

FULL WANG INTERNATIONAL DEVELOPMENT  
COMPANY LIMITED

2023  
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.*

**Printed on April 22, 2024**

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



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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

Although the real estate market has been limited by unfavorable policies and environmental factors in recent years, such as the sharp increase in raw materials and construction costs due to inflation disruption and the general shortage of labor in various projects, the total revenue of the Company and its subsidiaries in 2023 has grown to NT\$2,600,430 thousand.

The following is a report to shareholders on the Company's operating results for 2023:

### I. Business results

#### (I) Implementation Results of Business Plans:

Unit: NTD thousand

Item	2023	2022	Increase (decrease) change	
			Amount	Percentage %
Sales revenue	2,600,430	578,022	2,022,408	350%
Operating costs	2,046,918	423,833	1,623,085	383%
Net operating margin	553,512	154,189	399,323	259%
Total operating expenses	385,963	258,927	127,036	49%
Operating (loss) profit	167,549	(104,738)	272,287	260%
Total nonoperating revenue and expenses	62,023	(866,860)	928,883	107%
Profit (loss) before income tax	229,572	(971,598)	1,201,170	124%
Profit (loss) for the year	193,112	(977,659)	1,170,771	120%

#### (II) Budget Implementation:

The Company did not prepare 2023 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			2023	2022
Financial performance (%)	Debt to assets ratio		85.52	91.09
	Long-term capital to property, plant and equipment ratio		3,788.86	2,441.01
Solvency (%)	Current ratio		114.88	109.95
	Quick ratio		28.02	17.58
	Times interest earned		1.56	(7.99)
Profitability (%)	Return on assets (%)		2.04	(9.32)
	Return on equity (%)		16.42	(71.30)
	Ratio to paid-in capital	Operating (loss) profit	14.08	(6.80)
		Profit (loss) before income tax	19.29	(63.08)
	Net profit margin (%)		7.43	(169.14)
	Earnings per share (NT\$)		2.02	(10.40)

(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 2024 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 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 2024, 2025 and 2026, respectively, to contribute to each year's operating income and profitability. It is also actively developing a "large department store" located in the Wuri High-speed Railway Special Zone, attracting well-known domestic and foreign manufacturers to enter and cooperate, so as to create a long-term and stable development of the company's future operations.

(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, Changhua and Miaoli for residential construction projects.

In this competitive environment, in order to respond to the competition in the real estate market and consider the analysis of the future rail economic mobility demand, the Company has built through-the-sky, villa-type and residential buildings mainly on land around MRT stations, large-scale public buildings, newly rezoned areas and important transportation constructions. The company has the advantages of land cost and product planning, reasonable prices, can attract the favor of demanders, and actively invest in the development of commercial real estate, the "large department store" located in the Wuri high-speed rail special zone is in full swing to meet the external market competition.

#### (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 international economic situation in 2023, affected by factors such as high interest rates, high inflation and China's post-epidemic economic performance is not as expected, the global demand for end products is weak, resulting in a slowdown in manufacturing activities in various countries. In Taiwan, the domestic demand service industry showed an expansion trend after the epidemic, and the performance of industries such as retail, tourism and people transportation improved significantly compared with 2022, but the slowdown in global trade expansion not only affected Taiwan's export and export orders, but also affected corporate investment, causing Taiwan's economic growth rate to decline in the fourth quarter of 2022 and the first quarter of 2023, and only turned from negative to positive in the second quarter. In terms of the real estate industry, due to the frequent negative rumors of the general environment, the confidence of the real estate market has been disrupted, which not only causes investors to continue to leave the market, but also lengthens the evaluation time for self-occupants to purchase real estate. The company actively provides consumers with reasonably priced and high-quality products to choose from, and expects 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.  
The Taiwan Honest Brand Builder.

- 2023 Handled a capital reduction of NT\$600,000,000, elimination of 60,000,000 ordinary shares, and a cash capital increase of NT\$250,000,000, with a paid-in capital of NT\$1,190,162,760.  
Issued NT\$200,000,000 for the first secured ordinary corporate bonds in 2023 to repay the principal of the first secured ordinary corporate bonds in 2018.  
The Taiwan Honest Brand Builder.
- 2024 Issued NT\$300,000,000 for the first secured ordinary corporate bonds in 2024 to repay the principal of the first secured ordinary corporate bonds in 2019.  
Yonghua Construction won the silver mark of intelligent building.

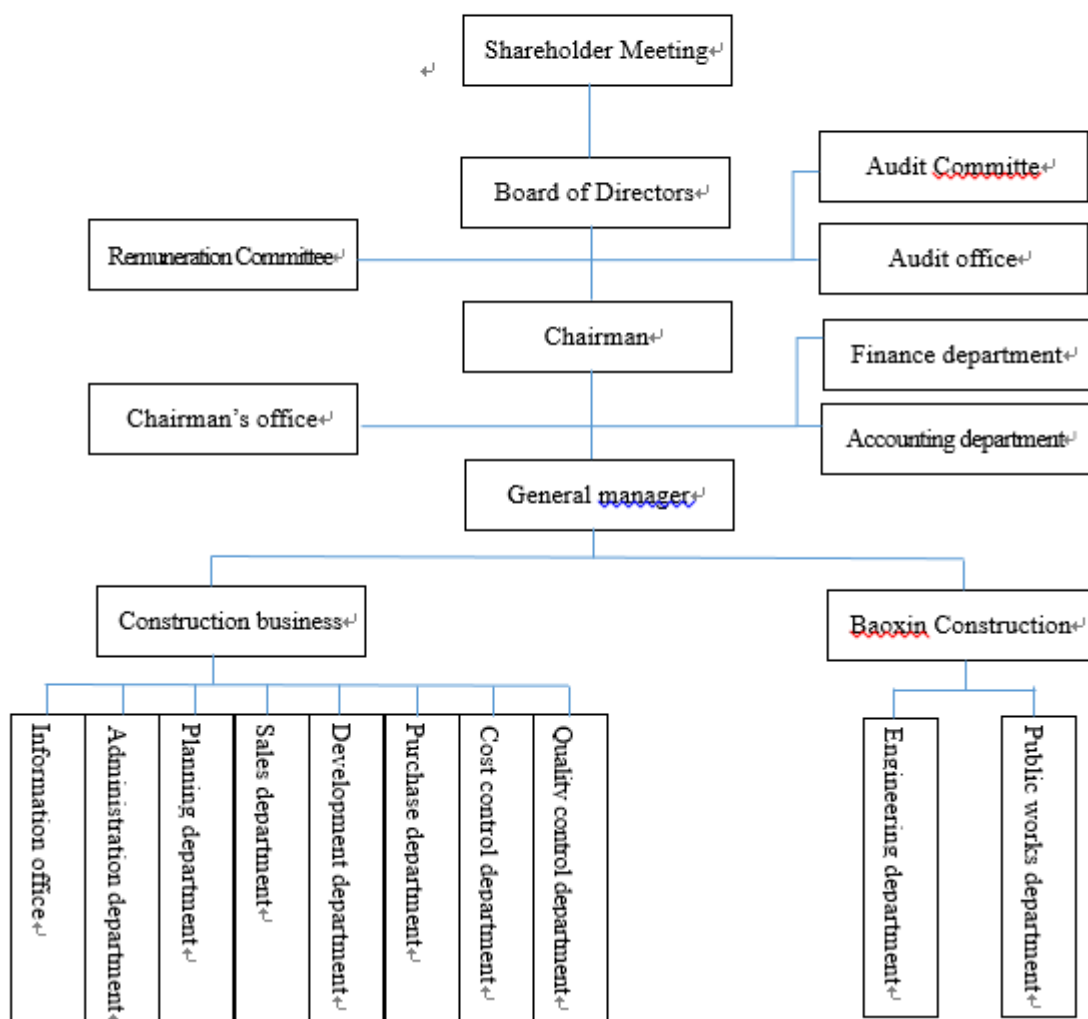
### THREE. Corporate governance report

#### 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.
	Quality control department	Various quality 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

April 1, 2024

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	
Chairman	R.O.C.	Lin, Cheng-Hsiung	Male 61~70	2022.6.16	3 years	2008.11.28	2,518,648	1.64	1,864,522	1.56	475,000	0.39	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	Directors Directors	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.
Directors	R.O.C.	Chang, Yu-Tuan	Male 51~60	2022.6.16	3 years	2013.5.23	342,494	0.22	157,884	0.13	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	None	None	Under the management objective of maximizing corporate value and returning it to shareholders, it is still necessary. Response measures: In line with the relevant policies of the competent authorities to promote and implement	
Directors	R.O.C.	Lin, Tsung-Yi	Male 31~40	2022.6.16	3 years	2010.4.30	0	0	1,167,000	0.98	0	0	0	0	Science in Finance of Shih Chien University Deputy general manager of Construction Business of Full Wang International Co., Ltd	General manager of Construction Business of Full Wang International Co., Ltd	Chairman Directors	Lin, Cheng-Hsiung Lin, Yu-Jen	Father and son Brothers	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 implementation of sustainable development and corporate social responsibility.
Directors	R.O.C.	PAO CHU Investment Co., Ltd	NA	2022.6.16	3 years	2008.8.26	23,684,480	15.38	17,533,316	14.73	0	0	0	0	Science in Finance of Shih Chien University	Deputy general manager of Construction Business of Full Wang International Co., Ltd	Chairman Directors	Lin, Cheng-Hsiung Lin, Tsung-Yi	Father and son Brothers	
		Deputy: Lin, Yu-Jen	Male 31~40	2022.6.16		2016.4.29	0	0	1,167,000	0.98	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	17,533,316	14.73	0	0	0	0	Master of Science in Finance, School of Management, Chung Hsing University	Senior finance manager of Full Wang International Co., Ltd	None	None	None	
		Deputy: Lin, Yu-Chen	Female 51~60	2022.12.8		2019.5.10	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	117,445	0.09	0	0	0	0	Department of Economics, Tunghai University	General Counsel of Crowe (TW) CPAs Directors of SHIAN YIH ELECTRONIC INDUSTRY CO., LTD. Chairperson of Horwath Professional Management Consulting Co., Ltd. Chairperson of Shangxie Asset Management 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	
Independent Directors	R.O.C.	Chan, Chia Chang (Note 6)	Male 61~70	2023.11.16	3 years	2005.6.12	0	0	0	0	0	0	0	0	Ph.D. in Business Administration, National Sun Yat-sen University	Professor and Vice President of the Department of Finance, Tunghai University, Independent Director of Chewang Electronics Co., Ltd., Independent Director of Hanxiang Aviation Industry Co., Ltd., Independent Director of Edison Technology Co., Ltd	None	None	None	

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(Note 7)	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	

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 2019.6.13~2023.6.15.

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: By-election on December 8, 2023.

Note 7: Resigned on May 19, 2023.



## Schedule 1: Major shareholders of corporate shareholders

April 1, 2024

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 Cheng-Hsiung (63.4%), Chen Mei-Hui (30%), 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

April 1, 2024

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

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, 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., relatives: who are not	None
Chan, Chia Chang	With more than five years of working experience required for the Company's business. Professor and Vice President of the Department of Finance, Tunghai University, Independent Director of Chewang Electronics Co., Ltd., Independent Director of Hanxiang Aviation Industry Co., Ltd., Independent Director of Edison Technology Co., Ltd. There are no cases under article 30 of the Companies Act.	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	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.	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.	None
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

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				✓			✓		✓	✓	✓	✓	✓	✓
Chang, Kuo-Hsiung	Male	R.O.C				✓	✓				✓	✓	✓			✓
Lii, Yuan-shuh	Male	R.O.C			✓		✓				✓	✓	✓			✓
Chan, Chia Chang	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

April 1, 2024

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 and General manager of Construction business	R.O.C.	Lin, Tsung-Yi	Male	2024.1.12 2019.11.8	1,167,000	0.98	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	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.
Deputy general manager of sales of construction business	R.O.C.	Lin, Yu-Jen	Male	2020.1.1	1,167,000	0.98	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	Response measures: In line with the relevant policies of the 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 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	2022.3.31	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	2023.2.23	0	0	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.

### (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	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	Remuneration from
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		Base remuneration (A) (Note 2)		Severance and pension (B)		Remuneration for directors (C) (note 3)		Business execution expenses (D) (Note 4)		A, B, C and D as a % of the net profits after tax (Note 8)		Remuneration, bonus, special allowance (E) (Note 5)		Severance and pension (F)		Remuneration for employees (G) (Note 6)				profits after tax (note 8)		reinvested enterprises other than subsidiaries (Note 9)
		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	50	50	0.09%	0.09%	2,400	2,400	0	0	0	0	0	0	1.33%	1.33%	None
Directors	Lin, Tsung-Yi	120	120	0	0	0	0	70	70	0.10%	0.10%	2,141	2,141	0	0	0	0	0	0	1.21%	1.21%	None
Directors	Chang, Yu-Tuan	132	132	0	0	0	0	60	60	0.10%	0.10%	0	0	0	0	0	0	0	0	0.10%	0.10%	None
Directors	PAO CHU Investment Co., Ltd. deputy : Lin, Yu-Jen	120	120	0	0	0	0	70	70	0.10%	0.10%	887	887	0	0	0	0	0	0	0.56%	0.56%	None
Directors	PAO CHU Investment Co., Ltd. deputy : Lin, Yu-Chen	120	120	0	0	0	0	90	90	0.11%	0.11%	1,794	1,794	0	0	0	0	0	0	1.04%	1.04%	None
Independent Director	Wang, Jin-Chun	192	192	0	0	0	0	100	100	0.15%	0.15%	0	0	0	0	0	0	0	0	0.15%	0.15%	None
Independent Director	Wang, Chin-Hsiang (Note 11)	87	87	0	0	0	0	40	40	0.07%	0.07%	0	0	0	0	0	0	0	0	0.07%	0.07%	None
Independent Director	Chan, Chia Chang (Note 10)	22.5	22.5	0	0	0	0	10	10	0.02%	0.02%	0	0	0	0	0	0	0	0	0.02%	0.02%	None
Independent Director	Chang, Kuo-Hsiung	192	192	0	0	0	0	80	80	0.14%	0.14%	0	0	0	0	0	0	0	0	0.14%	0.14%	None
Independent Director	Lii, Yuan-shuh	192	192	0	0	0	0	70	70	0.14%	0.14%	0	0	0	0	0	0	0	0	0.14%	0.14%	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.

Note 10: By-election on November 16, 2023.

Note 11: Resigned on May 19, 2023.

## 2. Remuneration of Supervisors:NA.

## 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(Note 1)	2,400	2,400	0	0	0	0	0	0	0	0	1.24%	1.24%	None
General manager and General manager of Construction business	Lin, Tsung-Yi (Note 1)	2,141	2,141	0	0	0	0	0	0	0	0	1.11%	1.11%	None
Deputy general manager of sales of construction business	Lin, Yu-Jen	887	887	0	0	0	0	0	0	0	0	0.46%	0.46%	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. On January 12, 2023, the board of directors resolved that the general manager of the company was changed to Lin Zongyi, general manager.

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	1. 24%	1. 24%	None
General manager and General manager of Construction business	Lin, Tsung-Yi	2, 141	2, 141	0	0	0	0	0	0	0	0	1. 11%	1. 11%	None
Accounting officer	Huang,Hsiu-Hua	1, 938	1, 938	0	0	0	0	0	0	0	0	1. 00%	1. 00%	None
Deputy general manager of Baoxin Construction Co., Ltd.	Yang, Liang-Si	1, 849	1, 849	0	0	0	0	0	0	0	0	0. 96%	0. 96%	None
Finance officer	Lin, Yu-Chen	1, 794	1, 794	0	0	0	0	0	0	0	0	0. 93%	0. 93%	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

March 12, 2024

	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	0	0	0	0
	General manager and General manager of Construction business	Lin, Tsung-Yi				
	Deputy general manager of sales of construction business	Lin, Yu-Jen				
	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: %

	2023 Analysis of total remuneration as a percentage of profit or loss after tax for the year		2022 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)	4.74%	4.74%	-0.98%	-0.98%
Supervisor	-	-	-0.03%	-0.03%
General manager and deputy general manager	2.81%	2.81%	-0.71%	-0.71%

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 2023.

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 March 12, 2024, it submits to the board of directors to resolve that no employee remuneration and directors' remuneration will be distributed for 2023.

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 15, 2023 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 (2023), 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	5	4	56%	
Directors	Chang, Yu-Tuan	7	2	78%	
Directors	Lin, Tsung-Yi	6	3	67%	
Directors	PAO CHU Investment Co., Ltd. deputy : Lin, Yu-Jen	7	2	78%	
Directors	PAO CHU Investment Co., Ltd. deputy : Lin, Yu-Chen	9	0	100%	
Independent Director	Wang, Jin-Chun	9	0	100%	
Independent Director	Chang, Kuo-Hsiung	7	2	78%	
Independent Director	Lii, Yuan-shuh	6	3	67%	
Independent Director	Wang, Chin-Hsiang	4	0	100%	Resigned on May 19, 2023
Independent Director	Chan, Chia Chang	-	-	-	By-election on November 16, 2023

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: The Company has established an Audit Committee, which is not subject to Article 14-3 of the Securities and Exchange Act in accordance with Article 14-5 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: None.

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:

Director Name	Proposal content	Recusal reasons	Participation in voting
Lin, Tsung-Yi	Change of the Company's general manager.		
Lin, Tsung-Yi	Set up the Company's Supervisor of Information Security		

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.

(I) 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.

(II) On November 16, 2023, the Company by-elected one independent director at the extraordinary general meeting of shareholders to comply with the requirements of the competent authority.

(III) The Company conducts an annual performance evaluation of the Board of Directors.

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	Board of Directors Individual Board	Internal self-evaluation of the	The performance evaluation of the Board of Directors should include the following five major areas:

	of each year	Member and functional committees	Board of Directors Self-evaluation of directors Peer evaluation Appointment of external professional organizations, experts Or other appropriate methods	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.
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### Filing of Board of Directors' performance evaluation results

Company code: 6219

Company name: Full Wang International Development Co., Ltd.

Year 2023

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, 2023 To December 31, 2023	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 4.57: Good 2. Average of 4.75: Good 3. Average of 4.43: Good 4. Average of 4.29: Good 5. Average of 4.43: 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, 2023 To December 31, 2023	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 4.93: Good 2. Average of 4.93: Good 3. Average of 4.76: Good 4. Average of 4.96: Good 5. Average of 4.96: Good 6. Average of 4.96: 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, 2023 To December 31, 2023	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 4.5: Good 2. Average of 4.86: Good 3. Average of 4.86: Good 4. Average of 5.0: Good 5. Average of 5.0: 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, 2023 To December 31, 2023	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 5.0: Good 5. Average of 4.92: 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 : NA.

## 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	8	0	100 %	
Independent Director	Chang, Kuo-Hsiung	6	2	75 %	
Independent Director	Lii, Yuan-shuh	5	3	63 %	
Independent Director	Chan, Chia Chang	-	-	-	By-election on November 16, 2023.
Independent Director	Wang, Chin-Hsiang	4	0	100 %	Resigned on May 19, 2023.

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.

The focus of the Audit Committee of the Company in 2023 is as follows:

1. Review the financial report.
2. Review and revise the internal control system and evaluate the effectiveness of the internal control system.
3. Review and revise the standards for the treatment of acquired or disposed of assets, the code of practice for corporate governance, the operating standards related to the financial business of related enterprises, and the administrative measures for long-term and short-term equity investment.
4. Review the assessment of the independence and competency of the visa accountant.
5. Review matters related to the issuance of new shares by cash capital increase.
6. Review the new construction and decoration project of Baoxin Construction Co., Ltd., a subsidiary of the entrusted subsidiary.
7. Deliberate on the case of increasing the capital of its subsidiary, Baoxin Construction Co., Ltd.

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 4th meeting 2023/1/12	1.The Company's 2022 "Internal Control System Statement".	✓	None	The chief internal auditor attended
	2.Amendment to the Procedures for Acquisition and Disposal of Assets of the Company.	✓	None	The chief internal auditor attended
	3.Amendment to the Company's "Corporate Governance Best Practice Principles".	✓	None	
	4.Amendment to the Company's "Code of Practice for Financial Business Involving Affiliated Enterprises".	✓	None	
	5.Amendment to the Company's "Internal Control System".	✓	None	The chief internal auditor attended
	6.Retrospective investment in derivatives trading cases such as Taiwan index futures and individual	✓	None	

	stock futures.			
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 5th meeting 2023/2/23	1.2022 annual business report and financial statements.	✓	None	
	2.2022 annual loss provision.	✓	None	
	3.Assessment of the independence and competency of visa accountants.	✓	None	
	4.Pre-approved non-assurance services provided to the Company and its subsidiaries by the Visa Accountant, his or her firm and its affiliates.	✓	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 6th meeting 2023/5/11	1.The Company's consolidated financial report for Q1 2023.		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 7th meeting 2023/5/17	1.Handle the case of issuing new shares by cash capital increase in 2023.	✓	None	
	2.The Company intends to handle the sound operation plan for the issuance of new shares in 2023 with cash capital increase and relevant documents.		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 8th meeting 2023/8/11	1.The Company's consolidated financial report for Q2 2023.		None	
	2.Entrust the subsidiary Baoxin Construction Co., Ltd. to build a new construction and decoration project.	✓	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 9th meeting 2023/8/29	1.Amendment to the Procedures for Acquisition and Disposal of Assets of the Company.	✓	None	The chief internal auditor attended
	2.Amended the Company's Measures for the Administration of Long-term and Short-term Equity Investment Operations.	✓	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 10th meeting 2023/9/5	1.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 11th meeting 2023/11/9	1.The Company's consolidated financial report for Q3 2023.		None	
	2.2023 cash capital increase, issue price adjustment and other related matters.		None	
	3.Case of increasing the capital of Baoxin Construction Co., Ltd., a subsidiary.	✓	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.				
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				
(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.	No Difference
(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				
(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.	No Difference
(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	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 February 23, 2023 and March 12, 2024, 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 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	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 accordance with the law, handling company registrations and registering changes, and preparing minutes of board of directors and shareholders' meetings.	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	
meetings 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 MasterLink 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	  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: <a href="http://www.fwgroup.com.tw">http://www.fwgroup.com.tw</a> ° 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, 2023 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 law and will report their continuing education on the Market Observation Post System. 7. Implementation of risk management policies and risk measurement	No Difference The Company has completed its 2023 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>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)</p> <p>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 2023 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 March 12, 2024.

Note 3: 2023 Executive Training:

Title	Name	Date	Sponsoring Organization	Course	Training hours
Chairman	Lin, Cheng-Hsiung	2023/07/15	Institute of Business Development	Seminar on Corporate Governance and Corporate Sustainability	3.0
		2023/11/18	Institute of Business Development	Seminar on Corporate Governance and Corporate Sustainability	3.0
Director	Chang, Yu-Tuan	2023/05/23	The Taipei Exchange	Publicity meeting on the sustainable development action plan of listed companies	3.0
		2023/7/1	Taiwan Institute for Sustainable Energy	Corporate sustainability manager license training course	80.0
Director	Lin, Tsung-Yi	2023/11/22	Accounting Research and Development Foundation	Corporate governance literacy and financial report risk assessment practices expected of internal auditors	6.0
Director	Lin, Yu-Jen	2023/07/15	Institute of Business Development	Seminar on Corporate Governance and Corporate Sustainability	3.0
		2023/11/3	Securities & Futures Institute	Listed Companies - Insight into the Derivatives Financial Market and Towards Corporate Sustainability Seminar	3.0
Director	Lin, Yu-Chen	2023/08/23	The Taipei Exchange	Insider equity promotion briefing meeting of the company on the OTC	3.0
		2023/11/3	Securities & Futures Institute	Listed Companies - Insight into the Derivatives Financial Market and Towards Corporate Sustainability Seminar	3.0
Independent Director	Wang, Jin Chun	2023/03/16	National Federation of CPA Associations	Directors' fiduciary duties and liability for false financial statements	3.0
		2023/03/23	National Federation of CPA Associations	Supervision and practice of money laundering prevention and control for accountants	3.0
		2023/08/03	National Federation of CPA Associations	Case analysis of money laundering and insider trading	3.0
Independent Director	Chang, Kuo-Hsiung	2023/07/15	Institute of Business Development	Seminar on Corporate Governance and Corporate Sustainability	3.0
		2023/8/3	Taiwan Corporate Governance Association	Global economic trends and industry outlook	3.0
Independent Director	Lii, Yuan-shuh	2023/8/30	Institute of Financial Law and Crime Prevention	Analysis of practical cases of shareholders' meeting disputes	3.0
		2023/09/22	Securities & Futures Institute	The green industrial revolution	3.0
Independent Director	Chan, Chia Chang	2023/06/09	Securities & Futures Institute	2023 Annual Insider Trading Prevention Advocacy Conference	3.0
		2023/07/04	Taiwan Stock Exchange	2023 Cathay Pacific Sustainable Finance & Climate Change Summit	6.0

Corporate Governance Officer	Li, Yu-Feng	2023/5/26	Securities & Futures Institute	Legal liability and case analysis of insider trading	3.0
		2023/6/9	Securities & Futures Institute	Circular economy and its business model	3.0
		2023/7/14	Securities & Futures Institute	Advanced Seminar on Directors and Supervisors (including Independent) and Corporate Governance Supervisors - Discussion on Corporate Governance Blueprint 3.0 and Directors' Responsibilities	3.0
		2023/08/11	Securities & Futures Institute	Non-financial and accounting background: how directors and supervisors review financial reports	3.0
		2023/08/23	The Taipei Exchange	Insider equity promotion briefing meeting of the company on the OTC	3.0
		2023/08/24	Securities & Futures Institute	Concepts, Practices and Tools of Group Tax Governance ~ Advanced Seminar on Directors and Supervisors (including Independent) and Corporate Governance Supervisors	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 2023. (On March 12, 2024, the Board of Directors reported on the status of communication)

Stakeholders	Issues of Concern	Communication Channels and Cycles	The Company's stakeholder communications for the year 2023.
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 Contact: Human Resources (04-23273030)	62 internal message announcements, 8 monthly supervisor meetings, 4 quarterly meetings for all employees, 14 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 Contact:Stock Affairs (04-23273030)	1 regular general meeting of shareholders, 1 extraordinary general meeting of shareholders, 1 legal conference, 56 major information, 28 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 Contact:Customer Service (0800-399288)	Set up a 24-hour network repair system to facilitate dwellers to report repairs at any time. <a href="http://service.fwbuild.com.tw/TWN/custom_require.php">http://service.fwbuild.com.tw/TWN/custom_require.php</a> , Average customer service completion rate of 77% in 2023
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 Contact:Purchasing (04-23273030)	The company's suppliers and contractors shall ensure their service and quality in accordance with quality requirements and government regulations, 2023 2 construction project has a delay in the project.
Media	GA. Economic Performance SD. Labor Relations GC. Legal Compliance	Office website / periodically Newspaper Magazine / periodically Contact:Planning (04-23273030)	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 2023
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 Contact: Customer Service (04-23273030) ; Contact:Planning (04-23273030)	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	Chan, Chia Chang	With more than five years of working experience required for the Company's business. Professor and Vice President of the Department of Finance, Tunghai University, Independent Director of Chewang Electronics Co., Ltd., Independent Director of Hanxiang Aviation Industry Co., Ltd., Independent Director of Edison Technology Co., Ltd. There are no cases under article 30 of the Companies Act.		3
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

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.

