and overdue rent, etc., and the case was pending in court.	None
Request for meet one's engagements	The company purchased land from the landlord to perform the contract, and the settlement litigation was stopped, and the company cooperated with the company to apply for a refund of the tax paid after the other party selected a special administrator.	None

In summary, the Company's lawsuit does not yet have a material impact on shareholders' equity or the price of securities in terms of the potential amount of compensation.

2. For the most recent two years and the current year up to the date of publication of the annual report, if the Company's directors, supervisors, general managers, persons in charge of the Company, substantial shareholders holding more than 10 percent of the shares, and affiliated companies have been convicted by final and binding judgments or is still bound by significant litigation, non-litigation or administrative disputes, the results of which may have a significant impact on shareholder interests or securities prices
3. The Company's directors, supervisors, managerial officers, and major shareholders holding more than 10% of the shares of the Company in the last two years and as of the date of publication of the annual report have any occurrence of events subject to the provisions of Article 157 of the Securities and Exchange Act and the current handling situation of the Company: None.

(XIII) Other major risks and countermeasures: None.

VII. Other important matters.

- (I) Hedge accounting: The Company does not use hedge accounting and is therefore not applicable.

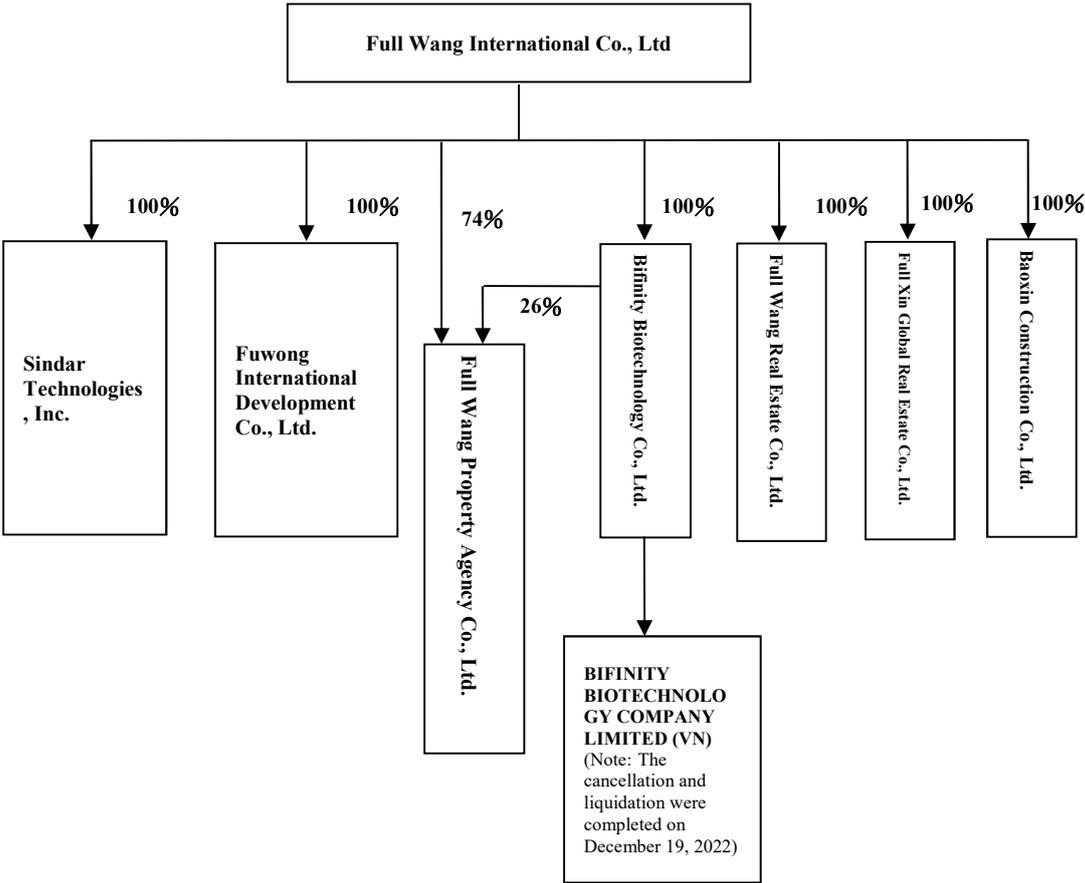
EIGHT. Special Matters

I. Information on affiliates

(I) Affiliate overview

1. Organization Chart of Affiliated Enterprises

December 31, 2022



2. Presumed to be controlling and subordinate affiliates under Article 369-3 of the Company Act: None.
3. Subsidiaries that are directly or indirectly controlled by the Company in accordance with Article 369-2(2) of the Company Act for human resources, finance or business operations: Not applicable.

