

# FULL WANG INTERNATIONAL DEVELOPMENT COMPANY LIMITED

## Agenda of 2023 Annual Shareholders' Meeting

Time of Meeting : April 10, 2023(Monday) at 9:00am

Holding method : Physical shareholders meeting

Location of Meeting : 4F-5, No.20, Dalong Road, West District, Taichung City(Company Training Classroom)

Total outstanding share: 154,016,276 shares

Total shares represented by shareholders present in person or by proxy: 105,653,001 shares ( including votes casted electronically 93,970,743 votes)

Percentage of shares held by shareholders present in person or by proxy: 68.59%

Directors present : Lin, Cheng-Hsiung ; Lin, Tsung-Yi ; Chang, Yu-Tuan ; PAO CHU Investment Co., Ltd. deputy: Lin, Yu-Jen ; PAO CHU Investment Co., Ltd. deputy: Lin, Yu-Chen

Independent Director present : Wang, Jin-Chun ; Wang, Chin-Hsiang ; Chang, Kuo-Hsiung ; Lii, Yuan-shuh

Attend : CPA Wang, Yu-Chuan ; Lawyer Lin, Chin-Lung

Chairman : Lin, Cheng-Hsiung

Recorder : Chen, Yung-Ho

I、 Call the Meeting to Order : The aggregate shareholding of the shareholders present in person or by proxy constituted a quorum. The Chairman called the meeting to order.

II、 Chairman's Remarks : (omitted)

III、 Reports

Case 1. 2022 Business Report.

Explanation: Please refer to Attachment 1 of this handbook for the 2022 Business Report.

Case 2. 2022 Audit Committee's Review Report.

Explanation: Please refer to Attachment 2 of this handbook for the Audit Committee's Review Report.

Case 3. The 2018 first time, the 2019 first time, the 2019 second time, the 2019 third time and the 2020 first time secured ordinary corporate bond enforcement report.

Explanation: The execution of the 2018 first time, the 2019 first time, the 2019 second time, the 2019 third time and the 2020 first time secured ordinary corporate bond are as follows :

Types of corporate bonds	First secured corporate bonds in 2018 (B86206)	First secured corporate bonds in 2019 (B86207)	Second secured corporate bonds in 2019 (B86208)	Third secured corporate bonds in 2019 (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 depositary 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
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	Not applicable	Not applicable	Not applicable	Not applicable

Case 4. 2022 The cumulative loss in the year reached one-half of the paid-in capital.

Explanation: The paid-in capital of the Company as of December 31, 2022 was NT\$1,540,162,760, and the accumulated loss was NT\$937,263,276, which has reached one-half of the paid-in capital. Pursuant to Article 211 of the Company Act, submit a report to the shareholders' meeting.

#### IV、Ratifications

Case 1: To accept 2022 business report and financial statements. (Proposed by Board of Directors)

Explanation:

- (I) The Company's individual and consolidated financial statements for 2022 have been duly audited by Jane Wang and Mei-Lan Liu, the CPAs from PwC Taiwan, who have approved the report without reservation, and issued an unqualified opinion.
- (II) The aforesaid financial statements together with the operating report have reviewed and determined as correct and accurate by the Audit Committee.
- (III) Please refer to Attachment 1 of this handbook for the 2022 Business Report.
- (IV) Please refer to Attachment 3 of this handbook for the CPA opinion and Financial statements.
- (V) It is hereby submitted for ratification.

Resolution: The voting results of this motion are as follows:

Voting results	%
In favour: 104,661,750 votes (including votes casted electronically 92,981,411 votes)	99.06%
Against: 38,657 votes (including votes casted electronically 38,657 votes)	0.03%
Invalid: 0 votes	0.00%
Abstained: 952,594 (including votes casted electronically 950,675 votes)	0.90%

The proposal was adopted by vote.

Case 2: To accept 2022 deficit compensation. (Proposed by Board of Directors)

Explanation:

- (I) The Company has no surplus available for distribution in 2022, so no surplus will be distributed in the fourth quarter of 2022. The proposed loss allowance table is as follows:

FULL WANG INTERNATIONAL DEVELOPMENT COMPANY LIMITED  
Deficit Compensation



Unit: NT\$

Item	Amount
Undistributed earnings in previous year	40,087,981
Plus (Less): Loss for the year	(977,659,105)
: Rotation Special reserve	307,848
Losses to be covered at the end of the period	(937,263,276)

Chairman:



Manager:



Accounting Controller:



- (II) It is hereby submitted for ratification.