## 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 (2023) 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%	
Committee member	Chan, Chia Chang	1	0	100%	By-election on December 8, 2023.
Committee member	Chang, Kuo-Hsiung	2	0	100%	
Committee member	Lii, Yuan-shuh	2	0	100%	
Committee member	Wang, Chin Hsiang	1	0	100%	Resigned on May 19, 2023

Remuneration Committee	Content of Motion and Follow up	Resolution	The Company's treatment of the Remuneration Committee's opinion
5th Session The 2nd Meeting 2023.02.23	The distribution of the employees' and Directors' remuneration of 2022	Adopted by all attending members of the Remuneration Committee without objection.	Proposed to, and approved by all attended Board members
5th Session The 3th Meeting 2023.12.15	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 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 Best Practice Principles for TWSE/TPEX Listed Companies" and the reasons therefor.

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)	
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 chairman of the board of directors according to the promotion situation.	No Difference
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 corporate sustainable development, it is necessary to establish transparent and effective multiple communication channels and response mechanisms with all stakeholders of the company, and introduce material issues of concern to stakeholders into the sustainable development strategy 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 first determine the groups of internal and external stakeholders, and then 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. Identification of 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. Collection of sustainability issues: Taking "environmental, social and economic" as the collection direction, and through the internal responsible implementation units to aggregate and evaluate the major issues of concern 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 interest of stakeholders on various sustainability issues, the Company conducted the CSR team to conduct a survey on the topics of concern through the "Stakeholder CSR Issues Questionnaire".	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)	
<b>III. Environmental Issues</b> (I) Has the Company established an appropriate environmental management system according to the characteristics of its industry? (II) Is the Company committed to improving energy efficiency and using recycled materials with low impact on the environment? (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? (IV) Does the Company counted 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?	V V V V		In accordance with construction-related laws and regulations, the Company has established construction regulations for the company's construction projects to implement environmental protection. 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. 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. 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.	No Difference
<b>IV. Social Issues</b> (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? (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? (III) Does the Company provide employees with a safe and healthy working environment, and related education? (IV) Has the Company established an effective career development training program for employees? (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? (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?	V V V V V V		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. 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. The Company provides employees with a safe and healthy working environment, and related education. 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. The Company has a customer service hotline and dedicated staff to handle customer-related issues in order to protect customer rights. Our company designs each construction project according to the construction-related regulations The Company has established a supplier selection management system to select suitable suppliers. The contract between the Company and the supplier provides for	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		The Company established the Sustainability Committee on May 11, 2022, and has scheduled a plan for the preparation of the Sustainability Report.	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, 2014, and the name "Sustainable Development Practice Code" was adopted by the Board of Directors on March 28, 2022 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	
I. Formulate ethical corporate management policy and plan				No Difference
(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?	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.	
(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"?	V			
(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?	V			
II. The implementation of ethical corporate management				No Difference
(I) Does the Company evaluate the ethical records of its counterparties and specify the ethical conduct clauses in the contracts signed with the counterparties?	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.	
(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?	V			
(III) Does the Company have a policy to prevent conflict of interest, provide appropriate channels for explanation, and implement it?	V			
(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?	V			
(V) Does the Company regularly organize internal and external education and training on ethical corporate management?	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](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: March 12, 2024

The Company states the following for its 2023 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, 2023 (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 March 12, 2024, and none of the 9 directors present (6 people attended in person and 3 people were delegated) have any objection, and all agree with the content of this statement and hereby declare.

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 2023 and for the Current Year as of the Publication Date of the Annual Report.

Meeting type	Date	Major Resolutions	Implementation status
Shareholders' Meeting	2023.4.10	1. Approved the adoption of 2023 business report and financial statements.	On April 10, 2023, the announcement of the important resolution of the Shareholders' Meeting was completed.
		2. Accept 2022 deficit compensation	On April 10, 2023, the announcement of the important resolution of the Shareholders' Meeting was completed.
		3. Approved of amendments to the Company's Articles of Association.	On April 17, 2023, complete the registration of changes to amend the articles of association.
		4. Approved the amendment of the Procedures for Acquisition and Disposal of Assets".	On April 10, 2023, the announcement of the important resolution of the Shareholders' Meeting was completed.
		5. Approved the capital reduction to offset losses.	On April 10, 2023, the announcement of the important resolution of the Shareholders' Meeting was completed, and complete the registration of capital reduction and change on June 6, 2023.
		6. Amendment to the Company's "Procedures for Acquisition or Disposal of Assets."	On April 10, 2023, the announcement of the important resolution of the Shareholders' Meeting was completed.
Extraordinary Shareholders' Meeting	2023.11.16	1. Approved the amendment of the Procedures for Acquisition and Disposal of Assets".	On November 16, 2023, the announcement of the important resolution of the extraordinary Shareholders' Meeting was completed.
		2. By-election of independent directors.	On November 16, 2023, the announcement of the important resolution of the extraordinary Shareholders' Meeting was completed, and the change registration was completed on November 21, 2023.
		3. Passed the proposal to lift the non-compete restriction on the new independent directors of the Company.	On November 16, 2023, the announcement of the important resolution of the extraordinary Shareholders' Meeting was completed.

Major Resolutions of the Board of Directors and Implementation Status for 2023 and for the Current Year as of the Publication Date of the Annual Report.

Meeting type	Date	Major Resolutions	Implementation status
Board of Directors	2023.1.12	1. Approved the re-appointment of the general manager of the company. 2. Approved the Company's 2023 business plan. 3. Approved the company's 2022 "Internal Control System Statement". 4. Approved the proposed amendment to the Company's Articles of Association. 5. Approved the proposed amendment to the Company's "Guidelines for the Disposal of Acquisition or Disposal of Assets". 6. Approved the proposed amendment to the Company's Code of Corporate Governance Practices. 7. Approved the proposed amendment to the operating regulations related to the financial business between the Company's affiliated enterprises.	All motions have been executed in accordance with the resolutions of the Board of Directors.

Meeting type	Date	Major Resolutions	Implementation status
		<ul style="list-style-type: none"> <li>8. Approved the proposed amendment to the Company's internal control system.</li> <li>9. Approved the proposal on matters related to the convening of the 2023 general meeting of shareholders of the Company.</li> <li>10. Matters related to shareholders' right to make proposals are accepted through the general meeting of shareholders of the Company.</li> <li>11. Approved the proposed replacement of the company's stock affairs agency.</li> <li>12. Approved the retrospective investment in derivatives trading cases such as Taiwan index futures and individual stock futures.</li> </ul>	
Board of Directors	2023.2.23	<ul style="list-style-type: none"> <li>1. Approved the 2022 annual business report and financial statements.</li> <li>2. Passed the 2022 annual loss compensation case.</li> <li>3. Passed the 2022 non-distribution of employee remuneration and directors' remuneration.</li> <li>4. The case of making up for losses through the handling of capital reduction was submitted for discussion.</li> <li>5. Approved the addition of the agenda for the 2023 annual general meeting of shareholders of the Company and the reasons for convening the meeting.</li> <li>6. Approved the establishment of the Company's Corporate Governance Officer.</li> <li>7. Provision of non-assurance services to the Company and its subsidiaries through the proposed pre-approval of the certified public accountant, his firm and its affiliates.</li> <li>8. Handle the renewal of the financing application of the financial institution due to business needs.</li> </ul>	All motions have been executed in accordance with the resolutions of the Board of Directors.
Board of Directors	2023.5.11	<ul style="list-style-type: none"> <li>1. Approved the Company's consolidated financial report for the first quarter of 2023.</li> <li>2. Passed the proposed non-distribution of dividends in the first quarter of 2023.</li> <li>3. Passed the application for the new financing quota of financial institutions due to business needs.</li> <li>4. Passed the application for the new financing quota of financial institutions due to business needs.</li> <li>5. Passed the application for the new financing quota of financial institutions due to business needs.</li> </ul>	All motions have been executed in accordance with the resolutions of the Board of Directors.
Board of Directors	2023.5.17	<ul style="list-style-type: none"> <li>1. Approved the bill on matters related to the establishment of the base date for capital reduction and the operation plan for capital reduction and share exchange.</li> <li>2. Issuance of new shares through cash capital increase in 2023.</li> <li>3. Approved the Company's plan to handle the 2023 cash capital increase and issuance of new shares, and the sound operation plan of the relevant required documents.</li> <li>4. Passed the application for the new financing quota of financial institutions due to business needs.</li> </ul>	All motions have been executed in accordance with the resolutions of the Board of Directors.
Board of Directors	2023.8.11	<ul style="list-style-type: none"> <li>1. Approved the Company's consolidated financial report for the second quarter of 2023.</li> <li>2. Approved the proposed non-distribution of earnings in the second quarter of 2023.</li> <li>3. Approved the entrustment of the subsidiary Baoxin Construction Co., Ltd. new construction and decoration project.</li> <li>4. Approved retrospective recognition, due to business needs, it is proposed to apply to financial institutions for the renewal of financing quota.</li> <li>5. Passed the application for new financing lines to financial institutions due to business needs.</li> </ul>	All motions have been executed in accordance with the resolutions of the Board of Directors.

Meeting type	Date	Major Resolutions	Implementation status
		6. Passed the application for new financing lines to financial institutions due to business needs. 7. Due to business needs, it is proposed to apply for the renewal of financing quota to financial institutions. 8. Passed the application for new financing lines to financial institutions due to business needs.	
Board of Directors	2023.8.29	1. Approved the proposed amendment to the Company's "Guidelines for the Disposal of Acquisition or Disposal of Assets". 2. Approved the amendment to the Company's "Measures for the Administration of Long-term and Short-term Equity Investment Operations".	All motions have been executed in accordance with the resolutions of the Board of Directors.
Board of Directors	2023.9.5	1. Approved the proposed amendment to the Company's "Guidelines for the Disposal of Acquisition or Disposal of Assets".	All motions have been executed in accordance with the resolutions of the Board of Directors.
Board of Directors	2023.9.21	1. Approved the nomination of independent directors of the Company. 2. Approved the by-election of independent directors of the Company. 3. Matters related to whether or not to be included in the list of candidates for nomination by shareholders are accepted through the Company. 4. Approved the proposal to lift the non-compete restriction on the new independent directors of the Company. 5. Approved the proposal on matters related to the convening of the first extraordinary general meeting of shareholders of the Company in 2023.	All motions have been executed in accordance with the resolutions of the Board of Directors.
Board of Directors	2023.11.9	1. Approved the Company's consolidated financial report for the third quarter of 2023. 2. Approved the Company's proposed non-distribution of earnings for the third quarter of 2023. 3. Approved the Company's 2023 annual audit plan. 4. Approved the establishment of the Company's information security officer. 5. Approved the 2023 cash capital increase, issue price adjustment and other related matters. 6. Approved the case of increasing the capital of its subsidiary, Baoxin Construction Co., Ltd., due to business needs. 7. Approved the proposed issuance of the first secured ordinary corporate bond in 2023 due to business needs. 8. Approved the proposed issuance of the first guaranteed ordinary corporate bond in 2024 due to business needs. 9. Approved the proposed issuance of the second guaranteed ordinary corporate bond in 2024 due to business needs. 10. Passed the case of applying to financial institutions for the renewal of financing quota due to business needs. 11. Due to business needs, it is proposed to apply to financial institutions for the extension of financing quotas. 12. Passed the application for new financing lines to financial institutions due to business needs.	All motions have been executed in accordance with the resolutions of the Board of Directors.
Board of Directors	2024.3.12	1. The Company's 2024 annual business plan is hereby submitted for discussion. 2. The 2023 annual business report and financial statements are submitted for discussion. 3. The 2023 annual loss compensation case is submitted for discussion. 4. The 2023 non-distribution of employee remuneration and directors' remuneration is submitted for discussion.	Except for item 7, which will be implemented at the 2024 general meeting of shareholders, the rest of the proposals have been implemented in accordance with the resolutions of the board

Meeting type	Date	Major Resolutions	Implementation status
		5. The company's 2023 internal control system statement is submitted for discussion. 6. The proposal to amend the Company's internal control system was submitted for discussion. 7. Matters related to the convening of the 2024 general meeting of shareholders of the Company were submitted for discussion. 8. The general meeting of shareholders of the Company accepts matters related to shareholders' right to make proposals and submits them for discussion. 9. The case of independence, competency assessment and appointment of visa accountants is submitted for discussion. 10. The case of pre-approval of the provision of non-convicular services by the visa accountant, his firm and its affiliates to the Company and its subsidiaries is submitted for discussion. 11. Due to business needs, handle the renewal case of financing application of financial institutions and submit it for discussion. 12. Due to business needs, it is proposed to apply for new financing lines to financial institutions and submit them for discussion.	of directors and announced in accordance with the regulations.

(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	2023.1.1 ~ 2023.12.31	2,270	582	2,852	2021 transfer pricing report 130; 2022 transfer pricing report 130; 2023 capital reduction declaration cases 180; 2023 capital reduction, change registration and capital amount check 60; 2023 declared project 80; Others 2.

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.

1. 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.
2. 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 : None.
- 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 2023 : None.



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	2023		As of April 1, 2024	
		Change in shares held	Change in shares pledged	Change in shares held	Change in shares pledged
Chairman	Lin, Cheng-Hsiung	(654,126)	0	0	0
Director and General manager	Lin, Tsung-Yi	1,167,000	1,167,000	0	0
Directors	Chang, Yu-Tuan	(111,610)	0	(17,000)	0
Corporate director and Major Shareholders	PAO CHU Investment Co., Ltd.	(6,151,164)	0	0	0
The legal representative of the director	Lin Yu-Jen	1,167,000	1,167,000	0	0
The legal representative of the director and Finance officer	Lin Yu-Chen	0	0	0	0
Independent Director	Chan, Chia Chang	0	0	0	0
Independent Director	Wang Jin-Chun	87,445	0	30,000	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	(6,000)	0	0	0
Major Shareholders	Baoxin Investment Co., Ltd.	(8,444,496)	0	0	0
Major Shareholders	Tian-Wei Asset Management Co., Ltd.	(8,239,467)	0	0	0
Major Shareholders	Chang-Yun Construction Development Co., Ltd.	(7,931,145)	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.

April 1, 2024

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.	17,533	14.73%	0	0	0	0	Baoxin Investment Co., Ltd. Representative of Qinghong Investment Co., Ltd.: Lin Chun-Chin Representative of Hongfu Investment Co., Ltd.: Su Yin-Xi	Same chairman Representative of corporate directors Representative of corporate supervisor	
Representative: Lin, Cheng-Hsiung	1,864	1.56%	475	0.39%	0	0	Representative of Qinghong Investment Co., Ltd.: Lin Chun-Chin Representative of Tian-Wei Asset Management Co., Ltd.: Lin Chun-Chin Representative of Chang-Yun Construction Development Co., Ltd.: Lin Chun-Chin Representative of Hongyi Investment Co., Ltd.: Lin Chun-Chin Representative of Hung Ju Construction Co., Ltd.: Lin Chun-Chin	Relative within 2nd degree of kinship Relative within 2nd degree of kinship Relative within 2nd degree of kinship Relative within 2nd degree of kinship Relative within 2nd degree of kinship	
Baoxin Investment Co., Ltd.	13,232	11.11%	0	0	0	0	PAO CHU Investment Co., Ltd. Representative of Qinghong Investment Co., Ltd.: Lin Chun-Chin Representative of Tian-Wei Asset Management Co., Ltd.: Lin Chun-Chin Representative of Chang-Yun Construction Development Co., Ltd.: Lin Chun-Chin Representative of Hongyi Investment Co., Ltd.: Lin Chun-Chin Representative of Hung Ju Construction Co., Ltd.: Lin Chun-Chin	Same chairman Relative within 2nd degree of kinship Relative within 2nd degree of kinship Relative within 2nd degree of kinship Relative within 2nd degree of kinship Relative within 2nd degree of kinship	
Representative: Lin, Cheng-Hsiung	1,864	1.56%	475	0.39%	0	0	Representative of Qinghong Investment Co., Ltd.: Lin Chun-Chin Representative of Tian-Wei Asset Management Co., Ltd.: Lin Chun-Chin Representative of Chang-Yun Construction Development Co., Ltd.: Lin Chun-Chin Representative of Hongyi Investment Co., Ltd.: Lin Chun-Chin Representative of Hung Ju Construction Co., Ltd.: Lin Chun-Chin	Relative within 2nd degree of kinship Relative within 2nd degree of kinship Relative within 2nd degree of kinship Relative within 2nd degree of kinship Relative within 2nd degree of kinship	
Tian-Wei Asset Management Co., Ltd.	12,910	10.84%	0	0	0	0	Chang-Yun Construction Development Co., Ltd. Qinghong Investment Co., Ltd. Hongyi Investment Co., Ltd. Hung Ju Construction Co., Ltd.	Same chairman	
Representative: Lin Chun-Chin	85	0.07%	0	0	0	0	Representative of PAO CHU Investment Co., Ltd.: Lin Cheng-Hsiung Representative of Baoxin Investment Co., Ltd.: Lin Cheng-Hsiung PAO CHU Investment Co., Ltd. Chang-Yun Construction Development Co., Ltd. Qinghong Investment Co., Ltd. Hongyi Investment Co., Ltd. Hung Ju Construction Co., Ltd.	Relative within 2nd degree of kinship Relative within 2nd degree of kinship Representative of corporate directors; Chairman of the company	
Chang-Yun Construction Development Co., Ltd.	12,427	10.44%	0	0	0	0	Tian-Wei Asset Management Co., Ltd. Qinghong Investment Co., Ltd. Hongyi Investment Co., Ltd. Hung Ju Construction Co., Ltd.	Same chairman	

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	
Representative: Lin Chun-Chin	85	0.07%	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. Qinghong Investment Co., Ltd. Hongyi Investment Co., Ltd. Hung Ju Construction Co., Ltd.	Representative of corporate directors; Chairman of the company	
Qinghong Investment Co., Ltd.	3,909	3.28%	0	0	0	0	PAO CHU Investment Co., Ltd.	Director of the company	
							Tian-Wei Asset Management Co., Ltd. Chang-Yun Construction Development Co., Ltd. Hongyi Investment Co., Ltd. Hung Ju Construction Co., Ltd.	Same chairman	
Representative: Lin Chun-Chin	85	0.07%	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. Hongyi Investment Co., Ltd. Hung Ju Construction Co., Ltd.	Representative of corporate directors; Chairman of the company	
Hung Ju Construction Co., Ltd.	3,813	3.20%	0	0	0	0	Tian-Wei Asset Management Co., Ltd. Chang-Yun Construction Development Co., Ltd. Qinghong Investment Co., Ltd. Hongyi Investment Co., Ltd.	Same chairman	
Representative: Lin Chun-Chin	85	0.07%	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. Hongyi Investment Co., Ltd. Qinghong Investment Co., Ltd.	Representative of corporate directors; Chairman of the company	
Hongfu Investment Co., Ltd.	3,016	2.53%	0	0	0	0	PAO CHU Investment Co., Ltd.	That firm's corporate supervisor	
Representative: Su Yin-Xi	0	0%	0	0	0	0	PAO CHU Investment Co., Ltd.	The legal representative of the company's supervisor	
Hongyi Investment Co., Ltd.	1,983	1.66%	0	0	0	0	Tian-Wei Asset Management Co., Ltd. Chang-Yun Construction Development Co., Ltd.	Same chairman	

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. Hung Ju Construction Co., Ltd.		
Representative: Lin Chun-Chin	85	0.07%	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. Hongyi Investment Co., Ltd. Qinghong Investment Co., Ltd.	Representative of corporate directors; Chairman of the company	
HSBC (Taiwan) custodians Morgan Stanley International Investment Account	1,887	1.58%	0	0	0	0	None	None	
Lin Cheng-Hsiung	1,864	1.56%	475	0.39%	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	Relative within 2nd degree of kinship	
							Representative of Chang-Yun Construction Development Co., Ltd.: Lin Chun-Chin	Relative within 2nd degree of kinship	
							Representative of Hongyi Investment Co., Ltd.: Lin Chun-Chin	Relative within 2nd degree of kinship	
							Representative of Hung Ju Construction Co., Ltd.: Lin Chun-Chin	Relative within 2nd degree of kinship	

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.	42,000,000	100%	0	0%	42,000,000	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. (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 May 16, 2023

## FOUR. Capital Raising

### I. Capital and shares

#### (I) Source of capital

##### 1. Type of shares issued

Unit: shares; as of April 1, 2024

Type of share	Authorized capital			Remarks
	Outstanding shares	Unissued shares	Total	
Ordinary share	119,016,276	80,983,724	200,000,000	TPEX stock

##### 2. Capital formation

April 1, 2024

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
2012.08	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
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

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
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
2023.06	10	200,000,000	2,000,000,000	94,016,276	940,162,760	Capital reduction \$600,000,000	None	Note 17
2023.12	10	200,000,000	2,000,000,000	119,016,276	1,190,162,760	Cash capital increase \$250,000,000	None	Note 18

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.

Note 17: The capital reduction was approved and declared by the Securities OTC Trading Center of the Republic of China on 2023.05.12 Zheng Counter Jian Zi No. 1120003321 Letter.

Note 18: The capital increase was approved and declared by the Financial Regulatory Commission on October 27 1120385032, 2023, and the declaration took effect.

## (II) Shareholder structure

April 1, 2024

Shareholder structure Quantity	Government Agencies	Financial institution	Other corporations	Individual	Foreign institution Foreigner	Total
Number of persons	0	0	38	6,383	19	6,440
No. of shares held	0	0	72,151,294	36,868,512	9,996,470	119,016,276
Shares Ratio	0.00%	0.00%	60.62%	30.98%	8.40%	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

April 1, 2024

Shareholding range	Number of shareholders	No. of shares held	Shareholding Percentage (%)
1 ~ 999 shares	2,461	772,293	0.65%
1,000 ~ 5,000	2,850	6,057,607	5.09%
5,001 ~ 10,000	513	3,879,535	3.26%
10,001 ~ 15,000	180	2,330,066	1.96%
15,001 ~ 20,000	109	2,003,315	1.68%
20,001 ~ 30,000	110	2,778,778	2.33%
30,001 ~ 40,000	53	1,884,240	1.58%
40,001 ~ 50,000	35	1,590,956	1.34%
50,001 ~ 100,000	63	4,495,663	3.78%
100,001 ~ 200,000	26	3,860,960	3.24%
200,001 ~ 400,000	13	3,794,106	3.19%
400,001 ~ 600,000	8	4,010,498	3.37%
600,001 ~ 800,000	3	2,014,860	1.69%
800,001 ~ 1,000,000	2	1,794,957	1.51%
1,000,001 Above	14	77,748,442	65.33%
Total	6,440	119,016,276	100.00%

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

April 1, 2024

Name of major shareholder	Shares	No. of shares held	Shareholding Percentage (%)
PAO CHU Investment Co., Ltd.		17,533,316	14.73%
Baoxin Investment Co., Ltd.		13,232,001	11.11%
Tian-Wei Asset Management Co., Ltd.		12,910,732	10.84%
Chang-Yun Construction Development Co., Ltd.		12,427,611	10.44%
Qinghong Investment Co., Ltd.		3,909,698	3.28%
Hung Ju Construction Co., Ltd.		3,813,195	3.20%
Hongfu Investment Co., Ltd.		3,016,596	2.53%
Hongyi Investment Co., Ltd.		1,983,344	1.66%
HSBC (Taiwan) custodians Morgan Stanley International Investment Account		1,887,427	1.58%
Lin Cheng-Hsiung		1,864,522	1.56%



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

Unit: NTD\$; shares

Item \ Year			2022	2023	2024 as of April 22
Market price per share	Highest		20.05	25.90	42.20
	Lowest		14.7	10.00	25.00
	Average		17.68	17.22	34.88
Net worth per share	Before distribution		5.61	12.51	—
	After distribution		5.61	12.51	—
Earnings per Share	Weighted average number of shares (thousands)		154,016	119,016	119,016
	Original earnings per share		(6.35)	2.02	—
	Earnings per share after retrospective adjustments		(10.40)	2.02	—
Dividends Per Share	Cash dividends		0	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)		-1.70	8.52	19.48
	Price to dividend ratio (Note 3)		—	—	—
	Cash dividend yield (Note 4)		—	—	—

\* 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 March 12, 2024, 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 12, 2024, the Board of Directors of the Company resolved not to distribute earnings for the fourth quarter of 2023.

(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 March 12, 2024, the Board of Directors approved the resolution of the Company not to distribute employee remuneration and director remuneration for 2023.

- (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 earnings per share was NT\$2.02.

4. Actual payment of employees' remuneration and directors' and supervisors' remuneration in the previous year: The Company did not distribute employee remuneration and directors' remuneration in 2022.

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

## II. Issuance of corporate bonds

### (I) Outstanding and in-process corporate bonds

#### Ordinary corporate bonds

April 1, 2024

Types of corporate bonds		Second secured corporate bonds in 2019 (B86208)	Third secured corporate bonds in 2019 (B86209)	First secured corporate bonds in 2023 (B86211)	First secured corporate bonds in 2024 (B86212)
Issue (Processing) Date		May 2019	July 2019	December 2023	January 2024
Face value		NT\$1 million	NT\$1 million	NT\$1 million	NT\$1 million
Issuance and trading location		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
Total amount		NT\$300 million	NT\$300 million	NT\$200 million	NT\$300 million
Interest rate		0.88%	1.05%	1.77%	1.77%
Period		5 years; maturity date: May 2024	5 years; maturity date: July 2024	3 years; maturity date: December 2026	3 years; maturity date: January 2027
Guarantee Agency		Taiwan Cooperative Bank	Taiwan Business Bank Co., Ltd.	Taiwan Cooperative Bank	Taiwan Cooperative Bank
Trustee		Taipei Fubon Bank	Taipei Fubon Bank	Hua Nan Commercial Bank	Hua Nan Commercial Bank
Underwriting Agency		Taiwan Cooperative Securities	Bank Taiwan Securities Co., Ltd.	Taiwan Cooperative Securities	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
Certified Public Accountant		CPA Su Ting-Chien and Yen Hsiao-Fang at Deloitte Taiwan	CPA Su Ting-Chien and Yen Hsiao-Fang at Deloitte Taiwan	CPA Wang, Yu-Chuan and Liu, Mei Lan at PricewaterhouseCoopers Taiwan	CPA Wang, Yu-Chuan and Liu, Mei Lan at PricewaterhouseCoopers 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 3-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\$300 million	NT\$200 million	NT\$300 million
Redemption or Early Settlement Terms		None	None	None	None
Restriction Terms		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
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
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
Name of the depository institution of the exchangeable corporate bonds		Not applicable	Not applicable	Not applicable	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		Second secured corporate bonds in 2019 (B86208)	Third secured corporate bonds in 2019 (B86209)
Issue (Processing) Date		May 2019	July 2019
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\$300 million
Interest rate		0.88%	1.05%
Period		5 years; maturity date: May 2024	5 years; maturity date: July 2024
Guarantee Agency		Taiwan Cooperative Bank	Taiwan Business Bank Co., Ltd.
Trustee		Jih Sun International Bank	Jih Sun International Bank
Underwriting Agency		Taiwan Cooperative Securities	BankTaiwan Securities Co., Ltd.
Attorney-CPAs		Far East Law Offices Attorney Chiu Ya-Wen	Far East Law Offices Attorney Chiu Ya-Wen
Certified Public Accountant		CPA Su Ting-Chien and Yen Hsiao-Fang at Deloitte Taiwan	CPA Su Ting-Chien and Yen Hsiao-Fang 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
Outstanding principal		NT\$300 million	NT\$300 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 depositary 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) 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

#### (II) 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 corporate bonds in 2016	Amount drawn	Pre-determined	300,000	The implementation was completed in the 3rd 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 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.