(II) Basic information on affiliates

Unit: NT\$1,000; US\$1; December 31, 2022

Enterprise name	Date of establishment	Address	Paid-in Capital	Major business or production items
Sindar Technologies, Inc.	2002.04.04	3rdFl.,OmarHodgeBuilding,WickhamsCayI,P.O.Box362,RoadTown,Tortola,BritishVirginIslands	USD650,000	Trader
Fuwong International Development Co.,Ltd.	2015.04.23	BoreyVarina,No.59,2010Street,KorkKrangVillage,SangkatPhnomPenhThmey,KhanSensok,PhnomPenh,Cambodia.	USD100,000	Real Estate Trading
Baoxin Construction Co., Ltd.	1993.11.18	4F-5, No. 20, Dalong Rd., West Dist., Taichung City	120,000	Integrated Construction
Full Wang Property Agency Co., Ltd.	2010.03.04	6F-7, No. 20, Dalong Rd., West Dist., Taichung City	13,500	<ol style="list-style-type: none"> 1. Residence and Buildings Lease Construction and Development 2. Real Estate Trading 3. Real Estate Rental and Leasing 4. Real Estate Agencies 5. Real Estate Agency Operation 6. Investment Advisory Services 7. Management Consultancy Activities 8. General Advertising Services 9. Leaflet Distribution
Bifinity Biotechnology Co., Ltd.	2010.06.30	4F-5, No. 20, Dalong Rd., West Dist., Taichung City	60,000	<ol style="list-style-type: none"> 1. Residence and Buildings Lease Construction and Development 2. Real Estate Trading 3. Real Estate Rental and Leasing 4. Investment Advisory Services 5. Management Consultancy Activities 6. General Advertising Services 7. Leaflet Distribution 8. Manufacture of Beverages 9. Manufacture of Other Food Products Not Elsewhere Classified 10. Prepared Animal Feeds Manufacturing 11. Outerwear Knitting Mills 12. Animal Use Medicine Manufacturing 13. Plastic Made Grocery Manufacturing

Enterprise name	Date of establishment	Address	Paid-in Capital	Major business or production items
				14. Wholesale of Fruit and Vegetables 15. Wholesale of Nonalcoholic Beverages 16. Wholesale of Food and Grocery 17. Wholesale of Cosmetics 18. Retail sale of Agricultural Products 19. Retail sale of Food and Grocery 20. Retail Sale of Tobacco and Alcoholic Beverages 21. Retail Sale of Articles for Daily Use 22. Retail Sale of Cleaning Preparations 23. Retail Sale of Other Chemical Products 24. Retail Sale of Cosmetics in Specialized Stores 25. International Trade 26. Cleaning Products Manufacturing 27. Cosmetics Manufacturing 28. Wholesale of Pottery, Porcelain and Glassware 29. Retail Business Without Shop 30. Biotechnology Services 31. Other Recreational Services 32. Beauty Shops 33. Other Personal Service Activities 34. Agricultural Products Preparations 35. Wholesale of Tobacco Products and Alcoholic Beverages
Full Wang Real Estate Co., Ltd.	2017.12.06	4F-5, No. 20, Dalong Rd., West Dist., Taichung City	5,000	1. Investment Advisory Services 2. Management Consultancy Activities 3. Software Design Services 4. Data Processing Services 5. Digital Information Supply Services 6. General Advertising Services 7. Leaflet Distribution 8. Product Designing 9. Landscape and Interior Designing 10. Internet Identify Services 11. International Trade 12. Residence and Buildings