Resolution: The voting results of this motion are as follows:

Voting results	%
In favour: 104,619,766 votes (including votes casted electronically 92,939,427 votes)	99.02%
Against: 62,741 votes (including votes casted electronically 62,741 votes)	0.05%
Invalid: 0 votes	0.00%
Abstained: 970,494 (including votes casted electronically 968,575 votes)	0.91%

The proposal was adopted by vote.

## V、Discussion

### Case 1: Amendments to the Articles of Incorporation. (Proposed by Board of Directors)

Explanation:

- (I) In line with the provisions of the Company Law, it is proposed to amend the Articles of Incorporation.
- (II) The Table of Amendments to the Articles of Incorporation. Please refer to Attachment 4 of this handbook
- (III) It is hereby submitted for discussion.

Resolution: The voting results of this motion are as follows:

Voting results	%
In favour: 104,669,450 votes (including votes casted electronically 92,989,111 votes)	99.06%
Against: 23,958 votes (including votes casted electronically 23,958 votes)	0.02%
Invalid: 0 votes	0.00%
Abstained: 959,593 (including votes casted electronically 957,674 votes)	0.90%

The proposal was adopted by vote.

### Case 2: Amendments to the Procedures for Acquisition and Disposal of Assets. (Proposed by Board of Directors)

Explanation:

- (I) In order to meet the Company's practical needs, it is proposed to amend the Procedures for Acquisition and Disposal of Assets.
- (II) The Table of Amendments to the Procedures for Acquisition and Disposal of Assets. Please refer to Attachment 5 of this handbook.
- (III) It is hereby submitted for discussion.

Resolution: The voting results of this motion are as follows:

Voting results	%
In favour: 104,661,450 votes (including votes casted electronically 92,981,11 votes)	99.06%
Against: 38,058 votes (including votes casted electronically 38,058 votes)	0.03%
Invalid: 0 votes	0.00%
Abstained: 953,493 (including votes casted electronically 951,574 votes)	0.90%

The proposal was adopted by vote.

### Case 3: Capital reduction to offset losses. (Proposed by Board of Directors)

Explanation:

- (I) The paid-in capital of the Company is NT\$1,540,162,760, the issued shares are 154,016,276 shares, and the loss to be covered as of December 31, 2022 is NT\$937,263,276.
- (II) In order to improve the financial structure and increase the net value per share, it is proposed to reduce the capital by NT\$600,000,000 and eliminate the number of ordinary shares by NT\$600,000 in accordance with Article 168,

Item 1 of the Company Law. It is expected that each 1000 shares will be reduced by 389.56921669 shares (that is, 610.43078330 shares will be exchanged for each 1000 shares), the capital reduction ratio will be about 38.95692166%, and the paid-in capital of the company after the capital reduction will be NT\$940,162,760, and the issued shares will be 94,016,276 shares. If, due to other factors, there is a change in the actual number of shares outstanding in the Company, and the capital reduction ratio changes, it is proposed to request the shareholders' meeting to authorize the board of directors to handle it with full authority.

- (III) The new shares exchanged after this capital reduction shall be issued without entity, and their rights and obligations shall be the same as those of the original issued shares. For the aberrant fractional shares of less than one share after the capital reduction, the shareholders may register the whole shares with the stock agency of the Company from five days before the date of cessation of transfer to the day before the cessation of transfer, and the aberrant fractional shares that are not cobbled together or still less than one share are discounted in cash at par amount (insufficient amounts shall be rounded off), and the aberrant fractional shares of less than one share are provided for the cost of book transfer. All fractional shares of less than one share shall be subscribed by the chairman of the board of directors at par value.
- (IV) After the discussion and approval of the shareholders' meeting and the consent of the competent authority, it is proposed to authorize the board of directors to set the base date for capital reduction, the base date for capital reduction and share exchange, the suspension date for transfer and other matters related to capital reduction.
- (V) If there are any unspecified matters in this capital reduction case, or if it is necessary to change or amend due to changes in laws and regulations, instructions from competent authorities, or due to objective circumstances, the Board of Directors is hereby authorized to handle it at its sole discretion.
- (VI) According to Letter No. 1120000616 dated March 7, 2023 of the Securities and Futures Investors Protection Center(SFIPC), the relevant explanations regarding the Company's handling of capital reduction to cover losses are as follows:
  - 1. The reason for this capital reduction: to improve the financial structure and increase the net value per share.
  - 2. Sound the business plan and implement the control measures:
    - (1) Increase in revenue scale: The Company continues to develop new projects and cooperate with the market sales strategy of real estate to drive the overall revenue momentum upward.
    - (2) Strengthen the completion of the construction project progress on schedule: Overcome the adverse factors of the industry to affect the progress of the project, complete the construction project schedule on

schedule, and achieve the entry of the house smoothly.