## (III) 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 2022 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.

### (IV) First secured ordinary corporate bonds in 2023

#### 1. Plan content

- (1) Date and document number of approval by the competent authority: Letter Zheng-Gui-Zhai-Zi No. 11200123251 dated December 12, 2023, from the TPEX.
- (2) The total amount of funds required for the plan: NT\$200 million.
- (3) Source of funds: 200 secured ordinary corporate bonds, each with a coupon rate of 1.77% and a maturity period of three years, at a price of NT\$1 million and total amount raised is NT\$200 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 2018	4Q 2023	200,000	-	-	-	200,000
Total		200,000	-	-	-	200,000

## 2. Implementation:status

Unit: NTD thousand; %

Plan items	Implementation status as of December 31, 2018			Progress ahead or behind, reasons and improvement plans
Repayment of principal due of the first secured ordinary corporate bonds in 2018	Amount drawn	Pre-determined	200,000	The implementation was completed in the fourth quarter of 2023, in line with the original schedule.
		Actual	200,000	
	Implementation progress (%)	Pre-determined	100.00%	
		Actual	100.00%	

## 3. Evaluation of plan benefits

The fundraising plan was expected to be completed in the fourth quarter of 2023 and would be used to repay the principal amount of \$200,000 thousand due of the first secured ordinary corporate bonds in 2018. Based on the Company's current average borrowing rate of 2.734% less the coupon rate of 1.77% for this bond issue, the estimated savings in interest expense for 2023 was approximately NT\$161 thousand and for each subsequent year was approximately NT\$1,928 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 2024

1. Plan content

- (1) Date and document number of approval by the competent authority: Letter Zheng-Gui-Zhai-Zi No. 11200127841 dated January 4, 2024, 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 1.77% and a maturity period of three 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			
			2024			
			Q1	Q2	Q3	Q4
Repayment of principal due of the first secured ordinary corporate bonds in 2019	1Q 2024	300,000	300,000	-	-	-
Total		300,000	300,000	-	-	-

2. Implementation:status

Unit: NTD thousand; %

Plan items	Implementation status as of March 31, 2024			Progress ahead or behind, reasons and improvement plans
Repayment of principal due of the first secured ordinary corporate bonds in 2019	Amount drawn	Pre-determined	300,000	The implementation was completed in the first quarter of 2024, 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 first quarter of 2024 and would be used to repay the principal amount of \$300,000 thousand due of the first secured ordinary corporate bonds in 2019. Based on the Company's current average borrowing rate of 2.734% less the coupon rate of 1.77% for this bond issue, the estimated savings in interest expense for 2024 was approximately NT\$2,799 thousand and for each subsequent year was approximately NT\$2,892 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	2023		2022	
	Operating revenues	Business proportion	Operating revenues	Business proportion
Construction revenues	2,580,480	99.24	573,028	99.14
Service revenues	12,848	0.49	1,372	0.24
Others	7,102	0.27	3,622	0.62
Total	2,600,430	100.00	578,022	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 (Daxiwan, MinghSin Richman, Lake Villa, My Style I, II, New Style, F House, TIMES HOUSE, YES TIME, THE PEERLESS AGE, Shining Life, Perfect Life), Miaoli (Fuliwan, The melody of home), Taichung East District (Golden Avenue), Taichung West District (The Infinity), Taichung Beitun (Milan Stars), Taichung Xitun (Skyline W one), Taichung Wuri High Speed Rail Special Zone (RIVER ONE), Taichung Wuri (Sky Blue), Taichung Shalu (Xinhaiyuan, XIN HAI CHENG), Changhua Lukang (AIMEI), Yunlin (Happy Monet, Hui Xingfu, Full of Happiness, GARDEN LANDMARK PLAZA YUNLIN, Elegant Village), Kaohsiung Nanzi (Wimeiju Birkin mansion, Weimeiju Royal gold house), Tainan Yanshui (FULL WANG TAINAN SCIENCE AND TECNNOLOGY PARK-Factory), and current products include:

- (A) Community Building: Home, store, parking space.
- (B) Townhouse Villa: Home, store, parking space.
- (C) Commercial real estate: large department stores.

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 (F House, THE PEERLESS AGE, Shining Life, Perfect Life)
- B. Taichung Xitun (Skyline W one)
- C. Changhua Lukang (AIMEI)
- D. Yunlin Dounan (Elegant Village)
- E. Kaohsiung Nanzi (Wimeiju Birkin mansion)

## (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 2023, affected by factors such as high interest rates, high inflation and China's post-epidemic economic performance is not as expected, the global demand for end products is weak, resulting in a slowdown in manufacturing activities in various countries. In Taiwan, the domestic demand service industry showed an expansion trend after the epidemic, and the performance of industries such as retail, tourism and people transportation improved significantly compared with 2022, but the slowdown in global trade expansion not only affected Taiwan's export and export orders, but also affected corporate investment, causing Taiwan's economic growth rate to decline in the fourth quarter of 2022 and the first quarter of 2023, and only turned from negative to positive in the second quarter. In terms of the real estate industry, due to the frequent negative rumors of the general environment, the confidence of the real estate market has been disrupted, which not only causes investors to continue to leave the market, but also lengthens the evaluation time for self-occupants to purchase real estate. The company actively provides consumers with reasonably priced and high-quality products to choose from, and expects to drive the overall sales amount to grow steadily.

Therefore, according to the latest forecast results of the Taiwan Economic Institute, the economic growth rate in 2024 will be 3.15%.

### Taiwan Institute of Economic Research's Macro Economic Indicators Forecast (2024/1/26)

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

	2024				2024
	Q1	Q2	Q3	Q4	Total
GDP	54,336	56,231	57,662	59,063	227,292
Real GDP (%)	6.02	4.50	2.00	0.50	3.15
Private Consumption	26,878	26,950	27,515	27,877	109,220
Private Consumption (%)	3.55	2.68	2.45	2.10	2.69
Gov't Consumption	6,610	7,011	7,512	8,702	29,834
Gov't Consumption (%)	1.50	1.38	1.93	2.28	1.81
Fixed Capital Formation	13,210	13,690	14,086	14,100	55,087
Fixed Capital Formation (%)	0.39	4.63	6.15	7.65	4.70
Gov't Investment	1,099	1,438	1,521	2,064	6,122
Gov't Investment (%)	9.25	7.71	9.65	10.44	9.37
Public Enter. Invest.	719	1,023	865	1,416	4,023
Public Enter. Invest. (%)	12.78	14.62	7.65	18.80	14.11
Private Investment	11,393	11,230	11,700	10,620	44,943
Private Investment (%)	-1.24	3.27	5.54	5.82	3.24
Exports, gds+serv (US\$ 0.1 billion)	35,465	36,717	38,957	39,968	151,107
Exports, gds+serv (%)	9.25	8.50	5.03	3.28	6.34
Imports, gds+serv (US\$ 0.1 billion)	27,728	28,113	30,388	32,036	118,264
Imports, gds+serv (%)	3.10	7.65	9.37	10.35	7.68
Exports, gds (US\$ 0.1 billion)	1095	1153	1190	1183	4621
Exports, % Growth, yoy	12.05	10.48	3.55	2.45	6.85
Imports, gds (US\$ 0.1 billion)	916	948	969	1016	3850
Imports, % Growth, yoy	3.15	9.25	10.85	14.38	9.40
Trade surplus (US\$ 0.1 billion)	179	205	220	168	771
CPI	106.76	107.26	107.84	108.43	107.57
CPI (%)	2.30	2.05	1.85	1.60	1.95
PPI	110.02	112.27	112.58	112.44	111.83
PPI (%)	0.65	3.18	1.75	1.48	1.76
Exchange rate (NT\$/US\$)	31.20	31.00	30.75	30.65	30.90
Overnight call rate	0.69	0.69	0.69	0.69	0.69

Source: Taiwan Institute of Economic Research's Domestic Macro Economic Forecast and Sentiment Survey, January 26, 2024.

### (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 2023 and the conversion of area have decreased significantly compared with the number in 2022.

### 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 (%)
2023	18,542	(20.27)%	37,442,588	(18.30)%
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: Ministry of the Interior's Land Administration/Statistical Information on Land Management/Monthly Report on Construction Management Indicators.

In terms of the issuance of residential construction licenses, the number of residential construction licenses issued in Taiwan has increased year by year since the financial tsunami in 2009, but began to decline in 2014, and after bottoming out in 2016, it showed a continuous increase trend from 2017 to 2022, and decreased slightly in 2023.

### Statistics of residential construction licenses issued in recent years

單位：件；戶；千平方公尺				Unit : Case ; Housing unit ; Km <sup>2</sup>			
年別 Year	件數 Case	戶數 Housing unit	總樓地板面積 Total Floor Area	月別 Month	件數 Case	戶數 Housing unit	總樓地板面積 Total Floor Area
101 年 2012	24,576	98,663	19,319	111 年 2022	17,107	180,674	25,187
102 年 2013	27,234	133,072	25,417	12 月 Dec.	1,350	14,882	2,069
103 年 2014	25,261	124,127	22,231	112 年 2023	12,455	146,118	19,505
104 年 2015	21,440	106,752	18,233	5 月 May	1,178	10,912	1,478
105 年 2016	16,590	79,490	13,264	6 月 June	1,129	14,354	1,961
106 年 2017	18,908	91,981	15,252	7 月 July	1,191	13,471	1,737
107 年 2018	21,073	121,689	18,677	8 月 Aug.	1,260	13,112	1,851
108 年 2019	21,388	148,566	21,950	9 月 Sep.	833	11,665	1,591
109 年 2020	19,996	160,039	23,195	10 月 Oct.	933	11,165	1,471
110 年 2021	20,063	170,465	24,874	11 月 Nov.	1,158	12,691	1,655
111 年 2022	17,107	180,674	25,187	12 月 Dec.	1,070	12,755	1,644

Source: Ministry of the Interior's Land Administration/Statistical Information on Land Management/Monthly Report on Construction Management Indicators.

### (C) Transfer of ownership of buildings

According to the data of the real estate information platform query network of the Ministry of the Interior, the purchase and sale of buildings has rebounded since the second half of 2009, and the transaction volume has shrunk due to the impact of the implementation of the luxury tax since June 2011, and the number of buildings sold and transferred in 2013 was 371,892, a new high in the past three years after the luxury tax, mainly due to the implementation of the transparent policy of real estate transactions, which has led to the reduction of the public's doubts about housing prices and the expiration of the two-year holding period of the luxury tax. At the end of the year, the present value of land announcements rose sharply, and there was a wave of transfers before the year, but after the peak period of housing delivery before the adjustment of land tax increase, the number of houses sold and sold in January 2014 showed a decline. In 2013, the number of buildings sold and transferred was better than that in 2012, mainly due to the weakening of the 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, coupled with the completion of major transportation construction in various regions, and the central bank's board of supervisors did not have further regulatory measures for the housing market, and

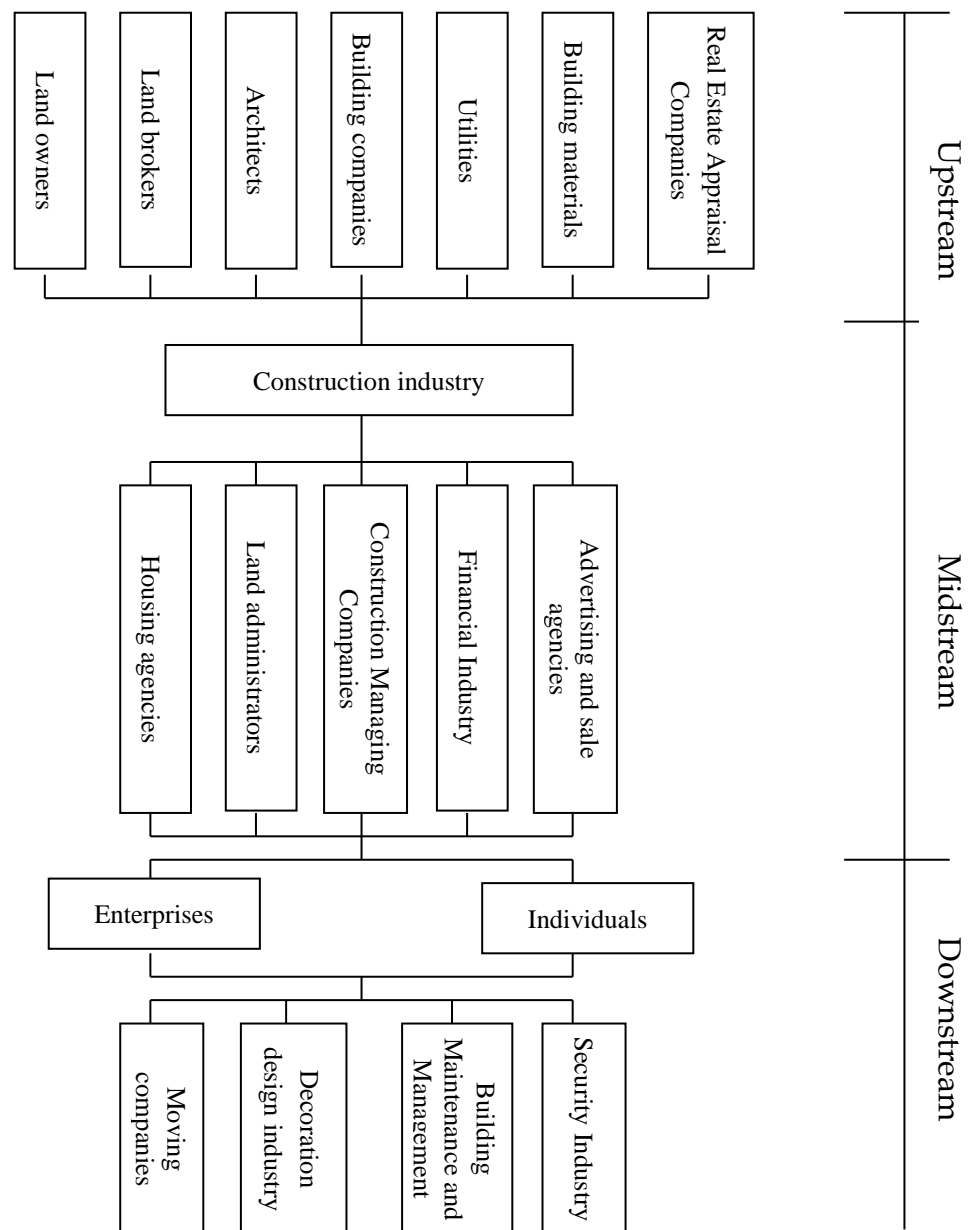
due to the continued low bank interest rates, resulting in abundant idle funds in the market, the United States, Japan and Europe collectively continued the unlimited loose monetary policy, and after a year of real price registration policy, the wait-and-see atmosphere has disappeared. Therefore, the domestic real estate market transactions in 2013 were better than expected. In 2014, the number of buildings sold and transferred decreased compared with 2013, mainly due to the government's plan to implement the real price tax on the integration of real estate and land, the central bank's continuous control of housing loans, and the real estate market was deeply affected by the nine-in-one election at the end of the year. In 2015, the number of buildings transferred for sale and purchase was affected by the government's implementation of the new tax system for the integration of real estate and land in 2016 and the central bank's continuous control of housing loans, coupled with the implementation of policies such as hoarding tax, luxury tax and real estate transaction registration, resulting in a significant contraction in the number of housing transfers in 2016, which has reached a new low in recent years, and has shown a continuous increase trend from 2017 to 2021, and has been decreasing year by year since 2022.

#### Number of buildings registered for sale and transfer

Time	All country	Taipei City	New Taipei City	Taoyuan City	Taichung City	Kaohsiung City	Hsinchu County and City
2023	306,971	26,735	60,009	40,706	47,693	36,266	18,166
2022	321,856	29,105	61,458	43,937	50,788	37,713	20,099
2021	348,194	30,901	68,295	46,831	49,990	44,897	25,097
2020	326,589	31,180	63,346	45,712	48,623	38,270	24,354
2019	300,275	27,743	60,035	40,384	43,438	37,250	18,984
2018	277,967	26,832	56,653	34,580	39,804	33,275	19,387
2017	266,086	23,447	51,994	35,610	39,332	33,975	16,831
2016	245,504	21,500	42,769	37,430	32,861	31,279	19,479
2015	292,550	29,904	50,447	38,123	44,247	34,845	22,201
2014	320,598	32,023	60,416	43,662	47,887	38,815	23,582
2013	371,892	39,496	80,601	50,870	53,695	43,755	23,235
2012	328,874	38,571	69,187	45,019	45,906	32,126	22,070

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, Miaoli County, Taichung City, Yunlin County, 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 Sales area	2023		2022	
	Amount	Percentage	Amount	Percentage
Domestic sale	2,600,430	100.00%	578,022	100.00%
Export sale	0	0.00%	0	0.00%
Total	2,600,430	100.00%	578,022	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 of the Taiwan Real Estate Research Center of Cathay Pacific Construction and Chengchi University on the island's real estate (see the table below) the Cathay Pacific National Real Estate Index in the fourth quarter of 2023 shows that the real estate market in Taiwan is stable in price and volume compared with the same quarter last year. Overall, the demand for owner-occupancy is still the main force supporting the housing market in 2024, continuing the trend in 2023, and the housing market is expected to move towards price and volume consolidation in 2024.

#### Project launch status for each quarter of 2022 and 2023

Annual project	2022					2023				
	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	204	243	218	201	866
Total number of sellable houses	20,559	16,473	25,800	25,857	88,689	16,349	22,716	18,700	20,799	78,564
Total amount in sellable houses (NT\$100 million)	3,820	2,908	4,586	4,688	16,002	2,669	4,143	3,467	3,981	14,260

Source: 2022 and 2023 quarterly Cathay Real Estate Index (Cathay Construction Co. Ltd. / 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, with the increasing economic pressure and changes in the concept of childbearing, there is a general situation of late marriage and low birthrate in Taiwan, and the trend of small families is becoming more and more obvious, which makes the number of families continue to increase, driving the basic demand for the overall house. The growth of the number of households is the basic source of customers in the housing transaction market, although the growth of Taiwan's population has slowed down in recent years, but the number of households still maintains a steady growth. In terms of China's population and the number of households, at the end of 112, the total number of households in the country is 9,241 (thousand households), with 23,420 (thousand people), the average population of each household is 2.53 people, so in recent years, the two-bedroom and suite products in the small number of small rings in the metropolitan area have gradually jumped to the mainstream of the market to buy houses. With the continuous growth of the economy, the effect of urbanization and agglomeration has become increasingly fermented, and the population growth rate has slowed down in recent years, but the number of households has maintained a growth trend despite the continuous decrease in the number of households per household, indicating that the real estate market will still have its basic needs due to the continuous growth of the number of households in the future.

Number of households and population from 1991 to 2023

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
1001	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
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

Year	Number of household	Annual household growth rate (%)	Population (People)	Annual population growth rate (%)	Capacity of household (People/household)
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
2023	9,240,823	1.67	23,420,442	0.67	2.53

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 City, 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	2022				2023			
	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	Baoxin Construction Co., Ltd.	1,040,591	46.06	Parent company and subsidiary	Baoxin Construction Co., Ltd.	1,405,059	65.39	Parent company and subsidiary
2	Central Region Office, National Property Administration	224,746	9.95	None				
	Others	993,863	43.99		Others	945,393	34.61	
	Net purchases	2,259,200	100.00		Net purchases	2,148,621	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	2022				2023			
	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
	Others	578,022	100.00		Others	2,600,430	100.00	
	Net sales	578,022	100.00		Net sales	2,600,430	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	2022			2023		
	Capacity	Production quantity	Production amount	Capacity	Production quantity	Production amount
House	-	116	274,633	-	404	1,215,148
Total	-	116	274,633	-	404	1,215,148

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

Unit: NTD thousand/ping/account

Name		2022				2023			
		Domestic sale		Export sale		Domestic sale		Export sale	
		Quantity	Amount	Quantity	Amount	Quantity	Amount	Quantity	Amount
Construction	Land	2,188.81	235,518	-	-	2,565	1,134,850	-	-
	House	90	337,510	-	-	391	1,446,236	-	-
Sale agency		-	1,372	-	-	-	5,808	-	-
Others		-	3,622	-	-	-	13,536	-	-
Total			578,022		-		2,600,430		-

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

Year		2022	2023	For the current year up to April 1, 2024
Number of employees	Management personnel	21	19	21
	Administrative personnel	59	75	85
	Total	80	94	106
Average age		39.6	38.7	38.8
Average years of service		3.9	3.7	3.5
Education profile	Doctoral	1%	0%	0%
	Master's	4%	5%	5%
	University	68%	72%	73%
	Junior college	15%	12%	12%
	High school (inclusive) and below	12%	11%	10%

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 2023.
- (4) Fuwang Golf Club was established to subsidize the expenses of members to study and purchase golf equipment, with a total subsidy of 525 thousand yuan in 2023.
- (5) Recreational activities such as staff travel and prosperity family day were held, and a total of 2 employee trips and 2 prosperity family days were held in 2023.
- (6) The 2023 courses include: Xingda Entrepreneurship Hall of Fame, Land Use Planner Course, Subordinate Competence Enhancement and Leadership Skills Workshop, Land Planning Course and Short Video Course.
- (7) Quarterly departmental meal subsidy, 2023 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.
- (8) The year-end tail dinner and color touching event, The 2023 year-end event will be held on January 5, 2024.

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 2023 include: newcomer training, professional knowledge, system operation learning, joint functions and participation in relevant courses of external organizations, etc., with a total cost of NT\$135 thousand.

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, 2023 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"> <li>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.</li> <li>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.</li> <li>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.</li> </ol>
Physiological and mental health	<ol style="list-style-type: none"> <li>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.</li> <li>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.</li> <li>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.</li> <li>4. Sexual harassment prevention and control: Sexual harassment prevention and control measures for complaints and penalties have been formulated and publicly announced.</li> </ol>
Insurance and Medical Benefits	<ol style="list-style-type: none"> <li>1. Employee labor insurance and health insurance in accordance with the regulations of the competent authorities.</li> </ol>

- (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: On November 9, 2023, the Board of Directors of the Company has approved the establishment of an Information Security Officer to oversee the promotion of information security policies and resource scheduling, and the original personnel of the information department will also serve as a special unit for information security, 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	Cheng Zhongheng Construction Co., Ltd.	From 2020.11.1 to completion date	The new construction works of Skyline W one Residential Structure Works	None

Contract nature	Party involved	Contract start and end date	Main content	Restriction Terms
Construction contract	Baoxin Construction Co., Ltd.	From 2022.9.22 to completion date	The new construction works of TIMES HOUSE Residential Building	None
Construction contract	Baoxin Construction Co., Ltd.	From 2022.9.22 to completion date	The new construction works of Wimeiju Birkin mansion Residential Building	None
Construction contract	Baoxin Construction Co., Ltd.	From 2022.9.22 to completion date	The new construction works of Weimeiju Royal gold house Residential Building	None
Construction contract	Baoxin Construction Co., Ltd.	From 2023.3.28 to completion date	The new construction works of the melody of home Residential Building	None
Construction contract	Baoxin Construction Co., Ltd.	From 2023.3.28 to completion date	The new construction works of Elegant Village apartment complex Residential Building	None
Construction contract	Baoxin Construction Co., Ltd.	From 2023.3.28 to completion date	The new construction works of Elegant Village townhouse Residential Building	None
Construction contract	Yuanyi Construction Co., Ltd.	From 2023.7.21 to completion date	The new construction works of YES TIME Residential Building	None
Construction contract	Baoxin Construction Co., Ltd.	From 2023.8.11 to completion date	The new construction works of THE PEERLESS AGE Residential Building	None
Construction contract	Baoxin Construction Co., Ltd.	From 2023.8.11 to completion date	The new construction works of AIMEI Residential Building	None
Construction contract	Baoxin Construction Co., Ltd.	From 2023.8.11 to completion date	The new construction of shopping malls in Wuri District	None
Construction contract	Baoxin Construction Co., Ltd.	From 2023.8.11 to completion date	The Skyline W one collection residential renovation project	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)				
		2019	2020	2021	2022	2023
Current assets		6,947,669	8,567,963	9,350,909	8,431,182	9,702,240
Property, plant and equipment (Note 2)		22,280	21,232	35,367	35,365	48,593
Intangible assets		182	1,119	1,101	923	1,226
Other assets (Note 2)		848,266	1,150,919	1,277,905	1,226,182	534,789
Total assets		7,818,397	9,741,233	10,665,282	9,693,652	10,286,848
Current liabilities	Before distribution	4,658,493	5,908,607	6,899,412	7,668,150	8,445,726
	After distribution	4,758,924	6,216,640	6,937,916	7,668,150	8,445,726
non-current liabilities		1,301,988	1,712,551	1,886,752	1,162,239	351,904
Total liabilities	Before distribution	5,960,481	7,621,158	8,786,164	8,830,389	8,797,630
	After distribution	6,060,912	7,929,191	8,824,668	8,830,389	8,797,630
Equity attributable to owners of parent company		1,857,916	2,120,075	1,879,118	863,263	1,489,218
Capital stock		1,540,163	1,540,163	1,540,163	1,540,163	1,190,163
Capital surplus		92,566	92,566	92,566	92,566	274,901
Retained Earnings	Before distribution	225,187	487,346	247,135	(769,028)	24,084
	After distribution	124,756	179,313	208,631	(769,028)	24,084
Other equity		-	-	(746)	(438)	-
Treasury shares		-	-	-	-	-
Non-controlling interests		-	-	-	-	-
Equity Total amount	Before distribution	1,857,916	2,120,075	1,879,118	863,263	1,489,218
	After distribution	1,757,485	1,812,042	1,840,614	863,263	1,489,218

Note 1: The financial information for the years 2019 to 2023 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