Enterprise name	Date of establishment	Address	Paid-in Capital	Major business or production items
				Lease Construction and Development 13. Industrial Factory Buildings Lease Construction and Development 14. Specialized Field Construction and Development 15. Public Works Construction and Investment 16. New County and Community Construction and Investment 17. Land Levy and Delimit 18. Reconstruction within the renewal area 19. Renovation, or maintenance within the renewal area 20. Real Estate Trading 21. Real Estate Rental and Leasing 22. Senior Citizen's Development 23. Financial Institution Creditor's Right(Money) Purchase 24. Financial Institution Creditor's Right(Money) Appraisal and Auction 25. Computing Equipment Installation Construction 26. Building Maintenance and Upholstery 27. Magazine and Periodical Publication 28. Book Publishers 29. Audio Tape and Record Publishers 30. Industry and Commerce Credit Bureau Services
Full Xin Global Real Estate Co., Ltd.	2018.12.19	15F-1, No. 282, Shizheng North 2nd Road, Xitun District, Taichung City	10,000	1. Investment Advisory Services 2. Management Consultancy Activities 3. Data Processing Services 4. Digital Information Supply Services 5. Software Design Services 6. General Advertising Services 7. Leaflet Distribution 8. Product Designing 9. Landscape and Interior Designing 10. Internet Identify Services

Enterprise name	Date of establishment	Address	Paid-in Capital	Major business or production items
				<ul style="list-style-type: none"> 11. International Trade 12. Residence and Buildings Lease Construction and Development 13. Industrial Factory Buildings Lease Construction and Development 14. Specialized Field Construction and Development 15. Public Works Construction and Investment 16. New County and Community Construction and Investment 17. Land Levy and Delimit 18. Reconstruction within the renewal area 19. Real Estate Trading 20. Real Estate Rental and Leasing 21. Senior Citizen's Development 22. Real Estate Agencies 23. Renovation, or maintenance within the renewal area 24. Financial Institution Creditor's Right(Money) Purchase 25. Financial Institution Creditor's Right(Money) Appraisal and Auction 26. Computing Equipment Installation Construction 27. Building Maintenance and Upholstery 28. Magazine and Periodical Publication 29. Book Publishers 30. Audio Tape and Record Publishers 31. Industry and Commerce Credit Bureau Services
<p>BIFINITY BIOTECHNOLOGY COMPANY LIMITED (VN) (Note: The cancellation and liquidation were completed on December 19, 2022)</p>	2018.2.5	10/15 đường số 10, khu phố 15, Phường Bình Hưng Hoà A, Quận Bình Tân, Thành phố Hồ Chí Minh, Việt Nam	-	Wholesale and Retail of Cosmetics

(III) Information on the common shareholders of the companies presumed to be in a controlling and subordinate relationship: None.

(IV) Industry and work division of all affiliated enterprises.

1. The industries covered by the businesses of all affiliates mainly include.
 - (1) Manufacture of Metal Structure and Architectural Components
 - (2) Wholesale and Retail Trade
 - (3) Building Maintenance and Upholstery
 - (4) Industrial Factory Buildings Lease Construction and Development
 - (5) Development of specific professional areas, new towns and new communities.
 - (6) Public Works Construction and Investment
 - (7) Land Levy and Delimit
 - (8) Renovation, or maintenance within the renewal area
 - (9) Real Estate Trading and Leasing
 - (10) Senior Citizen's Development
 - (11) Landscape and Interior Designing
 - (12) Real Estate Agencies
 - (13) Wholesale and Retail Trade of cosmetics

For details of the main business or production items of each affiliate, please refer to the list of basic information on affiliates in (ii) above.

(V) Information on directors, supervisors and general managers of affiliates (2022.12.31)

Enterprise name	Position	Name or representative	Shareholding	
			Number of shares	Shares Ratio
SindarTechnologies,Inc.	Directors	Full Wang International Co., Ltd Representative: Lin Cheng-Hsiung	650,000	100.00
Fuwong International Development Co.,Ltd.	Directors	Full Wang International Co., Ltd Representative: Lin Cheng-Hsiung	1,000	100.00
Full Wang Property Agency Co., Ltd.	Chairman	Full Wang International Co., Ltd Representative: Lin Cheng-Hsiung	1,000,000	74.00
	Directors	Full Wang International Co., Ltd Representative: Lin Su-Yu	1,000,000	74.00
	Directors	Full Wang International Co., Ltd Representative: Lin Chun-Chin	1,000,000	74.00
Bifinity Biotechnology Co., Ltd.	Supervisor	Bifinity Biotechnology Co., Ltd. Representative: Su Yin-Xi	350,000	26.00
	Chairman	Full Wang International Co., Ltd Representative: Lin Cheng-Hsiung	6,000,000	100.00
	Directors	Full Wang International Co., Ltd Representative: Lin, Tsung-Yi	6,000,000	100.00