(3) Implementation of control measures: The implementation of the sound business plan will be reported to the board of directors on a quarterly basis.

3. The sound operation plan and the implementation results will be explained by the shareholders' meeting in the following year, and in accordance with the instructions of the Financial Supervisory Commission in letter No. 0990028032 of May 21, 2010, the case of capital reduction to make up for losses will be handled at this ordinary meeting of shareholders, and the above information will be submitted to the shareholders' meeting for explanation and resolution.

(VII) It is hereby submitted for discussion.

Resolution: The voting results of this motion are as follows:

Voting results	%
In favour: 104,573,357 votes (including votes casted electronically 92,893,018 votes)	98.97%
Against: 124,675 votes (including votes casted electronically 124,675 votes)	0.11%
Invalid: 0 votes	0.00%
Abstained: 954,969 (including votes casted electronically 953,050 votes)	0.90%

The proposal was adopted by vote.

**VI 、 Motions : NO.**

**VII 、 Adjournment : 9:25AM, April 10, 2023**

There were no questions from shareholders at this Shareholders' Meeting.

(The minutes of this Shareholders' Meeting only contain the gist of the meeting, and the detailed content is still subject to the audio and video records of the meeting.)

Chairman : Lin, Cheng-Hsiung

Recorder : Chen, Yung-Ho

  
**FULL WANG INTERNATIONAL DEVELOPMENT COMPANY LIMITED**  
 2022 Business Report

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

Item	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	
	Ratio to paid-in capital	Operating (loss) profit	(6.80)	24.53
		Profit (loss) before income tax	(63.08)	6.35
	Net 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 2023 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 facility 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 planned to be developed. Construction projects are planned according to the construction period in the short, medium and long term. These projects are expected 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 focused 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:



Manager:



Accounting Controller:



## 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: \_\_\_\_\_

February 23, 2023

## 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.

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Wang, Yu-Chuan  
For and on Behalf of  
February 23, 2023

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Liu, Mei Lan

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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	%
<b>Current assets</b>					
1100	Cash and cash equivalents	\$ 197,812	2	\$ 673,067	6
1110	Financial assets at fair value through profit or loss - current	521,251	5	1,596,578	15
1136	Current financial assets at amortised cost	103,069	1	437,802	4
1150	Notes receivable, net	1,486	-	7,310	-
1170	Accounts receivable, net	43,858	1	832,031	8
1200	Other receivables	20,143	-	74,335	1
1220	Current tax assets	9,440	-	-	-
130X	Inventory	6,985,759	72	5,258,266	49
1470	Other current assets	548,364	6	471,520	5
11XX	<b>Current Assets</b>	<u>8,431,182</u>	<u>87</u>	<u>9,350,909</u>	<u>88</u>
<b>Non-current assets</b>					
1510	Non-current financial assets at fair value through profit or loss	20	-	20	-
1535	Non-current financial assets at amortised cost	980,953	10	979,579	9
1600	Property, plant and equipment	35,365	-	35,367	-
1755	Right-of-use assets	163,637	2	184,270	2
1780	Intangible assets	923	-	1,101	-
1840	Deferred income tax assets	30,154	-	28,105	-
1900	Other non-current assets	51,418	1	85,931	1
15XX	<b>Non-current assets</b>	<u>1,262,470</u>	<u>13</u>	<u>1,314,373</u>	<u>12</u>
1XXX	<b>Total assets</b>	<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	%
<b>Current liabilities</b>					
2100	Current borrowings	\$ 4,759,162	49	\$ 4,754,743	45
2110	Short-term notes and bills payable	348,737	4	349,518	3
2130	Current contract liabilities	1,233,459	13	1,164,027	11
2150	Notes payable	23,085	-	41,458	-
2170	Accounts payable	523,076	5	476,305	4
2200	Other payables	52,730	1	57,437	1
2230	Current income tax liabilities	-	-	14,091	-
2280	Current lease liabilities	11,589	-	12,632	-
2320	Long-term liabilities, current portion	699,875	7	-	-
2399	Other current liabilities, others	16,437	-	29,201	-
21XX	<b>Current Liabilities</b>	<u>7,668,150</u>	<u>79</u>	<u>6,899,412</u>	<u>64</u>
<b>Non-current liabilities</b>					
2530	Corporate bonds payable	999,605	10	1,698,916	16
2580	Non-current lease liabilities	156,562	2	173,781	2
2600	Other non-current liabilities	6,072	-	14,055	-
25XX	<b>Non-current liabilities</b>	<u>1,162,239</u>	<u>12</u>	<u>1,886,752</u>	<u>18</u>
2XXX	<b>Total Liabilities</b>	<u>8,830,389</u>	<u>91</u>	<u>8,786,164</u>	<u>82</u>
Share capital					
3110	Share capital - common stock	1,540,163	16	1,540,163	14
Capital surplus					
3200	Capital surplus	92,566	1	92,566	1
Retained earnings					
3310	Legal reserve	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	<b>Equity attributable to owners of the parent</b>	<u>863,263</u>	<u>9</u>	<u>1,879,118</u>	<u>18</u>
3XXX	<b>Total equity</b>	<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	<b>Total liabilities and equity</b>	<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, except earnings per share)