Year Item		Financial information for the most recent 5 years (Note 1)				
		2019	2020	2021	2022	2023
Current assets		6,872,281	8,285,200	8,821,802	7,898,620	9,730,773
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		118,440	115,070	185,881	45,558	359,532
Property, plant and equipment (Note 2)		21,673	17,043	32,324	33,086	39,244
Intangible assets		63	819	953	876	930
Other assets (Note 2)		847,189	1,127,396	1,263,914	1,214,473	524,656
Total assets		7,859,656	9,545,538	10,304,884	9,192,623	10,655,145
Current liabilities	Before distribution	4,691,286	5,709,189	6,538,759	7,168,824	8,086,061
	After distribution	4,791,717	6,017,222	6,500,255	7,168,824	8,086,061
non-current liabilities		1,310,454	1,716,274	1,887,007	1,160,536	1,079,866
Total liabilities	Before distribution	6,001,740	7,425,463	8,425,766	8,329,360	9,165,927
	After distribution	6,102,171	7,733,496	8,387,262	8,329,360	9,165,927
Equity attributable to owners of parent company		1,857,916	2,120,075	1,879,118	863,263	1,489,218
Capital stock		1,540,163	1,540,163	1,540,163	1,540,163	1,190,163
Capital surplus		92,566	92,566	92,566	92,566	274,901
Retained earnings	Before distribution	225,187	487,346	247,135	(769,028)	24,084
	After distribution	124,756	179,313	208,631	(769,028)	24,084
Other equity		-	-	(746)	(438)	70
Treasury shares		-	-	-	-	-
Non-controlling interests		-	-	-	-	-
Total Equity	Before distribution	1,857,916	2,120,075	1,879,118	863,263	1,489,218
	After distribution	1,757,485	1,812,042	1,840,614	863,263	1,489,218

Note 1: The financial information for the years 2019 to 2023 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)				
	2019	2020	2021	2022	2023
Operating revenues	1,622,810	3,191,189	3,185,720	578,022	2,600,430
Gross profit	416,267	678,610	700,728	154,189	553,512
Profit from operations	121,989	334,480	377,765	(104,738)	167,549
Non-operating income and expense	88,595	47,935	(279,956)	(866,860)	62,023
Profit before tax	210,584	382,415	97,809	(971,598)	229,572
Continuing operations Current period net profit	200,479	362,590	67,822	(977,659)	193,112
Losses from discontinued operations	-	-	-	-	-
Net profits (losses) for the period	200,479	362,590	67,822	(977,659)	193,112
Other comprehensive income for the period (Net after tax)	-	-	(746)	308	508
Total comprehensive income for the period	200,479	362,590	67,076	(977,351)	193,620
Net profits attributable to owners of parent company	200,479	362,590	67,822	(977,659)	193,112
Net profits attributable to non- controlling interests	-	-	-	-	-
Total comprehensive income attributable to owners of parent company	200,479	362,590	67,076	(977,351)	193,620
Total comprehensive income attributable to non-controlling interests	-	-	-	-	-
Earnings per Share	1.30	2.35	0.44	(10.40)	2.02

Note: The financial information for the years 2019 to 2023 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)				
	2019	2020	2021	2022	2023
Operating revenues	1,617,101	3,183,441	3,176,713	576,663	2,046,516
Gross profit	410,880	633,409	636,453	143,647	460,190
Profit from operations	131,157	327,087	371,051	(67,272)	147,476
Non-operating income and expense	77,810	48,831	(285,821)	(903,286)	80,538
Profit before tax	208,967	375,918	85,230	(970,558)	228,014
Net profits for the period from continuing operations	200,479	362,590	67,822	(977,659)	193,112
Losses from discontinued operations	-	-	-	-	-
Net profits (losses) for the period	200,479	362,590	67,822	(977,659)	193,112
Other comprehensive income for the period(Net after tax)	-	-	(746)	308	508
Total comprehensive income for the period	200,479	362,590	67,076	(977,351)	193,620
Net profits attributable to owners of parent company	200,479	362,590	67,822	(977,659)	193,112
Net profits attributable to non-controlling interests	-	-	-	-	-
Total comprehensive income attributable to owners of parent company	200,479	362,590	67,076	(977,351)	193,620
Total comprehensive income attributable to non-controlling interests	-	-	-	-	-
Earnings per Share	1.30	2.35	0.44	(10.40)	2.02

Note: The financial information for the years 2019 to 2023 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
2019	Su Ting-Chien, Chiang Shu-Ching (Note 1)	Deloitte and Touche	Unqualified opinion
2020	Su Ting-Chien, Chiang Shu-Ching	Deloitte and Touche	Unqualified opinion
2021	Wang, Yu-Chuan, Liu, Mei Lan (Note 2)	PricewaterhouseCoopers, Taiwan	Unqualified opinion
2022	Wang, Yu-Chuan, Liu, Mei Lan	PricewaterhouseCoopers, Taiwan	Unqualified opinion
2023	Wang, Yu-Chuan, Liu, Mei Lan	PricewaterhouseCoopers, Taiwan	Unqualified opinion

Note 1: 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 2: 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)				
			2019	2020	2021	2022	2023
Financial performance (%)	Debt to assets ratio		76.24	78.24	82.38	91.09	85.52
	Long-term capital to property, plant and equipment ratio		14,183.00	18,000.12	10,647.98	2,441.01	3,788.86
Solvency (%)	Current ratio		149.14	144.74	135.53	109.95	114.88
	Quick ratio		33.55	54.84	57.58	17.58	28.02
	Times interest earned		4.96	7.88	1.32	(7.99)	1.56
Operating performance	Accounts receivable turnover rate (times)		6.32	61.33	7.00	1.30	10.11
	Average collection days		58	6	52	281	36
	Inventory turnover rate (times)		0.22	0.48	0.47	0.07	0.29
	Accounts payable turnover rate (times)		4.32	8.84	6.15	0.80	3.27
	Average sales days		1,659	761	777	5,214	1,259
	Property, plant and equipment turnover rate (times)		85.28	146.68	112.57	16.34	61.95
	Total assets turnover rate (times)		0.20	0.36	0.31	0.06	0.26
Profitability	Return on assets (%)		3.02	4.64	1.04	(9.32)	2.04
	Return on equity (%)		10.85	18.23	3.39	(71.30)	16.42
	Net profits before tax to paid-in capital (%) (Note 7)		13.67	21.72	6.35	(63.08)	19.29
	Net profit margin (%)		12.35	11.36	2.13	(169.14)	7.43
	Earnings per share (NT\$)		1.30	2.35	0.44	(10.40)	2.02
Cash flows	Cash flow ratio (%)		17.40	10.01	3.38	(14.12)	(0.88)
	Cash flow adequacy ratio (%)		73.00	168.09	147.83	20.19	34.16
	Cash reinvestment ratio (%)		24.23	17.32	(1.98)	(127.34)	(5.34)
Leverage	Operating leverage		1.21	1.08	1.06	0.77	1.10
	Financial leverage		1.77	1.20	1.14	NA	1.08
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"> <li>Change in the ratio of long-term funds to property, plant and equipment: Mainly due to the decrease in non-current liabilities in 2023.</li> <li>Change in quick ratio: Mainly due to the increase in cash and equivalent, accounts receivable, etc. in 2023.</li> <li>Change in interest coverage ratio: Mainly due to net profit in 2023.</li> <li>Changes in receivables turnover ratio (times) and average cash collection days: mainly due to the increase in operating income in 2023.</li> <li>Changes in inventory turnover ratio, accounts payable turnover ratio (times) and average number of days sold: mainly due to the increase in operating costs in 2023.</li> <li>Changes in the turnover ratio of real estate, plant and equipment (times) and total assets turnover ratio (times): Mainly due to the increase in operating income in 2023.</li> <li>Changes in return on assets, return on equity, pre-tax net profit to paid-in capital, net earnings ratio and earnings per share were mainly attributable to net profit in FY2023.</li> <li>Change in cash flow ratio: Mainly due to the increase in operating income in FY2023.</li> <li>Change in cash reinvestment ratio: Mainly due to the change in net cash outflow from average operating activities over the past five years.</li> <li>Change in operating leverage: Mainly due to the presentation of operating profit in 2023.</li> </ol>							

The financial analysis formula as follows:

- Capital structure
  - Debt to asset ratio = total liabilities/total assets
  - Long-term capital to property, plant, and equipment ratio = (total equity + non-current liabilities)/net property, plant, and equipment
- Solvency
  - 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 2023 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)				
			2019	2020	2021	2022	2023
Financial performance (%)	Debt to assets ratio		76.36	77.79	81.76	90.61	86.02
	Long-term capital to property, plant and equipment ratio		14,612.26	22,446.02	11,651.17	6,132.73	6,546.44
Solvency (%)	Current ratio		146.49	144.84	134.92	111.26	120.34
	Quick ratio		33.00	54.36	57.80	17.20	28.24
	Times interest earned		4.94	7.92	1.24	(8.31)	1.59
Operating performance	Accounts receivable turnover rate (times)		5.96	48.44	6.99	1.30	8.16
	Average collection days		61	8	52	281	45
	Inventory turnover rate (times)		0.22	0.49	0.50	0.07	0.23
	Accounts payable turnover rate (times)		3.40	8.10	6.56	0.98	4.04
	Average sales days		1,630	745	730	5,214	1,587
	Property, plant and equipment turnover rate (times)		87.54	164.45	128.70	17.63	56.59
	Total assets turnover rate (times)		0.20	0.37	0.32	0.06	0.21
Profitability	Return on assets (%)		2.99	4.67	1.05	(9.73)	2.04
	Return on equity (%)		10.85	17.10	3.39	(71.30)	16.42
	Net profits before tax to paid-in capital (%) (Note 7)		13.57	24.41	5.53	(63.02)	19.16
	Net profit margin (%)		12.40	11.39	2.13	(169.54)	9.44
	Earnings per share (NT\$)		1.30	2.35	0.44	(10.40)	2.02
Cash flows	Cash flow ratio (%)		16.84	11.01	4.15	(14.84)	(8.54)
	Cash flow adequacy ratio (%)		67.32	179.20	164.20	24.95	10.43
	Cash reinvestment ratio (%)		23.47	18.50	(0.98)	(125.00)	(32.77)
Leverage	Operating leverage		1.20	1.06	1.05	0.67	1.10
	Financial leverage		1.68	1.20	1.14	NA	1.08

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. Change in quick ratio: Mainly due to the increase in cash and equivalent, accounts receivable, etc. in 2023.
2. Change in interest coverage ratio: Mainly due to net profit in 2023.
3. Changes in receivables turnover ratio (times) and average cash collection days: mainly due to the increase in operating income in 2023.
4. Changes in inventory turnover ratio, accounts payable turnover ratio (times) and average number of days sold: mainly due to the increase in operating costs in 2023.
5. Changes in the turnover ratio of real estate, plant and equipment (times) and total assets turnover ratio (times): Mainly due to the increase in operating income in 2023.
6. Changes in return on assets, return on equity, pre-tax net profit to paid-in capital, net earnings ratio and earnings per share were mainly attributable to net profit in FY2023.
7. Change in cash flow ratio: Mainly due to the increase in operating income in FY2023.
8. Change in cash flow tolerance ratio: Mainly due to the increase in operating income in FY2023.
9. Change in cash reinvestment ratio: Mainly due to the change in net cash outflow from average operating activities over the past five years.
10. Change in operating leverage: Mainly due to the presentation of operating profit in 2023.

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 2023 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: \_\_\_\_\_



March 12, 2024

#### **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, 2023, 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, 2023 and 2022, 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 material 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, 2023 and 2022, 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 Financial Statements Auditing and Attestation Engagements of 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 2023 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 2023 consolidated financial statements are stated as follows:

#### **Cut-off of building and land sales revenue**

##### Description

Please refer to Note 4(27) for accounting policies on sales revenue, and Note 6(18) for details. For the year ended December 31, 2023, building and land sales revenue amounted to NT\$2,580,480 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 turning 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(13) for accounting policy on inventory valuation, Note 5(2) for accounting estimates and assumptions in relation to inventory valuation. As at December 31, 2023, the carrying amount of inventories and allowance for inventory valuation losses amounted to NT\$7,148,543 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, respectively, on the parent company only financial statements of Full Wang International Development Co., Ltd. as at and for the years ended December 31, 2023 and 2022.

***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

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Liu, Mei Lan

For and on behalf of PricewaterhouseCoopers, Taiwan

March 12, 2024

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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, 2023 AND 2022**

(Expressed in thousands of New Taiwan dollars)

Assets		Notes	December 31, 2023		December 31, 2022	
			AMOUNT	%	AMOUNT	%
Current assets						
1100	Cash and cash equivalents	6(1)	\$ 648,239	6	\$ 197,812	2
1110	Financial assets at fair value through profit or loss - current	6(2) and 8	25,523	-	521,251	5
1136	Current financial assets at amortised cost	6(3) and 8	753,101	7	103,069	1
1150	Notes receivable, net	6(4)	116	-	1,486	-
1170	Accounts receivable, net	6(4)	467,491	5	43,858	1
1200	Other receivables	9(1)	10,828	-	20,143	-
1220	Current tax assets		9,443	-	9,440	-
130X	Inventories	6(5), 8 and 9(1)	7,148,543	70	6,985,759	72
1470	Other current assets	6(6) and 7(2)	638,956	6	548,364	6
11XX	Current Assets		9,702,240	94	8,431,182	87
Non-current assets						
1510	Non-current financial assets at fair value through profit or loss	6(2)	20	-	20	-
1517	Non-current financial assets at fair value through other comprehensive income		4,000	-	-	-
1535	Non-current financial assets at amortised cost	6(3) and 8	296,430	3	980,953	10
1600	Property, plant and equipment	6(7)	48,593	1	35,365	-
1755	Right-of-use assets	6(8) and 7(2)	161,832	2	163,637	2
1780	Intangible assets		1,226	-	923	-
1840	Deferred income tax assets	6(24)	33,864	-	30,154	-
1900	Other non-current assets	7(2) and 9(1)	38,643	-	51,418	1
15XX	Non-current assets		584,608	6	1,262,470	13
1XXX	Total assets		\$ 10,286,848	100	\$ 9,693,652	100

(Continued)

**FULL WANG INTERNATIONAL DEVELOPMENT CO., LTD. AND SUBSIDIARIES**  
**CONSOLIDATED BALANCE SHEETS**  
**DECEMBER 31, 2023 AND 2022**  
(Expressed in thousands of New Taiwan dollars)

Liabilities and Equity		Notes	December 31, 2023		December 31, 2022					
			AMOUNT	%	AMOUNT	%				
Current liabilities										
2100	Current borrowings	6(9)	\$	4,829,259	47	\$	4,759,162	49		
2110	Short-term notes and bills payable	6(10)		348,159	3		348,737	4		
2130	Current contract liabilities	6(18) and 7(2)		1,356,279	13		1,233,459	13		
2150	Notes payable			38,053	-		23,085	-		
2170	Accounts payable	9(1)		666,432	7		523,076	5		
2200	Other payables	6(11)		108,295	1		52,730	1		
2230	Current income tax liabilities			37,722	-		-	-		
2280	Current lease liabilities	7(2)		15,563	-		11,589	-		
2320	Long-term liabilities, current portion	6(12)		999,905	10		699,875	7		
2399	Other current liabilities, others			46,059	1		21,713	-		
21XX	Current Liabilities			8,445,726	82		7,673,426	79		
Non-current liabilities										
2530	Corporate bonds payable	6(12)		199,602	2		999,605	10		
2580	Non-current lease liabilities	7(2)		152,302	2		156,562	2		
2600	Other non-current liabilities			-	-		796	-		
25XX	Non-current liabilities			351,904	4		1,156,963	12		
2XXX	Total Liabilities			8,797,630	86		8,830,389	91		
	Share capital	6(15)								
3110	Share capital - common stock			1,190,163	11		1,540,163	16		
	Capital surplus	6(16)								
3200	Capital surplus			274,901	3		92,566	1		
	Retained earnings	6(17)								
3310	Legal reserve			167,797	2		167,797	2		
3320	Special reserve			438	-		746	-		
3350	Accumulated deficit		(	144,151)	(	2)	(	937,571)	(	10)
3400	Other equity interest			70	-	(	438)	-		
31XX	Equity attributable to owners of the parent			1,489,218	14		863,263	9		
3XXX	Total equity			1,489,218	14		863,263	9		
	Significant Contingent Liabilities and Unrecognised Contract Commitments	9								
	Significant Events after the Balance Sheet Date	11								
3X2X	Total liabilities and equity		\$	10,286,848	100	\$	9,693,652	100		

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, 2023 AND 2022**  
(Expressed in thousands of New Taiwan dollars, except earnings (loss) per share amounts)

			Year ended December 31			
Items	Notes		2023		2022	
			AMOUNT	%	AMOUNT	%
4000 Sales revenue	6(18) and 7(2)		\$ 2,600,430	100	\$ 578,022	100
5000 Operating costs	6(5)		( 2,046,918 )	( 78 )	( 423,833 )	( 73 )
5900 Net operating margin			<u>553,512</u>	<u>22</u>	<u>154,189</u>	<u>27</u>
Operating expenses	6(22)(23)					
6100 Selling expenses			( 182,315 )	( 7 )	( 88,616 )	( 15 )
6200 General and administrative expenses			( 203,648 )	( 8 )	( 170,311 )	( 30 )
6000 Total operating expenses			( 385,963 )	( 15 )	( 258,927 )	( 45 )
6900 Operating profit (loss)			<u>167,549</u>	<u>7</u>	<u>104,738</u>	<u>( 18 )</u>
Non-operating income and expenses						
7100 Interest income			6,570	-	2,314	-
7010 Other income	6(19)		46,417	2	73,064	13
7020 Other gains and losses	6(20)		22,015	1	( 905,722 )	( 157 )
7050 Finance costs	6(21)		( 12,979 )	( 1 )	( 36,516 )	( 6 )
7000 Total non-operating income and expenses			<u>62,023</u>	<u>2</u>	<u>( 866,860 )</u>	<u>( 150 )</u>
7900 <b>Profit (loss) before income tax</b>			<u>229,572</u>	<u>9</u>	<u>971,598</u>	<u>( 168 )</u>
7950 Income tax expense	6(24)		( 36,460 )	( 2 )	( 6,061 )	( 1 )
8200 <b>Profit (loss) for the year</b>			<u>\$ 193,112</u>	<u>7</u>	<u>( \$ 977,659 )</u>	<u>( 169 )</u>
<b>Other comprehensive income</b>						
<b>Components of other comprehensive income that will not be reclassified to profit or loss</b>						
8316 Unrealised gains (losses) from investments in equity instruments measured at fair value through other comprehensive income			\$ 70	-	\$ -	-
8310 Components of other comprehensive income that will not be reclassified to profit or loss			<u>70</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Components of other comprehensive income that will be reclassified to profit or loss</b>						
8361 Financial statements translation differences of foreign operations			<u>438</u>	<u>-</u>	<u>308</u>	<u>-</u>
8360 Components of other comprehensive income that will be reclassified to profit or loss			<u>438</u>	<u>-</u>	<u>308</u>	<u>-</u>
8300 <b>Total other comprehensive income for the year</b>			<u>\$ 508</u>	<u>-</u>	<u>\$ 308</u>	<u>-</u>
8500 <b>Total comprehensive (loss) income for the year</b>			<u>\$ 193,620</u>	<u>7</u>	<u>( \$ 977,351 )</u>	<u>( 169 )</u>
(Loss) profit, attributable to:						
8610 Owners of the parent			<u>\$ 193,112</u>	<u>7</u>	<u>( \$ 977,659 )</u>	<u>( 169 )</u>
			<u>\$ 193,112</u>	<u>7</u>	<u>( \$ 977,659 )</u>	<u>( 169 )</u>
Comprehensive (loss) income attributable to:						
8710 Owners of the parent			<u>\$ 193,620</u>	<u>7</u>	<u>( \$ 977,351 )</u>	<u>( 169 )</u>
			<u>\$ 193,620</u>	<u>7</u>	<u>( \$ 977,351 )</u>	<u>( 169 )</u>
Total basic (loss) earnings per share	6(25)					
9750 Total basic (loss) earnings per share			<u>\$ 2.02</u>	<u>( \$ 10.40 )</u>		
Diluted (loss) earnings per share	6(25)					
9850 Diluted (loss) earnings per share			<u>\$ 2.02</u>	<u>( \$ 10.40 )</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, 2023 AND 2022**  
(Expressed in thousands of New Taiwan dollars)

Equity attributable to owners of the parent									
</									

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, 2023 AND 2022**  
(Expressed in thousands of New Taiwan dollars)

		Year ended December 31	
	Notes	2023	2022
<b><u>CASH FLOWS FROM OPERATING ACTIVITIES</u></b>			
Profit (loss) before tax		\$ 229,572	(\$ 971,598 )
Adjustments			
Adjustments to reconcile profit (loss)			
Depreciation expense - property, plant and equipment	6(7)(22)	10,349	12,175
Depreciation expense - right-of-use assets	6(8)(22)	5,857	11,247
Amortization expense	6(22)	632	655
Loss on financial assets at fair value through profit or loss	6(2)(20)	( 45,020 )	895,298
Interest expense	6(21)	12,979	36,516
Interest income		( 6,570 )	( 2,314 )
Dividend income	6(19)	( 1,570 )	( 56,650 )
Share-based payments		3,585	-
Litigation loss		17,631	5,977
Losses on disposals of property and equipment		-	50
Profit from lease modification	6(20)	-	( 964 )
Other income		( 40,108 )	-
Changes in operating assets and liabilities			
Changes in operating assets			
Financial assets at amortised cost		34,491	333,359
Notes receivable		1,370	5,824
Accounts receivable (including related parties)		( 423,633 )	788,173
Other receivables (including related parties)		( 307 )	( 10,094 )
Inventories		( 22,388 )	( 1,647,018 )
Payment for capitalized interests		( 140,396 )	( 80,475 )
Other current assets		( 90,592 )	( 76,844 )
Changes in operating liabilities			
Current contract liabilities		122,820	69,432
Notes payable		14,968	( 18,373 )
Accounts payable		179,788	46,771
Other payables		61,992	( 11,106 )
Other current liabilities		10,926	( 12,764 )
Cash outflow generated from operations		( 63,624 )	( 682,723 )
Interest received		6,570	2,314
Interest paid		( 14,438 )	( 37,631 )
Income taxes paid		( 2,477 )	( 31,641 )
Net cash flows used in operating activities		( 73,969 )	( 749,681 )

(Continued)

**FULL WANG INTERNATIONAL DEVELOPMENT CO., LTD. AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF CASH FLOWS**  
**YEARS ENDED DECEMBER 31, 2023 AND 2022**  
(Expressed in thousands of New Taiwan dollars)

	Notes	Year ended December 31	
		2023	2022
<b><u>CASH FLOWS FROM INVESTING ACTIVITIES</u></b>			
Acquisition of financial assets at fair value through other comprehensive income		(\$ 3,930 )	\$ -
Acquisition of financial assets at fair value through profit or loss	6(26)	( 291,789 )	( 9,384,464 )
Proceeds from disposal of financial assets at fair value through profit or loss	6(26)	835,230	9,619,090
Capital reduction and refund from financial assets at fair value through profit or loss		-	4,617
Acquisition of property, plant and equipment	6(26)	( 15,119 )	( 12,223 )
Increase in refundable deposits		( 12,763 )	( 9,669 )
Decrease in refundable deposits		26,118	42,315
Acquisition of intangible assets		( 935 )	( 477 )
Increase in prepayments for business facilities		( 580 )	-
Dividends received		1,570	56,650
Payment for capitalized interests		( 1,772 )	-
Net cash flows from investing activities		<u>536,030</u>	<u>315,839</u>
<b><u>CASH FLOWS FROM FINANCING ACTIVITIES</u></b>			
Increase in short-term borrowings	6(27)	1,975,351	9,807,868
Decrease in short-term borrowings	6(27)	( 1,905,254 )	( 9,803,449 )
Increase in short-term notes and bills payable	6(27)	350,000	350,000
Decrease in short-term notes and bills payable	6(27)	( 350,000 )	( 350,000 )
Proceeds from issuing bonds		200,000	-
Repayments of bonds		( 700,000 )	-
Increase in guarantee deposits received	6(27)	497	867
Decrease in guarantee deposits received	6(27)	( 604 )	( 591 )
Repayment of principal portion of lease liabilities	6(27)	( 10,812 )	( 7,912 )
Cash dividends paid	6(17)(27)	-	( 38,504 )
Proceeds from issuing shares	6(17)	428,750	-
Net cash flows used in financing activities		<u>( 12,072 )</u>	<u>( 41,721 )</u>
Effect of change in foreign currency exchange		438	308
Net increase (decrease) in cash and cash equivalents		450,427	( 475,255 )
Cash and cash equivalents at beginning of year		197,812	673,067
Cash and cash equivalents at end of year		<u>\$ 648,239</u>	<u>\$ 197,812</u>

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, 2023 AND 2022

(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 March 12, 2024.

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<sup>®</sup>”) Accounting Standards that came into effect as endorsed by the Financial Supervisory Commission (“FSC”)

New standards, interpretations and amendments endorsed by FSC and became 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
Amendments to IAS 12, ‘International tax reform - pillar two model rules’	May 23, 2023

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 IFRS Accounting Standards as endorsed by the FSC but not yet adopted by the Group

New standards, interpretations and amendments endorsed by the FSC and will become effective from 2024 are as follows:

New Standards, Interpretations and Amendments	Effective date by International Accounting Standards Board
Amendments to IFRS 16, 'Lease liability in a sale and leaseback'	January 1, 2024
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
Amendments to IAS 7 and IFRS 7, 'Supplier finance arrangements'	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.

(3) IFRS Accounting Standards issued by IASB but not yet endorsed by the FSC

New standards, interpretations and amendments issued by IASB but not yet included in the IFRS Accounting Standards 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
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 21, 'Lack of exchangeability'	January 1, 2025

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 Material 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<sup>®</sup> Interpretations, and SIC<sup>®</sup> 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(%) December 31, 2023	Ownership(%) December 31, 2022	Description
The Company	Sindar Technologies, Inc. (“Sindar”)	Merchant	100	100	
The Company	Full Wang Property Agency Co., Ltd (Full Wang Property Agency)	Trade, lease, agency and consignment of real estate	74	74	Note 4
The Company	BIFINITY BIOTECHNOLOGY CO., LTD.(BIFINITY)	Trade of cosmetic	100	100	Note 2
The Company	Baoxin Construction Co., Ltd. (Baoxin Company)	Comprehensive construction	100	100	Note 1
The Company	Fuwong International Development Co., LTD (“FUWONG”)	Trade of real estate	-	100	Note 3
The Company	Full Wang Real Estate Co., Ltd.(Full Wang Real Estate)	Trade of real estate	100	100	
The Company	Full Xin Global Real Estate Co., Ltd. (Full Xin)	Trade of real estate	100	100	
BIFINITY	Full Wang Property Agency Co., Ltd (Full Wang Property Agency)	Trade, lease, agency and consignment of real estate	26	26	Note 4

Note 1: Baoxin Company during their meeting on November 27, 2023 adopted a resolution to increase the Company’s capital in the amount of \$300,000 thousand by issuing 30,000 thousand new shares with the effective date set on November 30, 2023, and the registration was completed on December 13, 2023.