Enterprise name	Position	Name or representative	Shareholding	
			Number of shares	Shares Ratio
	Directors	Full Wang International Co., Ltd Representative: Lin, Yu-Jen	6,000,000	100.00
Baoxin Construction Co., Ltd.	Chairman	Full Wang International Co., Ltd Representative: Lin Cheng-Hsiung	12,000,000	100.00
	Directors	Full Wang International Co., Ltd Representative: Lin, Tsung-Yi	12,000,000	100.00
	Directors	Full Wang International Co., Ltd Representative: Lin, Yu-Jen	12,000,000	100.00
Full Wang Real Estate Co., Ltd.	Chairman	Full Wang International Co., Ltd Representative: Lin Cheng-Hsiung	500,000	100.00
	Directors	Full Wang International Co., Ltd Representative: Lin Su-Yu	500,000	100.00
	Directors	Full Wang International Co., Ltd Representative: Lin Chun-Chin	500,000	100.00
	Supervisor	Full Wang International Co., Ltd Representative: Su Yi-Xi	500,000	100.00
Full Xin Global Real Estate Co., Ltd.	Chairman	Full Wang International Co., Ltd Representative: Lin Cheng-Hsiung	1,00,000	100.00
BIFINITY BIOTECHNOLOGY COMPANY LIMITED (VN) (Note: The cancellation and liquidation were completed on December 19, 2022)	Directors	Bifinity Biotechnology Co., Ltd. Representative: Lin Cheng-Hsiung	0	-

(VI) Affiliate business overview

December 31, 2022

Unit: NTD thousand; shares

Investee enterprises	Main Business	Cost of an investment	Book value	Shareholding		Net equity	Market price	Accounting treatment	Investment return for the most recent year (2022)		Shareholding in the enterprise
				Number of shares	Shareholding Percentage				Investment gains or losses	Distribution of dividends	
Baoxin Construction Co., Ltd.	Comprehensive construction	120,000	20,913	12,000,000	100.00	20,913	—	Equity method	(78,250)	—	—
Bifinity Biotechnology Co., Ltd.	Manufacturing, Wholesale and Retail Trade of cosmetics	61,900	12,276	6,000,000	100.00	12,276	—	Equity method	(2,806)	—	—
Full Wang Property Agency Co., Ltd.	Real estate trading, leasing, brokerage, and sale agency	10,000	(3,392)	1,000,000	74.00	(3,392)	—	Equity method	—	—	—
Full Wang Real Estate Co., Ltd.	Real estate trading, leasing, brokerage	5,000	4,956	500,000	100.00	4,956	—	Equity method	5	—	—

Investee enterprises	Main Business	Cost of an investment	Book value	Shareholding		Net equity	Market price	Accounting treatment	Investment return for the most recent year (2022)		Shareholding in the enterprise
				Number of shares	Shareholding Percentage				Investment gains or losses	Distribution of dividends	
Full Xin Global Real Estate Co., Ltd.	Real estate trading, leasing, brokerage	10,000	7,026	1,000,000	100.00	7,026	—	Equity method	(296)	—	—
Sindar Technologies Inc.	Trader	21,456	(323)	650,000	100.00	(323)	—	Equity method	—	—	—
Fuwong International Development Co., Ltd.	Real Estate Trading	3,272	388	1,000	100.00	388	—	Equity method	(115)	—	—
BIFINITY BIOTECHNOLOGY COMPANY LIMITED (VN) (Note: The cancellation and liquidation were completed on December 19, 2022)	Wholesale and Retail of Cosmetics	—	—	—	—	—	—	Equity method	—	—	—

(II) Consolidated financial statements of affiliates: Page 89.

(III) Relationship report: None.

- II. For the most recent year and the current year as of the publication date of the annual report, private placement of marketable securities: None.
- III. Holdings or disposals of the Company's shares by subsidiaries for the most recent year and the current year as of the publication date of the annual report: None.
- IV. Other necessary supplementary notes: None.
- V. For the most recent year and the current year as of the publication date of the annual report, if any of the events specified in Paragraph 2 of Article 36 of the Securities and Exchange Act occurred that had a material effect on shareholders' equity or the price of securities: None.

Full Wang International Co., Ltd



Chairman: Lin, Cheng-Hsiung