	Items	Notes	Year ended December 31			
			2022		2021	
			AMOUNT	%	AMOUNT	%
4000	Sales revenue		\$ 578,022	100	\$ 3,185,720	100
5000	Operating costs		( 423,833)	( 73)	( 2,484,992)	( 78)
5900	Net operating margin		154,189	27	700,728	22
	Operating expenses					
6100	Selling expenses		( 88,616)	( 15)	( 164,141)	( 5)
6200	General & 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		73,064	13	98,085	3
7020	Other gains and losses		( 905,722)	( 157)	( 332,616)	( 10)
7050	Finance costs		( 36,516)	( 6)	( 47,383)	( 2)
7000	Total non-operating revenue and expenses		( 866,860)	( 150)	( 279,956)	( 9)
7900	<b>Profit (loss) before income tax</b>		( 971,598)	( 168)	97,809	3
7950	Income tax expense		( 6,061)	( 1)	( 29,987)	( 1)
8200	<b>Profit (loss) for the year</b>		<u>(\$ 977,659)</u>	<u>( 169)</u>	<u>\$ 67,822</u>	<u>2</u>
	<b>Other comprehensive income</b>					
	<b>Components of other comprehensive income that will be reclassified to profit or loss</b>					
8361	Exchange differences on translation		\$ 308	-	(\$ 746)	-
8360	Components of other comprehensive income that will be reclassified to profit or loss		308	-	( 746)	-
8300	<b>Total other comprehensive income for the year</b>		<u>\$ 308</u>	<u>-</u>	<u>(\$ 746)</u>	<u>-</u>
8500	<b>Total comprehensive income for the year</b>		<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:		<u>(\$ 977,659)</u>	<u>( 169)</u>	<u>\$ 67,822</u>	<u>2</u>
8710	Owners of the parent		<u>(\$ 977,351)</u>	<u>( 169)</u>	<u>\$ 67,076</u>	<u>2</u>
	Basic (loss) earnings per share					
9750	Total basic (loss) earnings per share		<u>(\$ 6.35)</u>		<u>\$ 0.44</u>	
	Diluted (loss) earnings per share					
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)

	Equity attributable to owners of the parent							
	Notes	Share capital - common stock	Total capital surplus, additional paid-in capital	Retained Earnings		Total 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 income (loss) for the year		-	-	-	-	-	( 746)	( 746)
Total comprehensive income (loss)		-	-	-	-	67,822	( 746)	67,076
Appropriations and distribution of 2020 retained earnings								
Legal reserve		-	-	36,259	-	( 36,259)	-	-
Cash dividends		-	-	-	-	( 308,033)	-	( 308,033)
Balance at December 31, 2021		<u>\$ 1,540,163</u>	<u>\$ 92,566</u>	<u>\$ 161,015</u>	<u>\$ -</u>	<u>\$ 86,120</u>	<u>( \$ 746)</u>	<u>\$ 1,879,118</u>
<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		-	-	-	-	( 977,659)	308	( 977,351)
Appropriations and distribution of 2021 retained earnings								
Legal reserve		-	-	6,782	-	( 6,782)	-	-
Special reserve		-	-	-	746	( 746)	-	-
Cash dividends		-	-	-	-	( 38,504)	-	( 38,504)
Balance at December 31, 2022		<u>\$ 1,540,163</u>	<u>\$ 92,566</u>	<u>\$ 167,797</u>	<u>\$ 746</u>	<u>( \$ 937,571)</u>	<u>( \$ 438)</u>	<u>\$ 863,263</u>