Note 2: 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 3: On April 20, 2018, the Board of Directors of the Group resolved to liquidate FUWONG, the liquidation is still in process.

Note 4: Full Wang Property Agency ceased operations from December 11, 2022 to December 10, 2024.

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 fair value through other comprehensive income

- A. Financial assets at fair value through other comprehensive income comprise equity securities which are not held for trading, and for which the Group has made an irrevocable election at initial recognition to recognise changes in fair value in other comprehensive income and debt instruments which meet all of the following criteria:
  - (a) The objective of the Group's business model is achieved both by collecting contractual cash flows and selling financial assets; and
  - (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 fair value through other comprehensive income are recognised and derecognised using trade date accounting.
- C. At initial recognition, the Group measures the financial assets at fair value plus transaction costs. The Group subsequently measures the financial assets at fair value:  
The changes in fair value of equity investments that were recognised in other comprehensive income are reclassified to retained earnings and are not reclassified to profit or loss following the derecognition of the investment. Dividends are recognised as revenue 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.

(8) 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.

(9) 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.

(10) 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.

(11) 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.

(12) 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.

(13) 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.

(14) 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	1~3 year(s)
Other equipment	2~5 year(s)

(15) 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.

(16) Intangible assets

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

(17) 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.

(18) 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.

(19) 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.

(20) 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’.

(21) Derecognition of financial liabilities

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

(22) 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.

(23) Employee share-based payment

For the equity-settled share-based payment arrangements, the employee services received are measured at the fair value of the equity instruments granted at the grant date, and are recognised as compensation cost over the vesting period, with a corresponding adjustment to equity. The fair value of the equity instruments granted shall reflect the impact of market vesting conditions and

non-vesting conditions. Compensation cost is subject to adjustment based on the service conditions that are expected to be satisfied and the estimates of the number of equity instruments that are expected to vest under the non-market vesting conditions at each balance sheet date. Ultimately, the amount of compensation cost recognised is based on the number of equity instruments that eventually vest.

(24) 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 and does not give rise to equal taxable and deductible temporary differences. 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.

(25) 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.

(26) 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.

(27) 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.

(28) 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, 2023, the carrying amount of inventories was \$7,148,543 thousand.

## 6. Details of Significant Accounts

### (1) Cash and cash equivalents

	December 31, 2023	December 31, 2022
Cash on hand and pretty cash	\$ 1,218	\$ 1,089
Checking accounts	10,128	3,142
Demand deposits	636,893	193,581
	<u>\$ 648,239</u>	<u>\$ 197,812</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, 2023 and 2022, the Group's performance guarantee escrow account pertained to trust deposit of pre-sales new construction and certain demand deposits and time deposits that serve as guarantee for corporate bonds and short-term borrowings issued by the Company amounting to \$753,101 thousand and \$103,069 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, 2023 and 2022, 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 \$296,430 thousand and \$980,953 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, 2023	December 31, 2022
Current items:		
Financial assets mandatorily measured at fair value through profit or loss		
Equity securities	\$ 25,274	\$ 543,784
Valuation adjustment	249	( 22,533)
	<u>\$ 25,523</u>	<u>\$ 521,251</u>

Non-current items:

Financial assets mandatorily measured at fair value through profit or loss

Equity securities	<u>\$ 20</u>	<u>\$ 20</u>
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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	
	2023	2022
Financial assets mandatorily measured at fair value through profit or loss		
Equity instruments	\$ 45,020	(\$ 859,760)
Derivatives	-	( 35,538)
Dividend income recognised in profit or loss	1,570	56,650
	<u>\$ 46,590</u>	<u>(\$ 838,648)</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, 2023	December 31, 2022
Current items:		
Performance guarantee escrow account	\$ 263,465	\$ 103,069
Restricted demand deposits	486,336	-
Restricted time deposits	3,300	-
	<u>\$ 753,101</u>	<u>\$ 103,069</u>
Non-current items:		
Restricted demand deposits	\$ 296,430	\$ 977,653
Restricted time deposits	-	3,300
	<u>\$ 296,430</u>	<u>\$ 980,953</u>

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

	Year ended December 31	
	2023	2022
Interest income	\$ 4,573	\$ 1,450

- B. As at December 31, 2023 and 2022, 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

	December 31, 2023	December 31, 2022
Notes receivable	\$ 116	\$ 1,486
Accounts receivable	468,190	44,557
Less: Allowance for uncollectible accounts	( 699)	( 699)
	\$ 467,491	\$ 43,858

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

	December 31, 2023		December 31, 2022	
	Accounts receivable	Notes receivable	Accounts receivable	Notes receivable
Not past due	\$ 468,190	\$ 116	\$ 44,557	\$ 1,486

The above ageing analysis was based on past due date.

- B. As of December 31, 2023 and 2022, accounts receivable and notes receivable were all from contracts with customers. And as of January 1, 2022, the balance of receivables from contracts with customers amounted to \$839,341 thousand.
- C. As of December 31, 2023 and 2022, 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

December 31, 2023			
	Cost	Allowance for valuation loss	Book value
Buildings and land held for sale	\$ 266,746	\$ -	\$ 266,746
Construction in progress	6,805,452	-	6,805,452
Prepayment for land	73,290	-	73,290
Merchandise inventory	3,055	-	3,055
	<u>\$ 7,148,543</u>	<u>\$ -</u>	<u>\$ 7,148,543</u>

December 31, 2022			
	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>

A. The detail of inventories are listed below:

	December 31, 2023	December 31, 2022
<u>Buildings and land held for sale</u>		
The Infinity	\$ 38,068	\$ 38,997
RIVER ONE	-	35,558
Pingzhen District, Taoyuan City (Shanziding section)	-	9,246
New Style	16,766	28,627
F House	40,492	64,450
GARDEN LANDMARK PLAZA		
YUNLIN(formerly Douliu Ming De section)	21,340	-
XIN HAI CHENG(formerly Luliao section, Shalu District)	24,765	-
The melody of home(formerly Wenhua section, Miaoli County)	114,571	-
Others	10,744	10,744
	<u>266,746</u>	<u>187,622</u>

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
<u>Construction in progress</u>		
My Style(formerly named sunshine town)	\$ 1,672,875	\$ 1,321,240
Wei Mei Chu(formerly Lantian W. section, Nanzi Dist., Kaohsiung City)	1,284,374	858,463
Yuan Zhong section, Nanzi Dist., Kaohsiung City	457,426	312,910
XIN HAI CHENG(formerly Luliao section, Shalu District)	-	582,393
Full of Happiness(formerly Qiaozhen section, Yunlin County)	-	200,365
Skyline W one(formerly Shangshi section)	1,384,941	1,059,454
GARDEN LANDMARK PLAZA	-	388,551
YUNLIN(formerly Douliu Ming De section)	-	316,603
The melody of home(formerly Wenhua section, Miaoli County)	-	316,603
ELEGANT VILLAGE(formerly Qiaozhen section, Yunlin County 2)	306,579	278,125
Mayuantou section, West Dist.	754,880	636,970
Yunlinxi section, Douliu city	389,565	389,565
AIMEI(Jen Shing Section, Lukang Township)	554,768	447,498
Kouzhuang Section, Houli Dist.	44	-
	<u>6,805,452</u>	<u>6,792,137</u>
<u>Prepayment for land</u>		
Kouzhuang Section, Houli Dist.	\$ 66,490	\$ -
Guanghua Section, Caotun Township	6,800	-
	<u>73,290</u>	<u>-</u>
<u>Others</u>		
Merchandise inventory	\$ 3,055	\$ 6,000
	<u>\$ 7,148,543</u>	<u>\$ 6,985,759</u>

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

	<u>Year ended December 31</u>	
	<u>2023</u>	<u>2022</u>
Cost of goods sold	\$ 2,039,837	\$ 420,490
Cost of services	4,590	1,640
Others	2,491	1,703
	<u>\$ 2,046,918</u>	<u>\$ 423,833</u>

C. Information on capitalisation of interest is as follows:

	Year ended December 31	
	2023	2022
Interest capitalised	\$ 140,396	\$ 80,475
Interest capitalised ratio (%)	0.96%~3.42%	0.84%~2.62%

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, 2023	December 31, 2022
Assets recognised as incremental costs to obtain contracts with customers	\$ 415,429	\$ 406,759
Prepayments to suppliers	63,507	34,435
Prepaid expenses	20,029	21,520
Payment on behalf of others	35,210	35,664
Excess business tax paid	97,418	40,963
Others	7,363	9,023
	<u>\$ 638,956</u>	<u>\$ 548,364</u>

(7) Property, plant and equipment

	January 1, 2023	Additions	Disposals	December 31, 2023
Cost				
Leasehold improvements	\$ 14,378	\$ -	\$ -	\$ 14,378
Other equipment	47,824	1,141	( 500)	48,465
Unfinished construction	4,083	22,436	-	26,519
	<u>\$ 66,285</u>	<u>\$ 23,577</u>	<u>(\$ 500)</u>	<u>\$ 89,362</u>
Accumulated Depreciation				
Leasehold improvements	(\$ 11,338)	(\$ 3,002)	\$ -	(\$ 14,340)
Other equipment	( 19,582)	( 7,347)	500	( 26,429)
	<u>(\$ 30,920)</u>	<u>(\$ 10,349)</u>	<u>\$ 500</u>	<u>(\$ 40,769)</u>
	<u>\$ 35,365</u>			<u>\$ 48,593</u>

	<u>January 1, 2022</u>	<u>Additions</u>	<u>Disposals</u>	<u>December 31, 2022</u>
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>

A. Information on capitalisation of interest is as follows:

	<u>Year ended December 31</u>	
	<u>2023</u>	<u>2022</u>
Interest capitalised	\$ 104	\$ -
Interest capitalised ratio (%)	0.96%~3.42%	-

B. Amount and rate of capitalized interest for property, plant and equipment and relating to lease agreements:

	<u>Year ended December 31</u>	
	<u>2023</u>	<u>2022</u>
Depreciation capitalised	\$ 6,474	\$ -
Interest capitalised	\$ 1,668	\$ -
Interest capitalised ratio (%)	1.40%	-

(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, 2023</u>	<u>December 31, 2022</u>
	<u>Book value</u>	<u>Book value</u>
Land	\$ 158,166	\$ 158,971
Buildings	3,666	4,666
	<u>\$ 161,832</u>	<u>\$ 163,637</u>

	Year ended December 31	
	2023	2022
	Depreciation charge	Depreciation charge
Land	\$ 10,138	\$ 9,096
Buildings	2,193	2,151
Less: Capitalisation of qualifying assets	( 6,474)	-
	<u>\$ 5,857</u>	<u>\$ 11,247</u>

- D. The Company built a shopping mall on the leased land. Expenses incurred in the lease contract pertained to the necessary expenses for the shopping mall to reach the expected usable state. Details of the capitalisation of related expenses to unfinished construction are provided in Note 6(7).
- E. The information on profit and loss accounts relating to lease contracts is as follows:

	Year ended December 31	
	2023	2022
<u>Items affecting profit or loss</u>		
Interest expense on lease liabilities	\$ 759	\$ 2,536
Expense on short-term lease contracts	4,299	5,061
Gain on sublease of right-of-use assets	797	347

- F. For the years ended December 31, 2023 and 2022, the additions to right-of-use assets were \$10,526 and \$0 thousand, respectively.
- G. 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 a large shopping mall on the aforementioned land, which is still in the construction stage as of December 31, 2023.
- H. For the years ended December 31, 2023 and 2022, the Group's total cash outflow for leases were \$17,538 thousand and \$15,509 thousand, respectively.
- I. Variable lease payments
- 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.
  - A 1% increase in the announced land values with such variable lease contracts would increase total lease payments by approximately \$101 thousand and \$84 thousand for the years ended December 31, 2023 and 2022, respectively.



(9) Short-term borrowings

Type of borrowings	December 31, 2023	Interest rate range	Collateral
Bank borrowings			
Secured borrowings	\$ 4,622,259	2.25%~3.30%	Inventories and financial assets at fair value through profit or loss
Unsecured borrowings	207,000	2.75%~4.55%	None
	<u>\$ 4,829,259</u>		

Type of borrowings	December 31, 2022	Interest rate range	Collateral
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>		

A. Interest expense recognised in profit or loss amounted to \$0 thousand and \$14,434 for the years ended December 31, 2023 and 2022, 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

	December 31, 2023	December 31, 2022
Commercial papers payable	\$ 350,000	\$ 350,000
Less: Discount on commercial papers payable	( 1,841)	( 1,263)
	<u>\$ 348,159</u>	<u>\$ 348,737</u>
Coupon rate	<u>1.75%</u>	<u>1.19%</u>

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

(11) Other payables

	December 31, 2023	December 31, 2022
Salary and bonus payable	\$ 33,604	\$ 7,468
Payable on repairs and maintenance	15,700	-
Accrued commission	13,858	1,929
Interest payable	12,075	12,984
Advertisement expense payable	845	1,429
Payable on machinery and equipment	212	-
Payables on investments	-	6,955
Litigation damages payable	-	11,557
Others	32,001	10,408
	<u>\$ 108,295</u>	<u>\$ 52,730</u>

(12) Bonds payable

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Bonds payable	\$ 1,200,000	\$ 1,700,000
Less: Discount on bonds payable	( 493)	( 520)
	1,199,507	1,699,480
Less: Current portion or exercise of put options	( 999,905)	( 699,875)
	<u>\$ 199,602</u>	<u>\$ 999,605</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. The secured corporate bonds were fully settled by cash on December 21, 2023.

- 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. The secured corporate bonds were fully settled by cash on March 7, 2023.

- 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. The secured corporate bonds were fully settled by cash on April 6, 2023.

- F. The terms of the 2023 first secured ordinary corporate bonds issued by the Company are as follows:

The competent authority has approved the 2023 first secured ordinary corporate bonds issued by the Company. The bonds have a total issuance amount of \$200 million and a coupon rate of 1.77%, covering a 3-year period of issuance and a circulation period from December 19, 2023 to December 19, 2026. 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 19, 2023.

(13) Share-based payment

- A. For the year ended December 31, 2023, the Group's share-based payment arrangements were as follows:

Type of arrangement	Grant date	Quantity granted	Contract period	Vesting conditions
Cash capital increase reserved for employee preemption	2023.11.13	<u>771</u>	NA	Vested immediately

December 31, 2022 : None.

- B. The fair value of other equity interest information related to fair value is as follows:

Type of arrangement	Grant date	Stock price	Exercise price	Fair value per unit
Cash capital increase reserved for employee preemption	2023.11.13	\$ 21.80	\$ 17.15	\$ 4.65

- C. Expenses incurred on share-based payment transactions are shown below:

	Year ended December 31, 2023	Year ended December 31, 2022
Equity-settled	<u>\$ 3,585</u>	<u>\$ -</u>

(14) 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, 2023 and 2022, were \$3,588 thousand and \$3,123 thousand, respectively.

(15) Share capital

- A. As of December 31, 2023, the Company’s authorized capital was \$2 billion, and the paid-in capital was \$1,190,163 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.

Movements in the number of the Company’s ordinary shares outstanding are as follows: (unit: share in thousands)

	2023	2022
At January 1	\$ 154,016	\$ 154,016
Less:Capital reduction to offset	( 60,000)	-
Add:Cash capital increase	25,000	-
At December 31	<u>\$ 119,016</u>	<u>\$ 154,016</u>

- B. To improve the Company’s financial structure, on April 10, 2023, the shareholders 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 ratio of the capital reduction was 38.956922%. The capital reduction was approved by the competent authority on May 12, 2023 and the registration was completed on June 6, 2023.
- C. The Board of Directors of the Company during their meeting on May 17, 2023 adopted a resolution to increase the Company’s capital by issuing 25,000 thousand ordinary shares with a par value of \$10 (in dollars) per share. The capital increase was approved by the competent authority on October 27, 2023 and the effective date was set on December 6, 2023. The registration was completed on December 20, 2023.

(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) 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 2022 and 2021 as resolved by the shareholders at their meetings on April 10, 2023 and June 16, 2022, respectively, are as follows:

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

The above proposal for deficit compensation and appropriation of 2021 earnings were the same as that proposed by the Board of Directors on February 23, 2023 and March 28, 2022,

respectively.

F. The Board of Directors of the Company during their meetings on March 12, 2024 and February 23, 2023 resolved not to distribute earnings as the Company had accumulated deficits for the years ended December 31, 2023 and 2022, respectively.

G. For the information relating to employees' compensation and directors' and supervisors' remuneration, please refer to Note 6(23).

(18) Operating revenue

	Year ended December 31	
	2023	2022
Revenue from contracts customers	\$ 2,596,670	\$ 575,412
Others-rental revenue	3,760	2,610
	<u>\$ 2,600,430</u>	<u>\$ 578,022</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, 2023	Building and land sales	Service revenue	Cosmetic sales revenue	Total
Total segment revenue	<u>\$ 2,580,480</u>	<u>\$ 12,848</u>	<u>\$ 3,342</u>	<u>\$ 2,596,670</u>
Timing of revenue recognition				
At a point in time	<u>\$ 2,580,480</u>	<u>\$ 12,848</u>	<u>\$ 3,342</u>	<u>\$ 2,596,670</u>
Year ended December 31, 2022	Building and land sales	Service revenue	Cosmetic sales revenue	Total
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>

B. As of December 31, 2023 and 2022, 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, 2023	December 31, 2022
Contracts signed	\$ 8,450,738	\$ 8,681,698
Expected year of revenue recognition	2024~2029	2023~2025

C. Contract liabilities

The Group has recognised the following revenue-related contract liabilities

	December 31, 2023	December 31, 2022	January 1, 2022
Contract liabilities	<u>\$ 1,356,279</u>	<u>\$ 1,233,459</u>	<u>\$ 1,164,027</u>

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

	Year ended December 31	
	2023	2022
Revenue recognised that was included in the contract liability balance at the beginning of the period	\$ 410,276	\$ 102,352

(19) Other income

	Year ended December 31	
	2023	2022
Dividend income	\$ 1,570	\$ 56,650
Claim revenue	2,000	-
Indemnity revenue	-	12,500
Other income, others (Note)	42,847	3,914
	<u>\$ 46,417</u>	<u>\$ 73,064</u>

Note: Other income, others for the year ended December 31, 2023 was mainly arising from the reversal of the estimated losses in prior years. Details are provided in Note 9(1)B.

(20) Other gains and losses

	Year ended December 31	
	2023	2022
Gains (losses) on disposals of property, plant and equipment	\$ 60	(\$ 50)
Foreign exchange gains	102	429
Losses on disposals of investments	( 432)	( 23)
Gains arising from lease modifications	-	964
Gains (losses) on financial assets at fair value through profit or loss	45,020	( 895,298)
Litigation loss	( 17,631)	( 5,977)
Other losses	( 5,104)	( 5,767)
	<u>\$ 22,015</u>	<u>(\$ 905,722)</u>

(21) Finance costs

	Year ended December 31	
	2023	2022
Interest expense		
Bank borrowings	\$ 132,994	\$ 94,909
Bonds payable	13,867	16,173
Short-term notes and bills payable	5,530	3,373
Lease liability	2,427	2,536
Financial expense, others	329	-
Less: Capitalisation of qualifying assets	( 142,168)	( 80,475)
	<u>\$ 12,979</u>	<u>\$ 36,516</u>

(22) Expenses by nature

	Year ended December 31	
	2023	2022
Employee benefit expense	\$ 117,391	\$ 75,471
Depreciation-properties	10,349	12,175
Depreciation-right-of-use assets	5,857	11,247
Amortisation charge	632	655
	<u>\$ 134,229</u>	<u>\$ 99,548</u>

(23) Employee benefit expense

	Year ended December 31	
	2023	2022
Wages and salaries	\$ 96,308	\$ 61,124
Share-based payments	3,585	-
Labour and health insurance fees	7,200	6,269
Pension costs	3,588	3,123
Directors' remuneration	1,938	1,685
Other personnel expenses	4,772	3,270
	<u>\$ 117,391</u>	<u>\$ 75,471</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. No employees' compensation and directors' and supervisors' remuneration were accrued due to the accumulated losses for the years ended December 31, 2023 and 2022.
- C. 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.



(24) Income tax

A. Income tax expense

	Year ended December 31	
	2023	2022
Current tax:		
Current tax on profits for the year	\$ 37,430	\$ -
Incremental tax on land value	423	5,921
Prior year income tax underestimation	2,317	2,189
Total current tax	40,170	8,110
Deferred tax:		
Origination and reversal of temporary differences	( 3,710)	( 2,049)
Total deferred tax	( 3,710)	( 2,049)
Income tax expense	\$ 36,460	\$ 6,061

B. Reconciliation between income tax expense and accounting profit

	Year ended December 31	
	2023	2022
Tax calculated based on profit (loss) before tax and statutory tax rate	\$ 44,914	(\$ 201,561)
Expenses disallowed by tax regulation	( 5,815)	193,998
Tax exempt income by tax regulation	( 7,517)	( 13,114)
Change in assessment of realisation of taxable loss	( 737)	-
Income that should be added based on tax regulations	-	16,224
Tax losses not recognized in deferred income tax assets	594	4,258
Changes in estimation of deferred income tax assets	( 748)	( 1,854)
Prior year income tax underestimation	2,317	2,189
Incremental tax on land value	423	5,921
Separate taxation (Note)	3,029	-
Income tax expense	\$ 36,460	\$ 6,061

Note: It pertained to tax payable on transaction income in compliance with the Article 4-4 of the Income Tax Act.

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

2023			
	January 1	Recognised in profit or loss	December 31
Deferred tax assets:			
Temporary differences:			
Loss on investments			
accounted for using equity method	\$ 5,052	(\$ 489)	\$ 4,563
Accrued litigation loss	1,055	2,611	3,666
Unrealized expenses	21,369	( 1,506)	19,863
Deferred interest expense			
which the land purchased after 2016	2,004	( 373)	1,631
Allowance for bad debts	391	46	437
Unrealized gross profit from sales	283	3,421	3,704
Total	<u>\$ 30,154</u>	<u>\$ 3,710</u>	<u>\$ 33,864</u>
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	<u>\$ 28,105</u>	<u>\$ 2,049</u>	<u>\$ 30,154</u>

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

(1) The Company

December 31, 2023:None.

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, 2023

Year incurred	Amount filed/ assessed	Unused amount	Unrecognised	Expiry year
			deferred 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	Assessed	11,334	11,334	2031
2022	Amount filed	3,523	3,523	2032

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

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

	December 31, 2023	December 31, 2022
Deductible temporary differences	\$ 4,600	\$ 4,600

F. The Company's and its domestic subsidiaries' (Baixin Company, BIFINITY, Full Wang Real Estate, Full Xin Global Real Estate and Full Wang Property Agency) income tax returns through 2021 have been assessed and approved by the Tax Authority.

(25) (Loss) earnings per share

Year ended December 31, 2023			
	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	<u>\$ 193,112</u>	<u>95,797</u>	<u>\$ 2.02</u>
<u>Diluted earnings per share</u>			
Profit attributable to ordinary shareholders	\$ 193,112	95,797	
Assumed conversion of all dilutive potential ordinary shares			
Employees' compensation	-	-	
Profit attributable to ordinary shareholders plus assumed conversion of all dilutive potential ordinary shares	<u>\$ 193,112</u>	<u>95,797</u>	<u>\$ 2.02</u>
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	<u>(\$ 977,659)</u>	<u>94,016</u>	<u>(\$ 10.40)</u>

- 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. When calculating earnings (losses) per share for the years ended December 31, 2023 and 2022, the impact of the capital reduction to offset deficits for the year ended December 31, 2023 had been retrospectively adjusted. Details are provided in Note 6(16).

(26) Supplemental cash flow information

A. Purchase of property, plant and equipment

	Year ended December 31	
	2023	2022
Purchase of property, plant and equipment	\$ 23,577	\$ 12,223
Less: Ending balance of payable on equipment	( 212)	-
Less: Depreciation capitalised	( 6,474)	-
Less: Payment for capitalized interests	( 1,772)	-
	<u>\$ 15,119</u>	<u>\$ 12,223</u>

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

	Year ended December 31	
	2023	2022
Acquisition of financial assets at fair value through profit or loss	\$ 284,834	\$ 9,379,392
Add: Payables at the beginning of the period	6,955	12,027
Less: Payables at the end of the period	-	( 6,955)
	<u>\$ 291,789</u>	<u>\$ 9,384,464</u>

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

	Year ended December 31	
	2023	2022
Proceeds from disposal of financial assets at fair value through profit or loss	\$ 803,344	\$ 10,335,174
Less: Gain (loss) on disposal	22,238	( 780,370)
Add: Receivables at the beginning of the period	9,648	73,934
Less: Receivables at the end of the period	-	( 9,648)
	<u>\$ 835,230</u>	<u>\$ 9,619,090</u>

D. Financing activities with no cash flow effects

	Year ended December 31	
	2023	2022
Capital reduction to offset accumulated deficits	<u>(\$ 600,000)</u>	<u>\$ -</u>

(27) Changes in liabilities from financing activities

	January 1, 2023	Changes in cash flow from financing activities	Changes in non-cash items-increase	Changes in other non-cash items	December 31, 2023
Short-term borrowings	\$ 4,759,162	\$ 70,097	\$ -	\$ -	\$ 4,829,259
Short-term notes and bills payable	348,737	-	-	( 578)	348,159
Lease liability	168,151	( 10,812)	10,526	-	167,865
Bonds payable	1,699,480	( 500,000)	-	27	1,199,507
Guarantee deposits received	796	( 107)	-	-	689
	<u>\$ 6,976,326</u>	<u>(\$ 440,822)</u>	<u>\$ 10,526</u>	<u>(\$ 551)</u>	<u>\$ 6,545,479</u>

	January 1, 2022	Changes in cash flow from financing activities	Changes in non-cash items-increase	Changes in other non-cash items	December 31, 2022
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>\$ 28,154</u>	<u>(\$ 217)</u>	<u>\$ 6,976,326</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

	Year ended December 31	
	2023	2022
Sales of real estate		
Other related parties	\$ 18,998	\$ -
Service revenue		
Hung Chien Company	12,808	1,372
	<u>\$ 31,806</u>	<u>\$ 1,372</u>

(a) The transaction price and collection terms of selling properties have no significant difference with non-related parties.

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

B. Receivables from related parties:

	December 31, 2023	December 31, 2022
Accounts receivable:		
Hung Chien Company	\$ 7,350	\$ -
Other related parties	301	-
	<u>\$ 7,651</u>	<u>\$ -</u>

The receivables from related parties are receivables from the sales of buildings and land to related parties. The payments are collected based on the contract and have no significant difference with non-related parties.

C. 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) Lease liability

i. Outstanding balance

	December 31, 2023	December 31, 2022
Tian Wei Company	<u>\$ 2,262</u>	<u>\$ 3,374</u>

ii. Interest expense

	Year ended December 31	
	2023	2022
Tian Wei Company	<u>\$ 30</u>	<u>\$ 43</u>

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

	December 31, 2023	December 31, 2022
Chang Yun Company	<u>\$ -</u>	<u>\$ 497</u>

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.