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, except as otherwise indicated)

	Year ended December 31		
	Notes	2022	2021
<b><u>CASH FLOWS FROM OPERATING ACTIVITIES</u></b>			
(Loss) profit before tax		(\$ 971,598 )	\$ 97,809
Adjustments			
Adjustments to reconcile profit (loss)			
Depreciation expense - property, plant and equipment		12,175	12,501
Depreciation expense - right-of-use assets		11,247	8,622
Amortization expense		655	596
Impairment loss (impairment gain and reversal of impairment loss)		-	447
Loss on financial assets at fair value through profit or loss		895,298	322,065
Interest expenses		36,516	47,383
Interest income	(	2,314 )	( 1,958 )
Dividend revenue	(	56,650 )	( 16,870 )
Other income		-	( 79,368 )
Losses on disposals of property and equipment		50	-
Profit from lease modification	(	964 )	-
Litigation loss		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 )
Inventory	(	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, except as otherwise indicated)

	Year ended December 31	
	2022	2021
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Acquisition of financial assets at fair value through profit or loss	(\$ 9,384,464 )	(\$ 46,092,115 )
Proceeds from disposal of financial assets at fair value through	9,619,090	45,743,376
Financial assets at fair value through profit or loss for using the equity method	4,617	-
Decrease (increase) in financial assets at amortised cost	333,359	( 158,641 )
Acquisition of property, plant and equipment	( 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	<u>649,198</u>	<u>( 497,773 )</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Increase in short-term borrowings	9,807,868	23,150,784
Decrease in short-term borrowings	( 9,803,449 )	( 22,712,497 )
Increase in short-term notes and bills payable	350,000	350,000
Decrease in short-term notes and bills payable	( 350,000 )	( 400,000 )
Increase in guarantee deposits received	867	212
Decrease in guarantee deposits received	( 591 )	( 575 )
Repayment of principal portion of lease liabilities	( 7,912 )	( 6,536 )
Cash dividends paid	( 38,504 )	( 308,033 )
Net cash flows (used in) from financing activities	<u>( 41,721 )</u>	<u>73,355</u>
Effect of change in foreign currency exchange	<u>308</u>	<u>( 746 )</u>
Net decrease in cash and cash equivalents	( 475,255 )	( 191,709 )
Cash and cash equivalents at beginning of year	<u>673,067</u>	<u>864,776</u>
Cash and cash equivalents at end of year	<u>\$ 197,812</u>	<u>\$ 673,067</u>

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

## 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:

#### **Cutoff 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.

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Wang, Yu-Chuan  
For and on Behalf of PricewaterhouseCoopers, Taiwan  
February 23, 2023

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Liu, Mei Lan

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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	%
<b>Current assets</b>					
1100	Cash and cash equivalents	\$ 155,241	2	\$ 608,612	6
1110	Financial assets at fair value through profit or loss - current	482,524	5	1,486,980	14
1136	Current financial assets at amortised cost	102,919	1	430,245	4
1150	Notes receivable, net	1,066	-	7,310	-
1170	Accounts receivable, net	43,826	1	831,891	8
1200	Other receivables	32,401	-	87,419	1
1220	Current tax assets	2,766	-	-	-
130X	Inventory	6,610,960	72	5,001,399	49
1470	Other current assets	466,917	5	367,946	4
11XX	<b>Current Assets</b>	<u>7,898,620</u>	<u>86</u>	<u>8,821,802</u>	<u>86</u>
<b>Non-current assets</b>					
1510	Non-current financial assets at fair value through profit or loss	10	-	10	-
1535	Non-current financial assets at amortised cost	980,953	11	979,580	9
1550	Investments accounted for under equity method	45,558	1	185,881	2
1600	Property, plant and equipment	33,086	-	32,324	-
1755	Right-of-use assets	163,637	2	184,270	2
1780	Intangible assets	876	-	953	-
1840	Deferred tax assets	28,347	-	25,596	-
1900	Other non-current assets	41,536	-	74,468	1
15XX	<b>Non-current assets</b>	<u>1,294,003</u>	<u>14</u>	<u>1,483,082</u>	<u>14</u>
1XXX	<b>Total assets</b>	<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	%
<b>Current liabilities</b>					
2100	Short-term borrowings	\$ 4,523,172	49	\$ 4,540,066	44
2110	Short-term notes and bills payable	348,737	4	349,518	3
2130	Current contract liabilities	1,134,148	12	1,083,295	11
2150	Notes payable	22,182	-	41,113	1
2170	Accounts payable	382,835	4	435,674	4
2200	Other payables	33,433	1	53,755	1
2230	Current income tax liabilities	-	-	2,054	-
2280	Current lease liabilities	11,589	-	12,632	-
2320	Long-term liabilities, current portion	699,875	8	-	-
2399	Other current liabilities, others	7,577	-	20,652	-
21XX	<b>Current Liabilities</b>	<u>7,163,548</u>	<u>78</u>	<u>6,538,759</u>	<u>64</u>
<b>Non-current liabilities</b>					
2530	Bonds payable	999,605	11	1,698,916	16
2580	Non-current lease liabilities	156,562	2	173,781	2
2600	Other non-current liabilities	9,645	-	14,310	-
25XX	<b>Non-current liabilities</b>	<u>1,165,812</u>	<u>13</u>	<u>1,887,007</u>	<u>18</u>
2XXX	<b>Total Liabilities</b>	<u>8,329,360</u>	<u>91</u>	<u>8,425,766</u>	<u>82</u>
<b>Equity</b>					
Share capital					
3110	Share capital - common stock	1,540,163	16	1,540,163	15
Capital surplus					
3200	Capital surplus	92,566	1	92,566	1
Retained earnings					
3310	Legal reserve	167,797	2	161,015	1
3320	Special reserve	746	-	-	-
3350	Total unappropriated retained earnings (accumulated deficit)	( 937,571)	( 10)	86,120	1
Other equity interest					
3400	Other equity interest	( 438)	-	( 746)	-
3XXX	<b>Total equity</b>	<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	<b>Total liabilities and equity</b>	<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 earnings per share)

	Items	Notes	Year ended December 31			
			2022		2021	
			AMOUNT	%	AMOUNT	%
4000	Sales revenue		\$ 576,663	100	\$ 3,176,713	100
5000	Operating costs		( 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					
6100	Selling expenses		( 83,984)	( 15)	( 144,563)	( 4)
6200	General & 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		2,423	1	2,002	-
7010	Other income		69,315	12	43,353	1
7020	Other gains and losses		( 857,052)	( 149)	( 362,980)	( 11)
7050	Finance costs		( 36,510)	( 6)	( 45,232)	( 1)
7070	Share of (loss) profit of associates and joint ventures accounted for using equity method, net		( 81,462)	( 14)	<u>77,036</u>	<u>2</u>
7000	Total non-operating revenue and expenses		( 903,286)	( 156)	( 285,821)	( 9)
7900	<b>Profit (loss) before income tax</b>		( 970,558)	( 168)	85,230	3
7950	Income tax (expense) benefit		( 7,101)	( 1)	( 17,408)	( 1)
8200	<b>Profit (loss) for the year</b>		<u>(\$ 977,659)</u>	<u>( 169)</u>	<u>\$ 67,822</u>	<u>2</u>
	<b>Components of other comprehensive income that will be reclassified to profit or loss</b>					
8361	Exchange differences on translation		\$ 308	-	( \$ 746)	-
8360	Components of other comprehensive income that will be reclassified to profit or loss		<u>308</u>	<u>-</u>	<u>( 746)</u>	<u>-</u>
8300	<b>Other comprehensive income for the year</b>		<u>\$ 308</u>	<u>-</u>	<u>( \$ 746)</u>	<u>-</u>
8500	<b>Total comprehensive income for the year</b>		<u>(\$ 977,351)</u>	<u>( 169)</u>	<u>\$ 67,076</u>	<u>2</u>
	Basic earnings per share					
9750	Total basic earnings per share		<u>(\$ 6.35)</u>		<u>\$ 0.44</u>	
	Diluted earnings per share					
9850	Diluted earnings per share		<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		Total 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 income for the year		-	-	-	-	-	( 746)	( 746)
Total comprehensive income		-	-	-	-	67,822	( 746)	67,076
Appropriations and distribution of 2020 retained earnings								
Legal reserve		-	-	36,259	-	( 36,259)	-	-
Cash dividends		-	-	-	-	( 308,033)	-	( 308,033)
Balance at December 31, 2021		<u>\$ 1,540,163</u>	<u>\$ 92,566</u>	<u>\$ 161,015</u>	<u>\$ -</u>	<u>\$ 86,120</u>	<u>(\$ 746)</u>	<u>\$ 1,879,118</u>
<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		-	-	-	-	( 977,659)	308	( 977,351)
Appropriations and distribution of 2021 retained earnings								
Legal reserve		-	-	6,782	-	( 6,782)	-	-
Special reserve		-	-	-	746	( 746)	-	-
Cash dividends		-	-	-	-	( 38,504)	-	( 38,504)
Balance at December 31, 2022		<u>\$ 1,540,163</u>	<u>\$ 92,566</u>	<u>\$ 167,797</u>	<u>\$ 746</u>	<u>(\$ 937,571)</u>	<u>(\$ 438)</u>	<u>\$ 863,263</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 CASH FLOWS  
YEARS ENDED DECEMBER 31, 2022 AND 2021  
(Expressed in thousands of New Taiwan dollars)