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

	December 31, 2023	December 31, 2022
Tian Wei Company	\$ 140	\$ 140

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.

F. Contract liabilities

	December 31, 2023	December 31, 2022
Other related parties	\$ 6,732	\$ 11,327

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	
	2023	2022
Short-term employee benefits	\$ 13,679	\$ 12,099
Post-employment benefits	602	612
	\$ 14,281	\$ 12,711

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:

asset	Book value 2023	Book value 2022	Purpose
Inventories	\$ 7,044,644	\$ 6,979,522	Short-term borrowings
Financial assets at fair value through profit or loss	25,523	489,836	Short-term borrowings
Financial assets at amortised cost — current	753,101	103,069	Trust deposit of pre-sales construction 、 Short-term borrowings and Bonds payable
Non-current financial assets at amortised cost	296,430	980,953	Bonds payable and short-term notes and bills payable
	\$ 8,119,698	\$ 8,553,380	

9. Significant Contingent Liabilities and Unrecognised Contract Commitments

(1) Contingencies

A. HSING YA CONSTRUCTION ENGINEERING CO., LTD. ("HSING YA") 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 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 also requested the Company to return the performance promissory note of HSING YA. 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's request was denied.

The Company and HSING YA both disagreed with the verdict and filed an appeal to the High Court. As of March 12, 2024, the case is awaiting the judgement of the High Court.

- B. In 2013, Liyuan Construction Co., Ltd. ( "Liyuan" ) 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 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 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, the Company should pay \$ 5,206 thousand to Liyuan, and pay statutory interest at 5% annual interest rate from May 17, 2016 to the settlement date to Liyuan. Liyuan 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 July 25, 2023, the High Court rejected the appeal of Liyuan and the case was affirmed. The Company should pay \$5,206 thousand to Liyuan Company, and pay the interest which was calculated at 5% annual interest rate for the period from May 17, 2016 up to the settlement date to Liyuan as well as the court costs (approximately NT\$1,920 thousand as of the date of judgment), totalling \$7,126 thousand.

In addition, the Company had accrued the aforementioned construction payment amounting to \$43,558 thousand (shown as accounts payable) and payment on behalf of others amounting to \$2,245 thousand (shown as other current assets) when the construction was in progress. For the year ended December 31, 2023, the Company reversed accounts payable amounting to \$34,187 thousand (shown as other income) based on the aforementioned judgement and deposited \$5,206 thousand according to the aforementioned judgement on August 3, 2017 (shown as other non-

current assets). The Company collected cash collateral lodged on August 22, 2023.

- C. The engineering contractor filed three civil lawsuits against Baoxin Company to request the payment of construction expenses and past-due rents totalling NT\$11,671 thousand. Fu Bao Engineering Co., Ltd. (“Fu bao”) requested the payment of construction payment amounting to \$3,221 thousand. On March 28, 2023, a judgement of the lawsuit was rendered that Baoxin should pay NT\$95 thousand to Fu Bao, and pay interests at 5% annual interest rate (approximately NT\$7 thousand as of December 31, 2023) from June 9, 2022 up to the settlement date to Fu Bao. Fu Bao disagreed with the verdict and filed an appeal. As of March 12, 2024, the case is under trial with the High Court.

Shih Hsuan Co., Ltd. (“Shih Hsuan”) requested the payment of construction payment amounting to \$4,664 thousand. On August 7, 2023, a judgment of the lawsuit was rendered that Baoxin should pay NT\$4,450 thousand to Shih Hsuan, and pay interest at 5% annual interest rate (approximately NT\$322 thousand as of December 31, 2023) from July 21, 2022 to the settlement date to Shih Hsuan, as well as deposited the above amount to the court on October 13, 2023 and accrued accounts payable amounting to \$4,450 thousand. The Company disagreed with the verdict and filed an appeal. As of March 12, 2024, the case is under trial with the High Court.

Baoxin Company had accrued litigation loss (shown as other gains and losses) amounting to \$2,253 thousand based on the above judgement.

- 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. Tien Lan management committee requested the payment of loss compensation amounting to \$3,649 thousand. On June 8, 2023, a judgment of the lawsuit was rendered that the Company should pay NT\$3,420 thousand to Tien Lan management committee, and pay interests at 5% annual interest rate (approximately NT\$315 thousand as of December 31, 2023) from February 26, 2022 to the settlement date to Tien Lan management committee. The Company disagreed with the verdict and filed an appeal. As of March 12, 2024, the case is still in the appeal procedure of the High Court.

The customer entered into a sale and purchase contract of pre-sale real estate with the Company. The Taiwan Taichung District Court has rejected the appeal of the customer on January 12, 2024. The customer disagreed with the verdict and filed an appeal to the High Court. As of March 12, 2024, the case is still in the appeals process of the High Court.

The Company had accrued provisions (shown as other current liabilities) amounting to \$4,800 thousand based on the highest possible loss compensation.

- 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 March 12, 2024, 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. The Company has filed a separate lawsuit requesting repayment. As of March 12, 2024, the remaining consideration had not been received.
- G. Zhen Ai Industrial Co., Ltd (“Zhen Ai”) filed a civil lawsuit against the Company requesting payment of service fees. On July 26, 2023, a judgment of the lawsuit was rendered that the Company should pay NT\$5,000 thousand to Zhen Ai, and pay interests at 5% annual interest rate (approximately NT\$242 thousand as of December 31, 2023) from January 12, 2023 up to the settlement date to Zhen Ai. The Company disagreed with the verdict and filed an appeal. As of March 12, 2024, the case is under trial with the High Court.

## (2) Commitments

- A. Capital expenditure contracted for at the balance sheet date but not yet incurred is as follows:

	December 31, 2023
Buildings and land held for sale	\$ 435,369

- B. As of December 31, 2023 and 2022, the Group’s contracted construction contracts amounted to \$4,127,416 thousand and \$4,001,700 thousand, and unaccrued amounts were \$2,066,268 thousand and \$2,439,367 thousand, respectively.
- C. As of December 31, 2023, the Group’s construction in progress and the deed of trust signed with the entrusted financial institutions were commissioned to Taichung Commercial Bank Co., Ltd., Chinatrust Commercial Bank Co., Ltd. and Hua Nan Commercial Bank, 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

- A. The Company entered into a contract with the seller and obtained the land held for construction site located in No. 792, No. 792-1, No. 803-1, No. 795, Jia Zhao section, Hemei Town, Changhua

County and its above-ground buildings amounting to NTD 332,560 thousand and reported to the Board of Directors during their meeting on March 12, 2024. As of the reporting date of the parent company only financial statements, the Company had paid \$33,250 thousand.

- B. On January 4, 2023, the competent authority has approved the 2024 first secured ordinary corporate bonds issued by the Company. The bonds have a total issuance amount of \$300 million and a coupon rate of 1.77%, covering a 3-year period of issuance and a circulation period from January 12, 2024 to January 12, 2027. 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 January 4, 2024.

## 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, 2023</u>	<u>December 31, 2022</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	\$ <u>25,543</u>	\$ <u>521,271</u>
Financial assets at fair value through other comprehensive income		
Designation of equity instrument	\$ <u>40,000</u>	\$ <u>-</u>
Financial assets at amortised cost		
Cash	\$ 648,239	\$ 197,812
Financial assets at amortised cost	1,049,531	1,084,022
Notes receivable	116	1,486
Accounts receivable due from related parties	467,491	43,858
Other receivables due from related parties	10,828	20,143
Guarantee deposits paid (shown as other non-current assets)	38,063	51,418
	<u>\$ 2,214,268</u>	<u>\$ 1,398,739</u>

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
<u>Financial liabilities</u>		
Financial liabilities at amortised cost		
Short-term borrowings	\$ 4,829,259	\$ 4,759,162
Short-term notes and bills payable	348,159	348,737
Notes payable	38,053	23,085
Accounts payable to related parties	666,432	523,076
Other payables to related parties	108,295	52,730
Corporate bonds payable (including current portion)	1,199,507	1,699,480
Guarantee deposits received (shown as other non-current liabilities)	689	796
	<u>7,190,394</u>	<u>7,407,066</u>
Lease liability	167,865	168,151
	<u>\$ 7,358,259</u>	<u>\$ 7,575,217</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 and financial assets at fair value through other comprehensive income. 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 decreased/increased by 5% with all other variables held constant, post-tax profit for the years ended December 31, 2023 and 2022 would have decreased/increased by \$1,276 thousand and \$25,841 thousand, respectively, as a result of gains on equity

securities classified as at fair value through profit or loss. Other components of equity would have increased/decreased by \$200 and \$0, respectively, as a result of other comprehensive income classified as equity investment at fair value through other comprehensive income.

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, 2023 and 2022, 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 decreased/increased by 0.1% with all other variables held constant, profit, net of tax for the years ended December 31, 2023 and 2022 would have decreased/increased by \$3,863 thousand and \$3,807 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, 2023 and 2022, the Group's written-off financial assets that are still under recourse procedures amounted to \$0 thousand and \$0 thousand, respectively.

viii. The Group used the historical and timely information to assess the default possibility of accounts receivable. On December 31, 2023 and 2022, the provision matrix is as follows:

	Not past due	Up to 90 days past due	Over 90 days past due	Total
<u>December 31, 2023</u>				
Expected loss rate	0.15%	-	-	
Total book value	\$ 468,190	\$ -	\$ -	\$ 468,190
Loss allowance	(\$ 699)	\$ -	\$ -	(\$ 699)
<u>December 31, 2022</u>				
Expected loss rate	1.57%	-	-	
Total book value	\$ 44,557	\$ -	\$ -	\$ 44,557
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:

	2023	2022
	Accounts receivable	Accounts receivable
At January 1 (i.e. 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 (including related parties) and guarantee deposits paid is remote, therefore, loss allowance is

immaterial as of December 31, 2023 and 2022.

(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, 2023 and 2022, the Group has undrawn borrowing facilities amounting to \$4,337,094 thousand and \$2,722,404 thousand, respectively. The above bank borrowing facilities were drawn down based on the progress of the project.
- 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:

		Less than 3	Between 3	Between 1	Over 3	
December 31, 2023		months	months	and 3 years	years	Total
			and 1 year			
Short-term notes and bills payable	\$	-	\$ 350,000	\$	-	\$ 350,000
Notes payable		22,372	15,681	-	-	38,053
Accounts payable		136,455	267,984	261,993	-	666,432
Other payables		60,477	47,818	-	-	108,295
Lease liability		3,872	11,691	24,262	147,715	187,540
Short-term borrowings		49,512	537,001	3,203,688	1,346,920	5,137,121
Guarantee deposits received (shown as other non-current liabilities)		-	689	-	-	689
Bonds payable		402,966	603,663	206,785	-	1,213,414

Non-derivative financial liabilities:

		Less than 3	Between 3	Between 1	Over 3	
December 31, 2022		months	months	and 3 years	years	Total
			and 1 year			
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		3,903	709,233	1,003,088	-	1,716,224



(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, 2023 and 2022 are as follows:

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

<u>December 31, 2023</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	<u>\$ 25,523</u>	<u>\$ -</u>	<u>\$ 20</u>	<u>\$ 25,543</u>
Financial assets at fair value through other comprehensive income				
Equity securities	<u>\$ -</u>	<u>\$ 4,000</u>	<u>\$ -</u>	<u>\$ 4,000</u>
<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	<u>\$ 521,251</u>	<u>\$ -</u>	<u>\$ 20</u>	<u>\$ 521,271</u>

(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, 2023 and 2022, there was no transfer between Level 1 and Level 2.	
E. For the years ended December 31, 2023 and 2022, there was no transfer into or out from Level 3.	

### 13. Supplementary Disclosures

#### (1) Significant transactions information

- A. Loans to others: None.
- 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 1.
- 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 2.
- E. Acquisition of real estate reaching \$300 million or 20% of paid-in capital or more: Please refer to table 3.
- 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 4.
- H. Receivables from related parties reaching \$100 million or 20% of paid-in capital or more: Please refer to table 5.
- I. Trading in derivative instruments undertaken during the reporting periods: None.
- J. Significant inter-company transactions during the reporting periods: Please refer to table 6.

#### (2) Information on investees

Names, locations and other information of investee companies (not including investees in Mainland China) : Please refer to table 7.

#### (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 8

### 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, 2023 and 2022, 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, 2023	Year ended December 31, 2022
Buildings and land sales revenue	\$ 2,580,480	\$ 573,028
Service revenue	12,848	1,372
Rental revenue	3,760	2,610
Other revenue	3,342	1,012
	<u>\$ 2,600,430</u>	<u>\$ 578,022</u>

(4) Geographical information

Geographical information for the years ended December 31, 2023 and 2022 is as follows:

	Year ended December 31, 2023		Year ended December 31, 2022	
	Revenue	Non-current assets	Revenue	Non-current assets
Taiwan	<u>\$ 2,600,430</u>	<u>\$ 211,025</u>	<u>\$ 578,022</u>	<u>\$ 250,420</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, 2023 and 2022, 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 material 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, 2023 and 2022, 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 Financial Statements Auditing and Attestation Engagements of 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 2023 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 2023 parent company only financial statements are stated as follows:

#### **Cut-off of building and land sales revenue**

##### **Description**

Please refer to Note 4(24) for accounting policies on sales revenue, and Note 6(19) for details. For the year ended December 31, 2023, building and land sales revenue amounted to NT\$2,037,745 thousand, representing 99.57% 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 turning 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, 2023, the carrying amount of inventories and allowance for inventory valuation losses amounted to NT\$7,341,944 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

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Liu, Mei Lan

For and on behalf of PricewaterhouseCoopers, Taiwan

March 12, 2024

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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, 2023 AND 2022**  
(Expressed in thousands of New Taiwan dollars)

Assets		Notes	December 31, 2023		December 31, 2022	
			AMOUNT	%	AMOUNT	%
Current assets						
1100	Cash and cash equivalents	6(1)	\$ 602,223	6	\$ 155,241	2
1110	Financial assets at fair value through profit or loss - current	6(2) and 8	25,523	-	482,524	5
1136	Current financial assets at amortised cost	6(3) and 8	753,101	7	102,919	1
1150	Notes receivable, net	6(4)	116	-	1,066	-
1170	Accounts receivable, net	6(4) and 7(2)	455,173	4	43,826	1
1200	Other receivables	7(2) and 9(1)	14,407	-	32,401	-
1220	Current tax assets		-	-	2,766	-
130X	Inventories	6(5), 7(2), 8 and 9(1)	7,341,944	69	6,610,960	72
1470	Other current assets	6(6) and 7(2)	538,286	5	466,917	5
11XX	Current Assets		9,730,773	91	7,898,620	86
Non-current assets						
1510	Non-current financial assets at fair value through profit or loss	6(2)	10	-	10	-
1517	Non-current financial assets at fair value through other comprehensive income		4,000	-	-	-
1535	Non-current financial assets at amortised cost	6(3) and 8	296,430	3	980,953	11
1550	Investments accounted for under equity method	6(7)	359,532	4	45,558	1
1600	Property, plant and equipment	6(8)	39,244	-	33,086	-
1755	Right-of-use assets	6(9) and 7(2)	161,832	2	163,637	2
1780	Intangible assets		930	-	876	-
1840	Deferred tax assets	6(25)	32,754	-	28,347	-
1900	Other non-current assets	7(2) and 9(1)	29,640	-	41,536	-
15XX	Non-current assets		924,372	9	1,294,003	14
1XXX	Total assets		\$ 10,655,145	100	\$ 9,192,623	100

(Continued)

**FULL WANG INTERNATIONAL DEVELOPMENT CO., LTD.**  
**PARENT COMPANY ONLY BALANCE SHEETS**  
**DECEMBER 31, 2023 AND 2022**  
(Expressed in thousands of New Taiwan dollars)

Liabilities and Equity		Notes	December 31, 2023		December 31, 2022					
			AMOUNT	%	AMOUNT	%				
Current liabilities										
2100	Short-term borrowings	6(10)	\$	4,814,078	45	\$	4,523,172	49		
2110	Short-term notes and bills payable	6(11)		348,159	3		348,737	4		
2130	Current contract liabilities	6(18) and 7(2)		1,356,181	13		1,134,148	12		
2150	Notes payable			37,960	-		22,182	-		
2170	Accounts payable	7(2) and 9(1)		341,990	3		382,835	4		
2200	Other payables	6(12) and 7(2)		95,499	1		33,433	1		
2230	Current income tax liabilities			36,860	-		-	-		
2280	Current lease liabilities	7(2)		15,563	-		11,589	-		
2320	Long-term liabilities, current portion	6(13)		999,905	10		699,875	8		
2399	Other current liabilities, others			39,866	1		12,853	-		
21XX	Current Liabilities			8,086,061	76		7,168,824	78		
Non-current liabilities										
2530	Bonds payable	6(13)		199,602	2		999,605	11		
2580	Non-current lease liabilities	7(2)		152,302	1		156,562	2		
2600	Other non-current liabilities	6(7)		727,962	7		4,369	-		
25XX	Non-current liabilities			1,079,866	10		1,160,536	13		
2XXX	Total Liabilities			9,165,927	86		8,329,360	91		
Equity										
	Share capital	6(15)								
3110	Share capital - common stock			1,190,163	11		1,540,163	16		
	Capital surplus	6(16)								
3200	Capital surplus			274,901	2		92,566	1		
	Retained earnings	6(17)								
3310	Legal reserve			167,797	2		167,797	2		
3320	Special reserve			438	-		746	-		
3350	Accumulated deficit		(	144,151)	(	1)	(	937,571)	(	10)
	Other equity interest									
3400	Other equity interest			70	-	(	438)	-		
3XXX	Total equity			1,489,218	14		863,263	9		
	Significant Contingent Liabilities and	9								
	Unrecognised Contract Commitments									
	Significant Events after the Balance	11								
	Sheet Date									
3X2X	Total liabilities and equity		\$	10,655,145	100	\$	9,192,623	100		

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, 2023 AND 2022**

(Expressed in thousands of New Taiwan dollars, except earnings (loss) per share amounts)

			Year ended December 31			
			2023		2022	
Items	Notes		AMOUNT	%	AMOUNT	%
4000 Sales revenue	6(18) and 7(2)	\$	2,046,516	100	\$ 576,663	100
5000 Operating costs	6(5)	(	1,586,326)	( 78)	( 433,016)	( 75)
5900 Net operating margin			460,190	22	143,647	25
Operating expenses	7(2)					
6100 Selling expenses		(	161,987)	( 8)	( 83,984)	( 15)
6200 General and administrative expenses		(	150,727)	( 7)	( 126,935)	( 22)
6000 Total operating expenses		(	312,714)	( 15)	( 210,919)	( 37)
6900 Operating profit (loss)			147,476	7	( 67,272)	( 12)
Non-operating income and expenses						
7100 Interest income	6(19)		6,116	-	2,423	1
7010 Other income	6(20)		43,736	2	69,315	12
7020 Other gains and losses	6(21)		27,471	1	( 857,052)	( 149)
7050 Finance costs	6(22)	(	11,186)	-	( 36,510)	( 6)
7070 Share of profit (loss) of associates and joint ventures accounted for using equity method, net	6(7)		14,401	1	( 81,462)	( 14)
7000 Total non-operating income and expenses			80,538	4	( 903,286)	( 156)
7900 <b>Profit (loss) before income tax</b>			228,014	11	( 970,558)	( 168)
7950 Income tax expense	6(25)	(	34,902)	( 2)	( 7,101)	( 1)
8200 <b>Profit (loss) for the year</b>		\$	193,112	9	( \$ 977,659)	( 169)
8316 Unrealised gains (losses) from investments in equity instruments measured at fair value through other comprehensive income		\$	70	-	\$ -	-
<b>Components of other comprehensive income that will be reclassified to profit or loss</b>						
8361 Financial statements translation differences of foreign operations			438	-	308	-
8360 Components of other comprehensive income that will be reclassified to profit or loss			438	-	308	-
8300 <b>Other comprehensive income for the year</b>		\$	508	-	\$ 308	-
8500 <b>Total comprehensive income (loss) for the year</b>		\$	193,620	9	( \$ 977,351)	( 169)
Total basic (loss) earnings per share						
9750 Total basic (loss) earnings per share	6(26)	\$	2.02		( \$ 10.40)	
Diluted (loss) earnings per share						
9850 Diluted (loss) earnings per share	6(26)	\$	2.02		( \$ 10.40)	

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, 2023 AND 2022  
(Expressed in thousands of New Taiwan dollars)

		Capital surplus			Retained earnings		Other equity interest			

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, 2023 AND 2022  
(Expressed in thousands of New Taiwan dollars)

		Year ended December 31	
	Notes	2023	2022
<b><u>CASH FLOWS FROM OPERATING ACTIVITIES</u></b>			
Profit (loss) before tax		\$ 228,014	( \$ 970,558 )
Adjustments			
Adjustments to reconcile profit (loss)			
Depreciation expense - property, plant and equipment	6(8)	8,786	10,596
Depreciation expense - right-of-use assets	6(9)	5,856	11,247
Amortization expense	6(23)	586	554
Net loss (gain) on financial assets or liabilities at fair value through profit or loss	6(2)(21)	( 42,670 )	856,582
Interest expense	6(22)	11,186	36,510
Interest income	6(19)	( 6,116 )	( 2,423 )
Dividend income	6(20)	( 1,338 )	( 54,466 )
Share-based payments		3,585	-
Share of profit of associates for using the equity method	6(7)	( 14,401 )	81,462
Losses on disposals of property and equipment	6(21)	-	50
Loss on disposal of investments		433	-
Litigation loss	6(21)	13,565	377
Profit from lease modification	6(21)	-	( 964 )
Other income		40,108	-
Changes in operating assets and liabilities			
Changes in operating assets			
In financial assets at amortised cost		34,341	325,953
Notes receivable		950	6,244
Accounts receivable (including related parties)	(	411,347 )	788,065
Other receivables	(	313 )	( 10,160 )
Other receivables due from related parties		11,427	( 11,312 )
Inventories	(	593,504 )	( 1,533,714 )
Payment for capitalized interests	(	137,480 )	( 75,846 )
Other current assets	(	71,369 )	( 98,972 )
Changes in operating liabilities			
Current contract liabilities		222,033	50,853
Notes payable		15,778	( 18,931 )
Accounts payable(including related parties)	(	77,277 )	( 52,839 )
Other payables(including related parties)		59,270	( 14,207 )
Other current liabilities		18,349	( 13,074 )
Cash outflow generated from operations	(	681,548 )	( 688,973 )
Interest received		6,116	2,423
Interest paid	(	12,975 )	( 36,082 )
Income taxes paid	(	2,451 )	( 14,673 )
Net cash flows used in operating activities	(	690,858 )	( 737,305 )

(Continued)

FULL WANG INTERNATIONAL DEVELOPMENT CO., LTD.  
PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS  
YEARS ENDED DECEMBER 31, 2023 AND 2022  
(Expressed in thousands of New Taiwan dollars)

		Year ended December 31	
	Notes	2023	2022
<b><u>CASH FLOWS FROM INVESTING ACTIVITIES</u></b>			
Acquisition of financial assets at fair value through other comprehensive income		( \$ 3,930 )	\$ -
Acquisition of financial assets at fair value through profit or loss	6(27)	( 265,708 )	( 9,008,910 )
Proceeds from disposal of financial assets at fair value through profit or loss	6(27)	769,759	9,202,074
Capital reduction and refund from financial assets at fair value through profit or loss		-	4,440
Acquisition of investments accounted for using equity method		( 300,000 )	-
Proceeds from liquidation of subsidiaries		432	-
Payment for capitalized interests		( 1,772 )	-
Acquisition of property, plant and equipment	6(27)	( 6,486 )	( 11,408 )
Increase in refundable deposits		( 7,082 )	( 8,897 )
Decrease in refundable deposits		18,978	41,829
Acquisition of intangible assets		( 640 )	( 477 )
Dividends received		1,338	128,460
Net cash flows from investing activities		204,889	347,111
<b><u>CASH FLOWS FROM FINANCING ACTIVITIES</u></b>			
Increase in short-term borrowings	6(28)	1,892,516	9,462,648
Decrease in short-term borrowings	6(28)	( 1,601,610 )	( 9,479,542 )
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 )	( 350,000 )
Proceeds from issuing bonds	6(28)	200,000	-
Repayments of bonds	6(28)	( 700,000 )	-
Increase in guarantee deposits received	6(28)	915,931	725
Decrease in guarantee deposits received	6(28)	( 191,824 )	( 592 )
Repayment of principal portion of lease liabilities	6(28)	( 10,812 )	( 7,912 )
Cash dividends paid	6(17)(28)	-	( 38,504 )
Proceeds from issuing shares	6(14)	428,750	-
Net cash flows from (used in) financing activities		932,951	( 63,177 )
Net increase (decrease) in cash and cash equivalents		446,982	( 453,371 )
Cash and cash equivalents at beginning of year		155,241	608,612
Cash and cash equivalents at end of year		\$ 602,223	\$ 155,241

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, 2023 AND 2022

(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 March 12, 2024.

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®”) Accounting Standards that came into effect as endorsed by the Financial Supervisory Commission (“FSC”)

New standards, interpretations and amendments endorsed by FSC and became 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
Amendments to IAS 12, ‘International tax reform - pillar two model rules’	May 23, 2023

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 IFRS Accounting Standards as endorsed by the FSC but not yet adopted by the Company

New standards, interpretations and amendments endorsed by the FSC and will become effective from 2024 are as follows:

New Standards, Interpretations and Amendments	Effective date by International Accounting Standards Board
Amendments to IFRS 16, 'Lease liability in a sale and leaseback'	January 1, 2024
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
Amendments to IAS 7 and IFRS 7, 'Supplier finance arrangements'	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.

(3) IFRSs Accounting Standards 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 Accounting Standards 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
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 21, 'Lack of exchangeability'	January 1, 2025

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 Material 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", 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 parent company only 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 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 fair value through other comprehensive income

- A. Financial assets at fair value through other comprehensive income comprise equity securities which are not held for trading, and for which the Company has made an irrevocable election at initial recognition to recognise changes in fair value in other comprehensive income and debt instruments which meet all of the following criteria:
  - (a) The objective of the Company's business model is achieved both by collecting contractual cash flows and selling financial assets; and
  - (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 fair value through other comprehensive income are recognised and derecognised using trade date accounting.
- C. At initial recognition, the Company measures the financial assets at fair value plus transaction costs. The Company subsequently measures the financial assets at fair value:

The changes in fair value of equity investments that were recognised in other comprehensive income are reclassified to retained earnings and are not reclassified to profit or loss following the derecognition of the investment. Dividends are recognised as revenue 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.

(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 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.

(8) 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.

(9) 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.

(10) 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.

(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

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.

(13) 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.

(14) 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	2 ~ 5 year(s)

(15) 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.

(16) Intangible assets

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

(17) 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.

(18) 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.

(19) 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.

(20) 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'.

(21) Derecognition of financial liabilities

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



(22) 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.

(23) Employee share-based payment

For the equity-settled share-based payment arrangements, the employee services received are measured at the fair value of the equity instruments granted at the grant date, and are recognised as compensation cost over the vesting period, with a corresponding adjustment to equity. The fair value of the equity instruments granted shall reflect the impact of market vesting conditions and non-vesting conditions. Compensation cost is subject to adjustment based on the service conditions that are expected to be satisfied and the estimates of the number of equity instruments that are expected to vest under the non-market vesting conditions at each balance sheet date. Ultimately, the amount of compensation cost recognised is based on the number of equity instruments that eventually vest.

(24) 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 operates and generates 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 and does not give rise to equal taxable and deductible temporary differences. 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.

(25) 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.

(26) 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.

(27) 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.

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, 2023, the carrying amount of inventories was \$7,341,944 thousand.

6. Details of Significant Accounts

(1) Cash and cash equivalents

	December 31, 2023	December 31, 2022
Cash on hand and pretty cash	\$ 879	\$ 844
Checking accounts	9,995	2,943
Demand deposits	587,961	148,110
Foreign currency deposits	3,388	3,344
	<u>\$ 602,223</u>	<u>\$ 155,241</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, 2023 and 2022, the Company's performance guarantee escrow account pertained to trust deposit of pre-sales new construction and certain demand deposits and time deposits that serve as guarantee for corporate bonds and short-term borrowings issued by the Company amounting to \$753,101 thousand and \$102,919 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, 2023 and 2022, 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 \$296,430 thousand and \$980,953 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, 2023	December 31, 2022
Current items:		
Financial assets mandatorily measured at fair value through profit or loss		
Equity securities	\$ 25,274	\$ 498,028
Valuation adjustment	249	(15,504)
	<u>\$ 25,523</u>	<u>\$ 482,524</u>
Non-current items:		
Financial assets mandatorily measured at fair value through profit or loss		
Equity securities	<u>\$ 10</u>	<u>\$ 10</u>

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

	Years ended December 31,	
	2023	2022
Financial assets mandatorily measured at fair value through profit or loss		
Equity instruments	\$ 42,670	(\$ 821,044)
Derivatives	-	(35,538)
Dividend income recognised in profit or loss	1,338	54,466
	<u>\$ 44,008</u>	<u>(\$ 802,116)</u>

- 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, 2023	December 31, 2022
Current items:		
Performance guarantee escrow account	\$ 263,465	\$ 102,919
Restricted demand deposits	486,336	-
Restricted time deposits	3,300	-
	<u>\$ 753,101</u>	<u>\$ 102,919</u>
Non-current items:		
Restricted demand deposits	\$ 296,430	\$ 977,653
Restricted time deposits	-	3,300
	<u>\$ 296,430</u>	<u>\$ 980,953</u>

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

	Years ended December 31,	
	2023	2022
Interest income	<u>\$ 4,573</u>	<u>\$ 1,450</u>

B. As at December 31, 2023 and 2022, 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

	December 31, 2023	December 31, 2022
Notes receivable	<u>\$ 116</u>	<u>\$ 1,066</u>
Accounts receivable	455,872	44,525
Less: Allowance for uncollectible accounts	( 699)	( 699)
	<u>\$ 455,173</u>	<u>\$ 43,826</u>

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

	December 31, 2023		December 31, 2022	
	Accounts receivable	Notes receivable	Accounts receivable	Notes receivable
Not past due	<u>\$ 455,872</u>	<u>\$ 116</u>	<u>\$ 44,525</u>	<u>\$ 1,066</u>

The above ageing analysis was based on past due date.

- B. As of December 31, 2023 and 2022, accounts receivable and notes receivable were all from contracts with customers. And as of January 1, 2022, the balance of receivables from contracts with customers amounted to \$839,201 thousand.
- C. As at December 31, 2023 and 2022, 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, 2023		
	Cost	Allowance for valuation loss	Book value
Buildings and land held for sale	\$ 237,463	\$ -	\$ 237,463
Construction in progress	7,031,191	-	7,031,191
Prepayment for land	73,290	-	73,290
	<u>\$ 7,341,944</u>	<u>\$ -</u>	<u>\$ 7,341,944</u>

	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>

- A. The detail of inventories are listed below:

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
<u>Buildings and land held for sale</u>		
The Infinity	\$ 38,083	\$ 39,011
RIVER ONE	-	35,703
Pingzhen District, Taoyuan City (Shanziding section)	-	9,246
ZEN HOUSE	-	-
New Style	11,268	28,170
F House	44,195	69,853
XIN HAI CHENG(formerly Luliao section, Shalu District)	24,931	-
The melody of home(formerly Wenhui section, Miaoli County)	108,242	-
Others	10,744	10,744
	<u>237,463</u>	<u>192,727</u>

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
<u>Construction in progress</u>		
My Style(formerly named sunshine town)	\$ 1,635,352	\$ 1,325,062
Wei Mei Chu(formerly Lantian W. section, Nanzi Dist., Kaohsiung City)	1,459,374	954,044
Yuan Zhong section, Nanzi Dist., Kaohsiung City	499,686	328,003
XIN HAI CHENG(formerly Luliao section, Shalu District)	-	481,589
Full of Happiness(formerly Qiaozhen section, Yunlin County)	-	171,774
Skyline W one(formerly Shangshi section)	1,358,125	1,059,454
The melody of home(formerly Wenhui section, Miaoli County)	-	349,364
ELEGANT VILLAGE(formerly Qiaozhen section, Yunlin County 2)	282,853	274,910
Mayuantou section, West Dist.	754,879	636,970
Yunlinxi section, Douliu city	389,565	389,565
AIMEI(Jen Shing Section, Lukang Township)	651,313	447,498
Kouzhuang Section, Houli Dist.	44	-
	<u>7,031,191</u>	<u>6,418,233</u>
<u>Prepayment for land</u>		
Kouzhuang Section, Houli Dist.	66,490	-
Guanghua Section, Caotun Township	6,800	-
	<u>73,290</u>	<u>-</u>
	<u>\$ 7,341,944</u>	<u>\$ 6,610,960</u>

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

	<u>Years ended December 31,</u>	
	<u>2023</u>	<u>2022</u>
Cost of goods sold	\$ 1,582,734	\$ 431,376
Cost of services	3,592	1,640
	<u>\$ 1,586,326</u>	<u>\$ 433,016</u>

C. Information on capitalisation of interest is as follows:

	<u>Years ended December 31,</u>	
	<u>2023</u>	<u>2022</u>
Interest capitalised	\$ 137,480	\$ 75,846
Interest capitalised ratio (%)	0.96%~3.42%	0.84%~2.62%

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

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Assets recognised as incremental costs to obtain contracts with customers	\$ 415,429	\$ 392,691
Prepayments to suppliers	2,244	-
Prepaid expenses	19,781	20,976
Payment on behalf of others	8,377	31,909
Excess business tax paid	85,342	10,385
Others	7,113	10,956
	<u>\$ 538,286</u>	<u>\$ 466,917</u>

(7) Investments accounted for using equity method

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
<u>Investments accounted for using equity method</u>		
Baoxin Construction Co., Ltd.	\$ 333,374	\$ 20,912
Full Xin Global Real Estate Co., Ltd.	6,818	7,026
Full Wang Real Estate Co., Ltd.	4,980	4,956
Fuwong International Development Co., Ltd	-	388
BIFINITY BIOTECHNOLOGY CO., LTD.	14,362	12,276
	<u>\$ 359,534</u>	<u>\$ 45,558</u>
 Credit balance of investments accounted for using equity method ( shown as other non-current liabilities)		
Full Wang Property Agency Co., Ltd	\$ 3,392	\$ 3,392
Sindar Technologies, Inc.	323	323
	<u>\$ 3,715</u>	<u>\$ 3,715</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, 2023.
- B. For the years ended December 31, 2023 and 2022, 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>Years ended December 31,</u>	
	<u>2023</u>	<u>2022</u>
Share of profit (loss) of subsidiaries accounted for using equity method		
Baoxin Construction Co., Ltd.	\$ 12,462	(\$ 78,250)
Full Xin Global Real Estate Co., Ltd.	( 210)	( 296)
Full Wang Real Estate Co., Ltd.	24	5
Fuwong International Development Co., Ltd	39	( 115)
BIFINITY BIOTECHNOLOGY CO., LTD.	<u>2,086</u>	<u>( 2,806)</u>
	<u>\$ 14,401</u>	<u>(\$ 81,462)</u>
Share of other comprehensive income of subsidiaries accounted for using equity method		
BIFINITY BIOTECHNOLOGY CO., LTD.	\$ -	\$ 256
Fuwong International Development Co., Ltd	<u>438</u>	<u>52</u>
	<u>\$ 438</u>	<u>\$ 308</u>

- C. The Board of Directors of Baoxin Construction Co., Ltd. during their meeting on November 27, 2023 adopted a resolution to increase the Company's capital in the amount of \$300,000 thousand by issuing 30,000 thousand new shares with the effective date set on November 30, 2023, and the registration was completed on December 13, 2023.
- D. 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.
- E. The Board of Directors of the Company during their meeting on April 20, 2018 resolved to liquidate Fuwong International Development Co., Ltd., and the liquidation was completed in May 16, 2023.

(8) Property, plant and equipment

	<u>January 1, 2023</u>	<u>Additions</u>	<u>Disposals</u>	<u>December 31, 2023</u>
Cost				
Leasehold improvements	\$ 10,229	\$ -	\$ -	\$ 10,229
Other equipment	44,899	1,071	-	45,970
Unfinished construction	<u>4,083</u>	<u>13,873</u>	<u>-</u>	<u>17,956</u>
	<u>\$ 59,211</u>	<u>\$ 14,944</u>	<u>\$ -</u>	<u>\$ 74,155</u>
Accumulated Depreciation				
Leasehold improvements	(\$ 8,444)	(\$ 1,749)	\$ -	(\$ 10,193)
Other equipment	<u>( 17,681)</u>	<u>( 7,037)</u>	<u>-</u>	<u>( 24,718)</u>
	<u>(\$ 26,125)</u>	<u>(\$ 8,786)</u>	<u>\$ -</u>	<u>(\$ 34,911)</u>
	<u>\$ 33,086</u>			<u>\$ 39,244</u>

	<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>

A. Information on capitalisation of interest is as follows:

	<u>Year ended December 31</u>	
	<u>2023</u>	<u>2022</u>
Interest capitalised	\$ 104	\$ -
Interest capitalised ratio (%)	0.96%~3.42%	-

B. Amount and rate of capitalized interest for property, plant and equipment and relating to lease agreements:

	<u>Year ended December 31</u>	
	<u>2023</u>	<u>2022</u>
Depreciation capitalised	\$ 6,474	\$ -
Interest capitalised	\$ 1,668	\$ -
Interest capitalised ratio (%)	1.40%	-

(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, 2023</u>	<u>December 31, 2022</u>
	<u>Book value</u>	<u>Book value</u>
Land	\$ 158,166	\$ 158,971
Buildings	3,666	4,666
	<u>\$ 161,832</u>	<u>\$ 163,637</u>

	Years ended December 31,	
	2023	2022
	Depreciation charge	Depreciation charge
Land	\$ 10,138	\$ 9,096
Buildings	2,192	2,151
Less: Capitalisation of qualifying assets	( 6,474)	-
	<u>\$ 5,856</u>	<u>\$ 11,247</u>

D. The Company built a shopping mall on the leased land. Expenses incurred in the lease contract pertained to the necessary expenses for the shopping mall to reach the expected usable state. Details of the capitalisation of related expenses to unfinished construction are provided in Note 6(7).

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

	Years ended December 31,	
	2023	2022
<u>Items affecting profit or loss</u>		
Interest expense on lease liabilities	\$ 759	\$ 2,536
Expense on short-term lease contracts	3,619	4,157

F. For the years ended December 31, 2023 and 2022, the additions to right-of-use assets were \$10,526 and \$0 thousand, respectively.

G. 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 a large shopping mall on the aforementioned land, which is still in the construction stage as of December 31, 2023.

H. For the years ended December 31, 2023 and 2022, the Company's total cash outflow for leases were \$16,858 thousand and \$14,605 thousand, respectively.

I. 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 \$101 thousand and \$84 thousand for the years ended December 31, 2023 and 2022, respectively.

(10) Short-term borrowings

Type of borrowings	December 31, 2023	Interest rate range	Collateral
Bank borrowings			
Secured borrowings	\$ 4,607,078	2.25%~3.30%	Inventories and financial assets at fair value through profit or loss
Unsecured borrowings	207,000	2.75%~4.55%	None
	<u>\$ 4,814,078</u>		

Type of borrowings	December 31, 2022	Interest rate range	Collateral
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>		

A. Interest expense recognised in profit or loss amounted to \$0 thousand and \$14,428 for the years ended December 31, 2023 and 2022, 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

	December 31, 2023	December 31, 2022
Commercial papers payable	\$ 350,000	\$ 350,000
Less: Discount on commercial papers payable	( 1,841)	( 1,263)
	<u>\$ 348,159</u>	<u>\$ 348,737</u>
Coupon rate	<u>1.75%</u>	<u>1.19%</u>

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

(12) Other payables

	December 31, 2023	December 31, 2022
Accrued commission	\$ 12,466	\$ 1,929
Salary and bonus payable	24,291	2,681
Interest payable	11,745	12,984
Advertisement expense payable	845	1,429
Payable on machinery and equipment	212	-
Payables on investments	-	5,268
Payable on repairs and maintenance	15,700	-
Others	30,240	9,142
	<u>\$ 95,499</u>	<u>\$ 33,433</u>

(13) Bonds payable

	December 31, 2023	December 31, 2022
Bonds payable	\$ 1,200,000	\$ 1,700,000
Less: Discount on bonds payable	( 493)	( 520)
	1,199,507	1,699,480
Less: Current portion or exercise of put options	( 999,905)	( 699,875)
	<u>\$ 199,602</u>	<u>\$ 999,605</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. The secured corporate bonds were fully settled by cash on December 21, 2023.

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. The secured corporate bonds were fully settled by cash on March 7, 2023.

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. The secured corporate bonds were fully settled by cash on April 6, 2023.

- F. The terms of the 2023 first secured ordinary corporate bonds issued by the Company are as follows:

The competent authority has approved the 2023 first secured ordinary corporate bonds issued by the Company. The bonds have a total issuance amount of \$200 million and a coupon rate of 1.77%, covering a 3-year period of issuance and a circulation period from December 19, 2023 to December 19, 2026. 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 19, 2023.

(14) Share-based payment

- A. For the year ended December 31, 2023, the Group's share-based payment arrangements were as follows:

Type of arrangement	Grant date	Quantity granted	Contract period	Vesting conditions
Cash capital increase reserved for employee preemption	2023.11.13	<u>771</u>	NA	Vested immediately

December 31, 2022 : None.

- B. The fair value of other equity interest information related to fair value is as follows:

Type of arrangement	Grant date	Stock price	Exercise price	Fair value per unit
Cash capital increase reserved for employee preemption	2023.11.13	\$ 21.80	\$ 17.15	\$ 4.65

C. Expenses incurred on share-based payment transactions are shown below:

	Year ended December 31, 2023	Year ended December 31, 2022
Equity-settled	\$ 3,585	\$ -

(15) 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, 2023 and 2022, were \$1,898 thousand and \$1,635 thousand, respectively.

(16) Share capital

- A. As of December 31, 2023, the Company’s authorized capital was \$2 billion, and the paid-in capital was \$1,190,163 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.

Movements in the number of the Company’s ordinary shares outstanding are as follows: (unit: share in thousands)

	2023	2022
At January 1	\$ 154,016	\$ 154,016
Less:Capital reduction to offset	( 60,000)	-
Add:Cash capital increase	25,000	-
At December 31	\$ 119,016	\$ 154,016

- B. To improve the Company’s financial structure, on April 10, 2023, the shareholders 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 ratio of the capital reduction was 38.956922%. The capital reduction was approved by the competent authority on May 12, 2023 and the registration was completed on June 6, 2023.
- C. The Board of Directors of the Company during their meeting on May 17, 2023 adopted a resolution to increase the Company’s capital by issuing 25,000 thousand ordinary shares with a par value of \$10 (in dollars) per share. The capital increase was approved by the competent authority on October 27, 2023 and the effective date was set on December 6, 2023. The

registration was completed on December 20, 2023.

(17) 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.

(18) (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 year 2022 and 2021 as resolved by the shareholders at their meetings on April 10, 2023 and June 16, 2022, respectively, are as follows:



	Year ended December 31,		Year ended December 31,	
	2022		2021	
	Dividends per share		Dividends per share	
	Amount	(in dollars)	Amount	(in dollars)
Legal reserve	\$ -		\$ 6,782	
Special reserve	-		746	
Cash dividends	-	\$ -	38,504	\$ 0.25
Reversal of special reserve	(308)		-	
	(\$ 308)		\$ 46,032	

The above proposal for deficit compensation and appropriation of 2021 earnings were the same as that proposed by the Board of Directors on February 23, 2023 and March 28, 2022, respectively.

F. The Board of Directors of the Company during their meetings on March 12, 2024 and February 23, 2023 resolved not to distribute earnings as the Company had accumulated deficits for the years ended December 31, 2023 and 2022, respectively.

G. For the information relating to employees' compensation and directors' and supervisors' remuneration, please refer to Note 6(25).

(19) Operating revenue

	Years ended December 31,	
	2023	2022
Revenue from contracts customers	\$ 2,043,553	\$ 574,400
Others-rental revenue	2,963	2,263
	<u>\$ 2,046,516</u>	<u>\$ 576,663</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, 2023	Building and land sales	Service revenue	Total
Total segment revenue	<u>\$ 2,037,745</u>	<u>\$ 5,808</u>	<u>\$ 2,043,553</u>
Timing of revenue recognition			
At a point in time	<u>\$ 2,037,745</u>	<u>\$ 5,808</u>	<u>\$ 2,043,553</u>
Year ended December 31, 2022	Building and land sales	Service revenue	Total
Total segment revenue	<u>\$ 573,028</u>	<u>\$ 1,372</u>	<u>\$ 574,400</u>
Timing of revenue recognition			
At a point in time	<u>\$ 573,028</u>	<u>\$ 1,372</u>	<u>\$ 574,400</u>

B. As of December 31, 2023 and 2022, 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, 2023</u>	<u>December 31, 2022</u>
Contracts signed	\$ 8,450,738	\$ 8,157,648
Expected year of revenue recognition	2024~2029	2023~2025

C. Contract liabilities

The Company has recognised the following revenue-related contract liabilities

	<u>December 31, 2023</u>	<u>December 31, 2022</u>	<u>January 1, 2022</u>
Contract liabilities	\$ 1,356,181	\$ 1,134,148	\$ 1,083,295

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

	<u>Years ended December 31,</u>	
	<u>2023</u>	<u>2022</u>
Revenue recognised that was included in the contract liability balance at the beginning of the period	\$ 311,062	\$ 102,352

(20) Interest income

	<u>Years ended December 31,</u>	
	<u>2023</u>	<u>2022</u>
Interest income from bank deposits	\$ 1,358	\$ 377
Interest income from financial assets measured at amortised cost	4,573	1,450
Other interest income	185	596
	<u>\$ 6,116</u>	<u>\$ 2,423</u>

(21) Other income

	<u>Years ended December 31,</u>	
	<u>2023</u>	<u>2022</u>
Dividend income	\$ 1,338	\$ 54,466
Indemnity revenue	-	12,500
Other income, others (Note)	42,398	2,349
	<u>\$ 43,736</u>	<u>\$ 69,315</u>

Note: Other income, others for the year ended December 31, 2023 was mainly arising from the reversal of the estimated losses in prior years. Details are provided in Note 9(1)B.

(22) Other gains and losses

	Years ended December 31,	
	2023	2022
Losses on disposals of property, plant and equipment	\$ -	(\$ 50)
Foreign exchange gains	109	421
Losses on disposals of investments	( 433)	-
Gains arising from lease modifications	-	964
Gain (losses) on financial assets at fair value through loss	42,670	( 856,582)
Litigation loss	( 13,565)	( 377)
Other losses	( 1,310)	( 1,428)
	<u>\$ 27,471</u>	<u>(\$ 857,052)</u>

(23) Finance costs

	Years ended December 31,	
	2023	2022
Interest expense		
Bank borrowings	\$ 128,614	\$ 90,274
Bonds payable	13,867	16,173
Short-term notes and bills payable	5,530	3,373
Lease liability	2,427	2,536
Less: Capitalisation of qualifying assets	( 139,252)	( 75,846)
	<u>\$ 11,186</u>	<u>\$ 36,510</u>

(24) Expenses by nature

	Years ended December 31,	
	2023	2022
Employee benefit expense	\$ 70,561	\$ 35,786
Depreciation-properties	8,786	10,596
Depreciation-right-of-use assets	5,856	11,247
Amortisation charge	586	554
	<u>\$ 85,789</u>	<u>\$ 58,183</u>

(25) Employee benefit expense

	Years ended December 31,	
	2023	2022
Wages and salaries	\$ 56,447	\$ 27,629
Share-based payments	3,585	-
Labour and health insurance fees	3,764	3,253
Pension costs	1,898	1,635
Directors' remuneration	1,938	1,685
Other personnel expenses	2,929	1,584
	<u>\$ 70,561</u>	<u>\$ 35,786</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. No employees' compensation and directors' and supervisors' remuneration were accrued due to the accumulated losses for the years ended December 31, 2023 and 2022.
- C. 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.

(26) Income tax

A. Income tax expense

Components of income tax expense:

	Years ended December 31,	
	2023	2022
Current tax:		
Current tax on profits for the year	\$ 37,430	\$ -
Incremental tax on land value	423	5,921
Prior year income tax underestimation	1,456	3,931
Total current tax	<u>39,309</u>	<u>9,852</u>
Deferred tax:		
Origination and reversal of temporary differences	( 4,407)	( 2,751)
Total deferred tax	<u>( 4,407)</u>	<u>( 2,751)</u>
Income tax expense	<u>\$ 34,902</u>	<u>\$ 7,101</u>

B. Reconciliation between income tax expense and accounting profit

	Years ended December 31,	
	2023	2022
Tax calculated based on profit (loss) before tax and statutory tax rate	\$ 45,603	(\$ 194,112)
Expenses disallowed by tax regulation	( 7,474)	185,962
Tax exempt income by tax regulation	( 6,104)	( 12,894)
Income that should be added based on tax regulation	-	16,224
Change in assessment of realisation of taxable loss	( 737)	-
Tax losses not recognized in deferred income tax assets	-	3,639
Changes in estimation of deferred income tax assets	-	( 1,570)
Prior year income tax underestimation	1,456	3,931
Separate taxation (Note)	3,029	-
Incremental tax on land value	423	5,921
Income tax expense	<u>\$ 36,196</u>	<u>\$ 7,101</u>

Note: It pertained to tax payable on transaction income in compliance with the Article 4-4 of the Income Tax Act.

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

	2023		
	January 1	Recognised in profit or loss	December 31
Deferred tax assets:			
Temporary differences:			
Loss on investments accounted for using equity method	\$ 5,052	(\$ 489)	\$ 4,563
Accrued litigation loss	1,055	1,733	2,788
Unrealized expenses	19,562	77	19,639
Deferred interest expense which the land purchased after 2016	2,004	( 381)	1,623
Allowance for bad debts	391	46	437
Unrealized gross profit from sales	283	3,421	3,704
Total	<u>\$ 28,347</u>	<u>\$ 4,407</u>	<u>\$ 32,754</u>

	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	980	75	1,055
Unrealized expenses	19,586	( 24)	19,562
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	<u>\$ 25,596</u>	<u>\$ 2,751</u>	<u>\$ 28,347</u>

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

December 31, 2023: None.

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

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

	December 31, 2023	December 31, 2022
Deductible temporary differences	<u>\$ 4,600</u>	<u>\$ 4,600</u>

F. The Company's income tax returns through 2021 have been assessed and approved by the Tax Authority.

(27) (Loss) earnings per share

Year ended December 31, 2023			
	Amount after tax	Weighted average number of ordinary shares outstanding (share in thousands)	Earnings per share (in dollars)
<u>Basic loss per share</u>			
Loss attributable to ordinary shareholders	<u>\$ 193,112</u>	<u>95,797</u>	<u>\$ 2.02</u>
<u>Diluted earnings per share</u>			
Profit attributable to ordinary shareholders	\$ 193,112	95,797	
Assumed conversion of all dilutive potential ordinary shares			
Employees' compensation	<u>-</u>	<u>-</u>	
Profit attributable to ordinary shareholders plus assumed conversion of all dilutive potential ordinary shares	<u>\$ 193,112</u>	<u>95,797</u>	<u>\$ 2.02</u>
Year ended December 31, 2022			
	Amount after tax	Weighted average number of ordinary shares outstanding (share in thousands)	Losses per share (in dollars)
<u>Basic loss per share</u>			
Loss attributable to ordinary shareholders	<u>(\$ 977,659)</u>	<u>94,016</u>	<u>(\$ 10.40)</u>

- 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. When calculating earnings (losses) per share for the years ended December 31, 2023 and 2022, the impact of the capital reduction to offset deficits for the year ended December 31, 2023 had been retrospectively adjusted. Details are provided in Note 6(16).

(28) Supplemental cash flow information

A. Purchase of property, plant and equipment

	Years ended December 31,	
	2023	2022
Purchase of property, plant and equipment	\$ 14,944	\$ 11,408
Less: Ending balance of payable on equipment	( 212)	-
Less: Depreciation capitalised	( 6,474)	-
Less: Payment for capitalized interests	( 1,772)	-
	<u>\$ 6,486</u>	<u>\$ 11,408</u>

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

	Years ended December 31,	
	2023	2022
Acquisition of financial assets at fair value through profit or loss	\$ 260,440	\$ 9,002,151
Add: Payables at the beginning of the period	5,268	12,027
Less: Payables at the end of the period	-	( 5,268)
	<u>\$ 265,708</u>	<u>\$ 9,008,910</u>

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

	Years ended December 31,	
	2023	2022
Proceeds from disposal of financial assets at fair value through profit or loss	\$ 733,194	\$ 9,898,748
Less: Loss on disposal	26,917	( 753,163)
Add: Receivables at the beginning of the period	9,648	66,137
Less: Receivables at the end of the period	-	( 9,648)
	<u>\$ 769,759</u>	<u>\$ 9,202,074</u>

D. Financing activities with no cash flow effects

	Year ended December 31	
	2023	2022
Capital reduction to offset accumulated deficits	<u>(\$ 600,000)</u>	<u>\$ -</u>



(29) Changes in liabilities from financing activities

	January 1, 2023	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, 2023
Short-term borrowings	\$ 4,523,172	\$ 290,906	\$ -	\$ -	\$ -	\$ 4,814,078
Short-term notes and bills payable	348,737	-	-	-	( 578)	348,159
Lease liability	168,151	( 10,812)	10,526	-	-	167,865
Bonds payable	1,699,480	( 500,000)	-	-	27	1,199,507
Guarantee deposits received	653	724,107	-	-	-	724,760
Dividends payable, non-cash assets distributions	-	-	-	-	-	-
	<u>\$ 6,740,193</u>	<u>\$ 504,201</u>	<u>\$ 10,526</u>	<u>\$ -</u>	<u>(\$ 551)</u>	<u>\$ 7,254,369</u>
	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>

## 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
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

	<u>Years ended December 31,</u>	
	<u>2023</u>	<u>2022</u>
Sales of real estate		
Other related party	\$ 18,998	\$ -
Service revenue		
Hung Chien Company	5,808	1,372
Total	<u>\$ 24,806</u>	<u>\$ 1,372</u>

- (a) The transaction price and collection terms of selling properties have no significant difference with non-related parties.
- (b) Service revenue is a consignment revenue and inspection revenue that the Company received from related parties, and the transaction price and collection terms have no significant difference with non-related parties.