	Year ended December 31		
	Notes	2022	2021
<b><u>CASH FLOWS FROM OPERATING ACTIVITIES</u></b>			
(Loss) profit before tax		(\$ 970,558 )	\$ 85,230
Adjustments			
Adjustments to reconcile profit (loss)			
Depreciation expense - property, plant and equipment		10,596	10,982
Depreciation expense - right-of-use assets		11,247	8,622
Amortization expense		554	444
Impairment loss (impairment gain and reversal of impairment loss)		-	( 447 )
Loss on financial assets at fair value through profit or loss		856,582	361,169
Interest expenses		36,510	45,232
Interest income	(	2,423 )	( 2,002 )
Dividend revenue	(	54,466 )	( 15,235 )
Other income		-	( 28,550 )
Share of profit of associates for using the equity method		81,462	( 77,036 )
Losses on disposals of property and equipment		50	-
Profit from lease modification	(	964 )	-
Litigation loss		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 )
Inventory	(	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)

	Year ended December 31		
	Notes	2022	2021
<b><u>CASH FLOWS FROM INVESTING ACTIVITIES</u></b>			
Acquisition of financial assets at fair value through profit or loss		(\$ 9,008,910 )	(\$ 38,268,984 )
Proceeds from disposal of financial assets at fair value through profit or loss		9,202,074	37,925,265
Financial assets at fair value through profit or loss for using the equity method		4,440	-
Decrease (increase) in financial assets at amortised cost		325,953	( 174,491 )
Acquisition of property, plant and equipment		( 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>
<b><u>CASH FLOWS FROM FINANCING ACTIVITIES</u></b>			
Increase in short-term borrowings		9,462,648	19,934,909
Decrease in short-term borrowings		( 9,479,542 )	( 19,543,455 )
Increase in short-term notes and bills payable		350,000	350,000
Decrease in short-term notes and bills payable		( 350,000 )	( 400,000 )
Increase in guarantee deposits received		725	212
Decrease in guarantee deposits received		( 592 )	( 575 )
Repayment of principal portion of lease liabilities		( 7,912 )	( 6,536 )
Cash dividends paid		( 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 COMPANY LIMITED

## Table of Amendments to the Articles of Incorporation

Article	After amendment	Before amendment	Description
Article 7	All the shares issued by the Company shall be in the form of registered shares, signed or sealed and numbered by the directors representing the Company, and issued after obtaining a bank visa to act as a stock issuance visa holder in accordance with the law. When the Company issues new shares, it may print shares together for the total number of shares issued and contact the securities centralized custodian institution for safekeeping. The shares issued by the Company may also be exempted from printing shares and registered with the securities centralized custodian institution.	All the shares issued by the Company shall be in the form of registered shares, signed or sealed by three or more directors and numbered, and issued after being issued by the competent authority or its approved issuance registration agency. When the Company issues new shares, it may print shares together for the total number of shares issued and contact the securities centralized custodian institution for safekeeping. The shares issued by the Company may also be exempted from printing shares and registered with the securities centralized custodian institution.	Amendment is made as per law.
Article 40	The Articles of Incorporation is hereby formulated on April 4, 1997; The 1st Amendment on May 10, 1997; The 2nd Amendment on November 9, 1998; The 3rd Amendment on September 14, 1999; The 4th Amendment on March 27, 2000; The 5th Amendment on June 26, 2000; The 6th Amendment on September 21, 2000; The 7th Amendment on March 23, 2001; The 8th Amendment on May 21, 2002; The 9th Amendment on May 21, 2003; The 10th Amendment on June 14, 2004; The 11th Amendment on September 21, 2005; The 12th Amendment on May 16, 2006; The 13th Amendment on June 21, 2007; The 14th Amendment on June 13, 2008; The 15th Amendment on November 28, 2008; The 16th Amendment on May 22, 2009; The 17th Amendment on April 30, 2010; The 18th Amendment on June 16, 2011; The 19th Amendment on November 20, 2012; The 20th Amendment on May 23, 2013; The 21st Amendment on January 23, 2015; The 22nd Amendment on April 29, 2016; The 23rd Amendment on May 10, 2019; The 24th Amendment on May 10, 2021; The 25th Amendment on June 16, 2022; The 26th Amendment on April 10, 2023.	The Articles of Incorporation is hereby formulated on April 4, 1997; The 1st Amendment on May 10, 1997; The 2nd Amendment on November 9, 1998; The 3rd Amendment on September 14, 1999; The 4th Amendment on March 27, 2000; The 5th Amendment on June 26, 2000; The 6th Amendment on September 21, 2000; The 7th Amendment on March 23, 2001; The 8th Amendment on May 21, 2002; The 9th Amendment on May 21, 2003; The 10th Amendment on June 14, 2004; The 11th Amendment on September 21, 2005; The 12th Amendment on May 16, 2006; The 13th Amendment on June 21, 2007; The 14th Amendment on June 13, 2008; The 15th Amendment on November 28, 2008; The 16th Amendment on May 22, 2009; The 17th Amendment on April 30, 2010; The 18th Amendment on June 16, 2011; The 19th Amendment on November 20, 2012; The 20th Amendment on May 23, 2013; The 21st Amendment on January 23, 2015; The 22nd Amendment on April 29, 2016; The 23rd Amendment on May 10, 2019; The 24th Amendment on May 10, 2021; The 25th Amendment on June 16, 2022.	The amendment date at this time is added.

## FULL WANG INTERNATIONAL DEVELOPMENT COMPANY LIMITED

Table of Amendments to the Procedures for Acquisition and Disposal of Assets

After amendment	Before amendment	Description
<p>Article 8. Procedures for Acquisition or Disposal of Securities:</p> <p>I. Appraisal and Operational Procedures The Company's acquisition or disposal of securities shall be conducted in accordance with the Company's internal control system investment reversed.</p> <p>II. Procedures for Deciding Trading Conditions and Authorization Amount</p> <p>(I) Securities traded in a securities trading market or a securities firm's business premises shall be decided by the responsible unit according to the market conditions and the amount is less than NT\$1500 million, (inclusive), it shall be approved by the chairman of the board of directors; If the amount exceeds NT\$1500 million, it must also be approved by the Audit Committee and approved by the Board of Directors. The responsible unit submits a monthly analysis report on the unrealized benefits or losses of negotiable securities for the reference of decision makers.</p> <p>(II) ~ (III) Omitted.</p> <p>III ~ IV Omitted.</p>	<p>Article 8. Procedures for Acquisition or Disposal of Securities:</p> <p>I. Appraisal and Operational Procedures The Company's acquisition or disposal of securities shall be conducted in accordance with the Company's internal control system investment reversed.</p> <p>II. Procedures for Deciding Trading Conditions and Authorization Amount</p> <p>(I) Securities traded in a securities trading market or a securities firm's business premises shall be decided by the responsible unit according to the market conditions and the amount is less than NT\$1500 million, (inclusive), it shall be approved by the chairman of the board of directors and reported at the latest meeting of the board of directors afterwards, and an analysis report on the unrealized benefits or losses of long-term and short-term marketable securities shall be submitted; If the amount exceeds NT\$1500 million, it must also be approved by the Audit Committee and approved by the Board of Directors.</p> <p>(II) ~ (III) Omitted.</p> <p>III ~ IV Omitted.</p>	<p>Amendment is made as company's practice.</p>