B. Purchase and commitment

	Years ended December 31,	
	2023	2022
Subcontracting constructions:		
Baoxin Company	\$ 1,405,059	\$ 1,040,591

(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, 2023, the total consideration of the construction that the Company had entered into with Baoxin Company but not yet completed amounted (untaxed) to \$6,200,867 thousand, and the unpaid construction payment amounted (untaxed) to \$4,525,158 thousand.

C. Receivables from related parties

	December 31, 2023	December 31, 2022
Receivables from related parties		
Other related party	\$ 301	\$ -
Other receivables		
Baoxin Company	\$ -	\$ 3,636
FUWONG	-	7,791
Full Wang Property Agency	397	397
Sindar	439	439
Full Wang Real Estate	1	1
	\$ 837	\$ 12,264

The receivables from related parties are receivables from the sales of buildings and land to related parties. The payments are collected based on the contract and have no significant difference with non-related parties.

Receivables from related parties mainly arose from operating activities and payment on behalf of others.

D. Payables to related parties

	December 31, 2023	December 31, 2022
Accounts payable:		
Baoxin Company	\$ 174,364	\$ 178,534

Payables to related parties mainly arose from subcontracting construction.

E. Payment on behalf of others ( shown as other current assets )

	December 31, 2023	December 31, 2022
Baoxin Company	\$ -	\$ 126
FUWONG	-	165
	\$ -	\$ 291

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, 2023</u>	<u>December 31, 2022</u>
Tian Wei Company	<u>\$ 140</u>	<u>\$ 140</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, 2023</u>	<u>December 31, 2022</u>
Other related parties	<u>\$ 6,732</u>	<u>\$ 11,327</u>

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, 2023</u>	<u>December 31, 2022</u>
Baoxin Company	<u>\$ 724,248</u>	<u>\$ -</u>

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) Lease liability

i. Outstanding balance

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Tian Wei Company	<u>\$ 2,262</u>	<u>\$ 3,374</u>

ii. Interest expense

	<u>Years ended December 31,</u>	
	<u>2023</u>	<u>2022</u>
Tian Wei Company	<u>\$ 30</u>	<u>\$ 43</u>

J. Loan to/from related parties

Loans to related parties:

(a) Outstanding balance:

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
BIFINITY	<u>\$ -</u>	<u>\$ -</u>

(b) Interest income:

	<u>Years ended December 31,</u>	
	<u>2023</u>	<u>2022</u>
BIFINITY	<u>\$ -</u>	<u>\$ 160</u>

The loans to BIFINITY are principal repayable at maturity at 2.05% per annum for the years ended December 31, 2023 and 2022.

(3) Key management compensation

	Years ended December 31,	
	2023	2022
Short-term employee benefits	\$ 11,830	\$ 9,263
Post-employment benefits	532	503
	<u>\$ 12,362</u>	<u>\$ 9,766</u>

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, 2023	December 31, 2022	
Inventories	\$ 7,246,598	\$ 6,590,970	Short-term borrowings
Financial assets at fair value through profit or loss	25,523	453,872	Short-term borrowings
Financial assets at amortised cost — current	753,101	102,919	Trust deposit of pre-sales construction 、 Short-term borrowings and Bonds payable
Non-current financial assets at amortised cost	296,430	980,953	Bonds payable and short-term notes and bills payable
	<u>\$ 8,321,652</u>	<u>\$ 8,128,714</u>	

9. Significant Contingent Liabilities and Unrecognised Contract Commitments

(1) Contingencies

A. HSING YA CONSTRUCTION ENGINEERING CO., LTD. ( “HSING YA” ) 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 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 also requested the Company to return the performance promissory note of HSING YA. 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's request was denied.

The Company and HSING YA both disagreed with the verdict and filed an appeal to the High

Court. As of March 12, 2024, the case is awaiting the judgement of the High Court.

- B. In 2013, Liyuan Construction Co., Ltd. ( “Liyuan” ) 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 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 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, the Company should pay \$ 5,206 thousand to Liyuan, and pay statutory interest at 5% annual interest rate from May 17, 2016 to the settlement date to Liyuan.

Liyuan 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 July 25, 2023, the High Court rejected the appeal of Liyuan and the case was affirmed. The Company should pay \$5,206 thousand to Liyuan Company, and pay the interest which was calculated at 5% annual interest rate for the period from May 17, 2016 up to the settlement date to Liyuan as well as the court costs (approximately NT\$1,920 thousand as of the date of judgment), totalling \$7,126 thousand.

In addition, the Company had accrued the aforementioned construction payment amounting to \$43,558 thousand (shown as accounts payable) and payment on behalf of others amounting to \$2,245 thousand (shown as other current assets) when the construction was in progress. For the year ended December 31, 2023, the Company reversed accounts payable amounting to \$34,187 thousand (shown as other income) based on the aforementioned judgement and deposited \$5,206 thousand according to the aforementioned judgement on August 3, 2017 (shown as other non-current assets). The Company collected cash collateral lodged on August 22, 2023.

- C. 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. Tien Lan management committee requested the payment of loss compensation amounting to \$3,649 thousand. On June 8, 2023, a judgment of the lawsuit was rendered that the Company should pay NT\$3,420 thousand to Tien Lan management committee, and pay interests at 5% annual interest rate (approximately NT\$315 thousand as of December 31, 2023) from February 26, 2022 to the settlement date to Tien Lan management committee. The Company disagreed with the verdict and filed an appeal. As of March 12, 2024, the case is still in the appeal procedure of the High Court. The customer entered into a sale and purchase contract of pre-sale real estate with the Company. The Taiwan Taichung District Court has rejected the appeal of the customer on January 12, 2024. The customer disagreed with the verdict and filed an appeal to the High Court. As of March 12, 2024, the case is still in the appeals process of the High Court.

The Company had accrued provisions (shown as other current liabilities) amounting to \$4,800 thousand based on the highest possible loss compensation.

- D. 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 March 12, 2024, the case is awaiting the judgement of the District Court.
- E. 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. The Company has filed a separate lawsuit requesting repayment. As of March 12, 2024, the remaining consideration had not been received.
- F. Zhen Ai Industrial Co., Ltd (“Zhen Ai”) filed a civil lawsuit against the Company requesting payment of service fees. On July 26, 2023, a judgment of the lawsuit was rendered that the Company should pay NT\$5,000 thousand to Zhen Ai, and pay interests at 5% annual interest rate (approximately NT\$242 thousand as of December 31, 2023) from January 12, 2023 up to the settlement date to Zhen Ai. The Company disagreed with the verdict and filed an appeal. As of March 12, 2024, the case is under trial with the High Court.

(2) Commitments

- A. Capital expenditure contracted for at the balance sheet date but not yet incurred is as follows:

	December 31, 2023
Buildings and land held for sale	\$ 435,369

- B. As of December 31, 2023 and 2022, the Company’s contracted construction contracts amounted to \$7,343,426 thousand and \$4,100,515 thousand, and unaccrued amounts were \$4,972,489 thousand and \$2,641,310 thousand, respectively.

- C. As of December 31, 2023, the Group's construction in progress and the deed of trust signed with the entrusted financial institutions were commissioned to Taichung Commercial Bank Co., Ltd., Chinatrust Commercial Bank Co., Ltd. and Hua Nan Commercial Bank, 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

- A. The Company entered into a contract with the seller and obtained the land held for construction site located in No. 792, No. 792-1, No. 803-1, No. 795, Jia Zhao section, Hemei Town, Changhua County and its above-ground buildings amounting to NTD 332,560 thousand and reported to the Board of Directors during their meeting on March 12, 2024. As of the reporting date of the parent company only financial statements, the Company had paid \$33,250 thousand.
- B. On January 4, 2023, the competent authority has approved the 2024 first secured ordinary corporate bonds issued by the Company. The bonds have a total issuance amount of \$300 million and a coupon rate of 1.77%, covering a 3-year period of issuance and a circulation period from January 12, 2024 to January 12, 2027. 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 January 4, 2024.

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, 2023</u>	<u>December 31, 2022</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	<u>\$ 25,533</u>	<u>\$ 482,534</u>
Financial assets at fair value through other comprehensive income		
Designation of equity instrument	<u>\$ 4,000</u>	<u>\$ -</u>
Financial assets at amortised cost		
Cash	\$ 602,223	\$ 155,241
Financial assets at amortised cost	1,049,531	1,083,872
Notes receivable	116	1,066
Accounts receivable (including related parties)	455,173	43,826
Other receivables (including related parties)	14,407	32,401
Guarantee deposits paid (shown as other non-current assets)	<u>29,640</u>	<u>41,536</u>
	<u>\$ 2,151,090</u>	<u>\$ 1,357,942</u>
	<u>December 31, 2023</u>	<u>December 31, 2022</u>
<u>Financial liabilities</u>		
Financial liabilities at amortised cost		
Short-term borrowings	\$ 4,814,078	\$ 4,523,172
Short-term notes and bills payable	348,159	348,737
Notes payable	37,960	22,182
Accounts payable (including related parties)	341,990	382,835
Other payables (including related parties)	95,499	33,433
Corporate bonds payable (including current portion)	1,199,507	1,699,480
Guarantee deposits received (shown as other non-current liabilities)	<u>724,760</u>	<u>653</u>
	<u>7,561,953</u>	<u>7,010,492</u>
Lease liability	<u>167,865</u>	<u>168,151</u>
	<u>\$ 7,729,818</u>	<u>\$ 7,178,643</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 and financial assets at fair value through other comprehensive income. 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, 2023 and 2022 would have increased/decreased by \$1,276 thousand and \$23,904 thousand, respectively, as a result of gains on equity securities classified as at fair value through profit or loss. Other components of equity would have increased/decreased by \$200 and \$0, respectively, as a result of other comprehensive income classified as equity investment at fair value through other comprehensive income.

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, 2023 and 2022, 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, 2023 and 2022 would have increased/decreased by \$3,815 thousand and \$3,619 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, 2023 and 2022, the Company's written-off financial assets that are still under recourse procedures amounted to \$0 thousand and \$0 thousand, respectively.
- viii. The Company used the historical and timely information to assess the default possibility of accounts receivable. On December 31, 2023 and 2022, the provision matrix is as follows:

	Not past due	Up to 90 days past due	Over 90 days past due	Total
<u>December 31, 2023</u>				
Expected loss rate	0.15%	0.00%	0.00%	
Total book value	\$ 455,872	\$ -	\$ -	\$ 455,872
Loss allowance	(\$ 699)	\$ -	\$ -	(\$ 699)

<u>December 31, 2022</u>				
Expected loss rate	1.57%	0%	20%~100%	
Total book value	\$ 44,525	\$ -	\$ -	\$ 44,525
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:

	2023	2022
	Accounts receivable	Accounts receivable
At January 1(i.e. at December 31)	\$ 699	\$ 699

x. The Company estimated that the loss rate of financial assets at amortised costs, notes receivables, accounts receivable-related parties, other accounts receivable (including related parties) and guarantee deposits paid is remote, therefore, loss allowance is immaterial as of December 31, 2023 and 2022.

(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, 2023 and 2022, the Company has undrawn borrowing facilities amounting to \$4,337,094 thousand and \$2,695,589 thousand, respectively. The above bank borrowing facilities were drawn down based on the progress of the project.
- 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:

		Less than 3	Between 3	Between 1	Over 3	
December 31, 2023		months	months	and 3 years	years	Total
			and 1 year			
Short-term notes and bills payable	\$ -	\$ 350,000	\$ -	\$ -	\$ 350,000	
Notes payable	22,279	15,681	-	-	37,960	
Accounts payable	107,404	142,022	92,564	-	341,990	
Other payables	47,679	47,820	-	-	95,499	
Lease liability	3,872	11,691	24,262	147,715	187,540	
Short-term borrowings	49,390	521,566	3,203,688	1,346,920	5,121,564	
Guarantee deposits received(shown as other non-current liabilities)	-	513	724,247	-	724,760	
Bonds payable	402,966	603,663	206,785	-	1,213,414	

Non-derivative financial liabilities:

		Less than 3	Between 3	Between 1	Over 3	
December 31, 2022		months	months	and 3 years	years	Total
			and 1 year			
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	

**(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 (including related parties), other receivables (including related parties), guarantee deposits paid, short-term borrowings, short-term notes and bills payable, notes payable, accounts payable (including

related parties), 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, 2023 and 2022 are as follows:

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

<u>December 31, 2023</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	<u>\$ 25,523</u>	<u>\$ -</u>	<u>\$ 10</u>	<u>\$ 25,533</u>
Financial assets at fair value through other comprehensive income				
Equity Securities	<u>\$ -</u>	<u>\$ 4,000</u>	<u>\$ -</u>	<u>\$ 4,000</u>
<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	<u>\$ 482,524</u>	<u>\$ -</u>	<u>\$ 10</u>	<u>\$ 482,534</u>

- (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:

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

- D. For the years ended December 31, 2023 and 2022, there was no transfer between Level 1 and Level 2.
- E. For the years ended December 31, 2023 and 2022, there was no transfer into or out from Level 3.

### 13. Supplementary Disclosures

#### (1) Significant transactions information

- A. Loans to others: None.
- 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 1.
- 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 2.

- E. Acquisition of real estate reaching \$300 million or 20% of paid-in capital or more: Please refer to table 3.
- 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 4.
- H. Receivables from related parties reaching \$100 million or 20% of paid-in capital or more: Please refer to table 5.
- I. Trading in derivative instruments undertaken during the reporting periods: None.
- J. Significant inter-company transactions during the reporting periods: Please refer to table 6.

(2) Information on investees

Names, locations and other information of investee companies (not including investees in Mainland China) : Please refer to table 7.

(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 8.

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	2022	2023	Increase (decrease) amount	Change %	Description (Note)
Current assets	8,431,182	9,702,240	1,271,058	15.08%	
Financial assets at fair value through profit or loss - noncurrent	20	20	0	0.00%	
Property, Plant and Equipment	35,365	48,593	13,228	37.40%	(1)
Intangible assets	923	1226	303	32.83%	
Deferred tax assets	30,154	33,864	3,710	12.30%	
Other non-current assets	51,418	38,643	(12,775)	-24.85%	(2)
Other assets	1,144,590	462,262	(682,328)	-59.61%	(3)
Total assets	9,693,652	10,286,848	593,196	6.12%	
Current liabilities	7,673,426	8,445,726	772,300	10.06%	
Corporate bonds payable	999,605	199,602	(800,003)	-80.03%	(4)
Non-current lease liabilities	156,562	152,302	(4,260)	-2.72%	
Other non-current liabilities	796	0	(796)	-100.00%	
Total liabilities	8,830,389	8,797,630	(32,759)	-0.37%	
Capital stock	1,540,163	1,190,163	(350,000)	-22.72%	(5)
Capital surplus	92,566	274,901	182,335	196.98%	(6)
Retained earnings	-769,028	24,084	793,112	-103.13%	(7)
Total shareholders' equity	863,263	1,489,218	625,955	72.51%	

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) Real estate, plant and equipment: mainly due to the investment in the construction of self-operated shopping malls in Wuri District in 2023.
  - (2) Other non-current assets: mainly due to the decrease in margin deposits in 2023.
  - (3) Other assets: Mainly due to the decrease in financial assets measured at amortized cost in 2023.
  - (4) Corporate bonds payable: Mainly due to the transfer of three levels of corporate bonds payable to maturity within one year in 2023.
  - (5) Share capital: Mainly due to the capital reduction in 2023 to make up for the loss.
  - (6) Capital reserve: mainly due to the issuance of cash capital increase premium in 2023.
  - (7) Retained surplus: Mainly due to the reduction of capital in 2023 to make up for losses and after-tax net profit. Retained earnings and Total shareholders' equity: Mainly due to the net loss after tax in 2023.
2. Future corresponding plan for significant changes.
 

The overall performance of the Company has improved significantly compared with the previous year, and in order to create maximum benefits for shareholders, the Company will continue to develop new projects and cooperate with the real estate market sales strategy to drive the overall revenue momentum upward. And to overcome the unfavorable factors of the industry affecting the progress of the project, complete the construction project schedule planning as scheduled, and achieve the account with the smooth delivery of the house.

## II. Financial performance

Unit: NTD thousand

Item \ Year	2022	2023	Increase (decrease) amount	Change %	Description (Note)
Net operating revenues	578,022	2,600,430	2,022,408	349.88%	(1)
Operating cost	423,833	2,046,918	1,623,085	382.95%	(1)
Gross profit	154,189	553,512	399,323	258.98%	(1)
Operating expenses	258,927	385,963	127,036	49.06%	(2)
Profit from operations	(104,738)	167,549	272,287	-259.97%	(2)
Non-operating income and expense	(866,860)	62,023	928,883	-107.15%	(3)
Profit before tax	(971,598)	229,572	1,201,170	-123.63%	(4)
Income tax (expense) benefit	6,061	36,460	30,399	501.55%	(5)
Net profits for the year	(977,659)	193,112	1,170,771	-119.75%	(4)
Other comprehensive income for the year	308	508	200	64.94%	
Total comprehensive income	(977,351)	193,620	1,170,971	-119.81%	

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) Net operating income, operating costs and gross operating profit: mainly due to the successful completion of the construction project in 2023 and the delivery of the house for accounting.
- (2) Operating expenses and operating profit: mainly due to the increase in revenue in 2023, the successful completion of the construction project and the recognition of deferred sales expenses.
- (3) Non-operating income and expenses: Mainly due to the net loss of financial assets at fair value through profit or loss in 2023.
- (4) Net profit before tax, net profit for the year, and total comprehensive profit and loss for the year: mainly due to the small operating income in 111 and the net loss of financial assets measured at fair value through profit or loss.
- (5) Income tax (expense) benefit: mainly due to the increase in the payment of land appreciation tax in 2023.

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 2023, 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
197,812	(73,969)	536,030	(12,072)	648,239	-	-

Analysis of changes in cash flows for the current year.

1. Net cash outflow from operating activities of 73,969 thousand yuan: mainly due to the increase in inventory amount due to the cost of capital investment in construction projects in 2023.

2.	Net cash inflow from investing activities of \$536,030 thousand: Mainly due to the disposal of financial assets at fair value through profit or loss in 2023.
3.	Net cash outflow from financing activities of \$12,072 thousand: This was mainly due to the repayment of corporate debts payable.

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
648,239	323,926	(270,015)	702,150	-	-
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: It is expected to be due to the net cash outflow from the settlement of land and construction financing as the completion of the construction project is recorded. 2. Remedies for estimated cash shortage and liquidity analysis: It is estimated cash shall have a balance of \$702,150 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 2023	Main reasons for gain or loss	Improvement plan	Future investment plan
Baoxin Construction Co., Ltd.	Long-term investment	12,462	Mainly due to the recognition of construction-related service revenues.	None	None
Bifinity Biotechnology Co., Ltd.	Long-term investment	2,086	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	24	Closed for business.	None	None
Full Xin Global Real Estate Co., Ltd.	Long-term investment	(210)	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	39	It is an offshore company, which has no operating revenues yet and only incurs maintenance expenses.	The cancellation and liquidation were completed on May 16, 2023	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 expense of the Combined Company in 2022 and 2023 was \$36,516 thousand and \$12,979 thousand, respectively, accounting for 6.32% and 0.50% of the net operating income, respectively. In order to respond to the changes in interest rates, the Company will pay close attention to the trend of interest rates in the future, adjust the borrowing structure in a timely manner, and take necessary measures in a timely manner to avoid 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 2022 and 2023 were \$429 thousand and \$102 thousand respectively, accounting for 0.07% and 0.004% of net operating income respectively, both of which were very low, due to the fact that the Company's purchases and sales were mainly denominated in Taiwan dollars as of the date of printing of the annual newspaper, and exchange rate changes did 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, 2022 and 2023, 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:

In order to accurately grasp the pulse of industrial information, and technological changes and industrial changes are conducive to the development of the Company's business, the Company uses the Internet to allow customers to continuously track the progress of the project and communicate with customers, and also uses the Internet to publicize the information and characteristics of the project. including information security risks) or changes in the industry that have a significant impact on the company's financial business.

(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 2022, 2023 and as of the publication date of this annual report.

- (XII) Litigation or non-litigation events

- 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
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

Subject	Litigation Description	Possible Impacts
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 enforcement of the contract	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
Request payment of service fees	The intermediary filed a civil lawsuit against the company for payment of service fees, and the case was heard by the court.	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: None.
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.

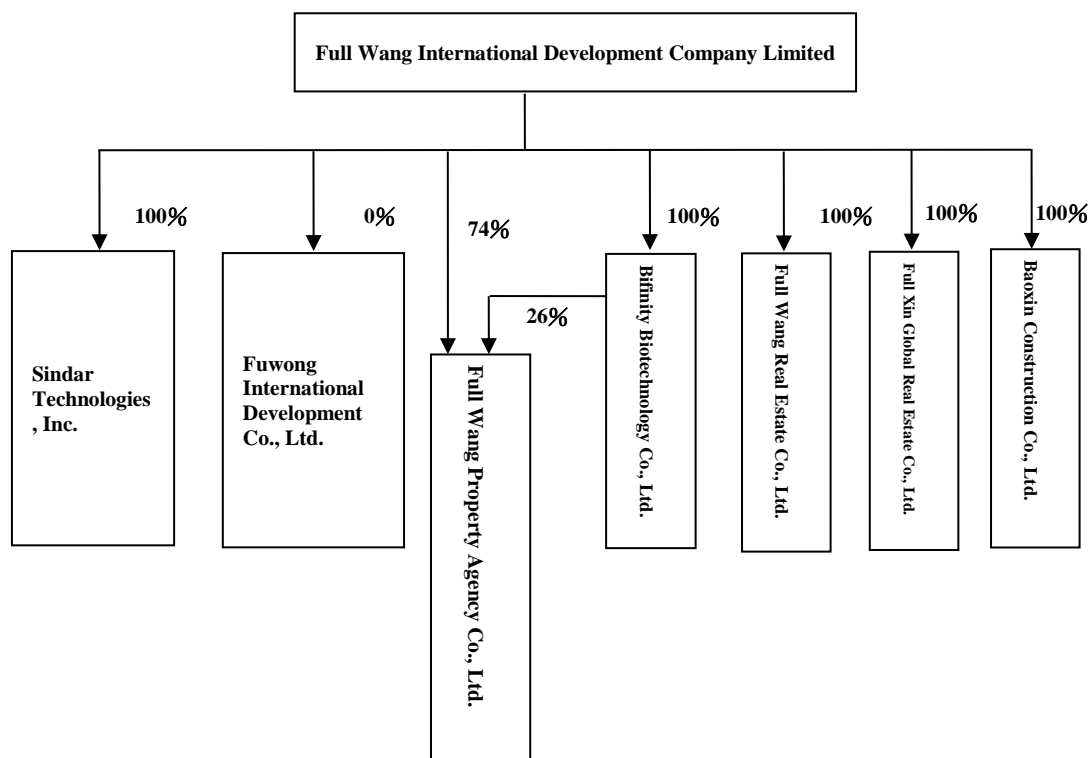
## EIGHT. Special Matters

### I. Information on affiliates

#### (I) Affiliate overview

##### 1. Organization Chart of Affiliated Enterprises

December 31, 2023



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, 2023

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,Road Town,Tortola,British VirginIslands	USD650,000	Trader
Fuwong International Development Co.,Ltd.	2015.04.23	BoreyVarina,No.59,2010Street,KorkKrang Village,SangkatPhnomPenhThmey,KhanSensok,PhnomPenh,Cambodia.	USD0	Real Estate Trading (The cancellation and liquidation were completed on May 16, 2023)
Baoxin Construction Co., Ltd.	1993.11.18	4F-5, No. 20, Dalong Rd., West Dist., Taichung City	420,000	Integrated Construction
Full Wang Property Agency Co., Ltd.	2010.03.04	6F-7, No. 20, Dalong Rd., West Dist., Taichung City	13,500	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	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 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

Enterprise name	Date of establishment	Address	Paid-in Capital	Major business or production items
				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 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

Enterprise name	Date of establishment	Address	Paid-in Capital	Major business or production items
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 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

(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 (2023.12.31)

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	-	-
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
	Supervisor	Bifinity Biotechnology Co., Ltd. Representative: Su Yin-Xi	350,000	26.00
Bifinity Biotechnology Co., Ltd.	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	42,000,000	100.00
	Directors	Full Wang International Co., Ltd Representative: Lin, Tsung-Yi	42,000,000	100.00
	Directors	Full Wang International Co., Ltd Representative: Lin, Yu-Jen	42,000,000	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

#### (VI) Affiliate business overview

December 31, 2023

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 (2023)		Shareholding in the enterprise
				Number of shares	Shareholding Percentage				Investment gains or losses	Distribution of dividends	
Baoxin Construction Co., Ltd.	Comprehensive construction	420,000	333,374	42,000	100.00	333,374	—	Equity method	12,462	—	—
Bifinity Biotechnology Co., Ltd.	Manufacturing, Wholesale and Retail Trade of cosmetics	61,900	14,362	6,000	100.00	14,362	—	Equity method	2,086	—	—
Full Wang Property Agency Co., Ltd.	Real estate trading, leasing, brokerage, and sale agency	10,000	(3,392)	1,000	74.00	(3,392)	—	Equity method	—	—	—
Full Wang Real Estate Co., Ltd.	Real estate trading, leasing, brokerage	5,000	4,980	500	100.00	4,980	—	Equity method	24	—	—
Full Xin Global Real Estate Co., Ltd.	Real estate trading, leasing, brokerage	10,000	6,816	1,000	100.00	6,816	—	Equity method	(210)	—	—
Sindar Technologies Inc.	Trader	21,456	(323)	650	100.00	(323)	—	Equity method	—	—	—

Investee enterprises	Main Business	Cost of an investment	Book value	Shareholding		Net equity	Market price	Accounting treatment	Investment return for the most recent year (2023)		Shareholding in the enterprise
				Number of shares	Shareholding Percentage				Investment gains or losses	Distribution of dividends	
Fuwong International Development Co., Ltd.	Real Estate Trading	3,272	—	—	—	—	—	—	39	—	—

(II) Consolidated financial statements of affiliates: Page 90.

(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 Development Company Limited**



**Chairman: Lin, Cheng-Hsiung**

