FULL WANG INTERNATIONAL DEVELOPMENT CO., LTD. AND SUBSIDIARIES

CONSOLIDATED FINANCIAL STATEMENTS AND

INDEPENDENT AUDITORS' REPORT

DECEMBER 31, 2023 AND 2022

For the convenience of readers and for information purpose only, the auditors' report and the accompanying financial statements have been translated into English from the original Chinese version prepared and used in the Republic of China. In the event of any discrepancy between the English version and the original Chinese version or any differences in the interpretation of the two versions, the Chinese-language auditors' report and financial statements shall prevail.

FULL WANG INTERNATIONAL DEVELOPMENT CO., LTD.
DECEMBER 31, 2023 AND 2022 CONSOLIDATED FINANCIAL STATEMENTS AND INDEPENDENT AUDITORS' REPORT
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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 concolidated 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 exports 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.

Wang, Yu-Chuan	Liu, Mei Lan

For and on behalf of PricewaterhouseCoopers, Taiwan

March 12, 2024

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 AMOUNT	%	December 31, 2022 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

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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 AMOUNT	%	December 31, 2022 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)

	Items	Notes	2023 AMOUNT	2023 %	2022 AMOUNT	2022 %
			Year ended December 31			
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		553,512	22	154,189	27
	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)		167,549	7	(104,738)	(18)
	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		62,023	2	(866,860)	(150)
7900	**Profit (loss) before income tax**		229,572	9	(971,598)	(168)
7950	Income tax expense	6(24)	(36,460)	(2)	(6,061)	(1)
8200	**Profit (loss) for the year**		$ 193,112	7	($ 977,659)	(169)
	Other comprehensive income					
	Components of other comprehensive income that will not be reclassified to profit or loss					
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		70	-	-	-
	Components of other comprehensive income that will be reclassified to profit or loss					
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	**Total other comprehensive income for the year**		$ 508	-	$ 308	-
8500	**Total comprehensive (loss) income for the year**		$ 193,620	7	($ 977,351)	(169)
	(Loss) profit, attributable to:					
8610	Owners of the parent		$ 193,112	7	($ 977,659)	(169)
			$ 193,112	7	($ 977,659)	(169)
	Comprehensive (loss) income attributable to:					
8710	Owners of the parent		$ 193,620	7	($ 977,351)	(169)
			$ 193,620	7	($ 977,351)	(169)
	Total basic (loss) earnings per share	6(25)				
9750	Total basic (loss) earnings per share		$	2.02	($	10.40)
	Diluted (loss) earnings per share	6(25)				
9850	Diluted (loss) earnings per share		$	2.02	($	10.40)

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								
			Capital surplus		Retained earnings			Other equity interest		
	Notes	Share capital - common stock	Additional paid-in capital	Share options	Legal reserve	Special reserve	Unappropriated retained earnings (accumulated deficit)	Exchange differences on translation of foreign financial statements	Unrealised gains (losses) from financial assets measured at fair value through other comprehensive income	Total equity
Year ended December 31, 2022										
Balance at January 1, 2022		$1,540,163	$ 92,566	$ -	$ 161,015	$ -	$ 86,120	($ 746)	$ -	$1,879,118
Loss for the year		-	-	-	-	-	(977,659)	-	-	(977,659)
Other comprehensive income for the year		-	-	-	-	-	-	308	-	308
Total comprehensive income (loss)		-	-	-	-	-	(977,659)	308	-	(977,351)
Appropriations and distribution of 2021 retained earnings										
Legal reserve		-	-	-	6,782	-	(6,782)	-	-	-
Special reserve		-	-	-	-	746	(746)	-	-	-
Cash dividends		-	-	-	-	-	(38,504)	-	-	(38,504)
Balance at December 31, 2022		$1,540,163	$ 92,566	$ -	$ 167,797	$ 746	($ 937,571)	($ 438)	$ -	$ 863,263
Year ended December 31, 2023										
Balance at January 1, 2023		$1,540,163	$ 92,566	$ -	$ 167,797	$ 746	($ 937,571)	($ 438)	$ -	$ 863,263
Profit for the year		-	-	-	-	-	193,112	-	-	193,112
Other comprehensive income for the year		-	-	-	-	-	-	438	70	508
Total comprehensive income		-	-	-	-	-	193,112	438	70	193,620
Appropriations and distribution of 2022 retained earnings	6(17)									
Reversal of special reserve		-	-	-	-	(308)	308	-	-	-
Capital reduction to offset accumulated deficits		(600,000)	-	-	-	-	600,000	-	-	-
Capital reduction		250,000	178,750	-	-	-	-	-	-	428,750
Share-based payments		-	-	3,585	-	-	-	-	-	3,585
Balance at December 31, 2023		$1,190,163	$ 271,316	$ 3,585	$ 167,797	$ 438	($ 144,151)	$ -	$ 70	$1,489,218

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)

	Notes	Year ended December 31 2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES			
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)

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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
CASH FLOWS FROM INVESTING ACTIVITIES			
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		536,030	315,839
CASH FLOWS FROM FINANCING ACTIVITIES			
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		(12,072)	(41,721)
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		$ 648,239	$ 197,812

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®") 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® Interpretations, and SIC® Interpretations that came into effect as endorsed by the FSC (collectively referred herein as the "IFRSs").

(2) Basis of preparation

A. Except for the financial assets at fair value through profit or loss, the consolidated financial statements have been prepared under the historical cost convention.

B. The preparation of financial statements in conformity with IFRSs requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in Note 5.

(3) Basis of consolidation

A. Basis for preparation of consolidated financial statements:

(a) Subsidiaries are all entities (including structured entities) controlled by the Company. The Company controls an entity when the Company is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

(b) Inter-company transactions, balances and unrealised gains or losses on transactions between companies within the Group are eliminated. Accounting policies of subsidiaries have been adjusted where necessary to ensure consistency with the policies adopted by the Group.

(c) Profit or loss and each component of other comprehensive income are attributed to the owners of the parent and to the non-controlling interests. Total comprehensive income is attributed to the owners of the parent and to the non-controlling interests even if this results in the noncontrolling interests having a deficit balance.

B. Subsidiaries included in the consolidated financial statements:

Name of investor	Name of subsidiary	Main business activities	Ownership(%) 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
	$ 648,239	$ 197,812

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)
	$ 25,523	$ 521,251
Non-current items:		
Financial assets mandatorily measured at fair value through profit or loss		
Equity securities	$ 20	$ 20

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
	$ 46,590	($ 838,648)

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	-
	$ 753,101	$ 103,069
Non-current items:		
Restricted demand deposits	$ 296,430	$ 977,653
Restricted time deposits	-	3,300
	$ 296,430	$ 980,953

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
	$ 7,148,543	$ -	$ 7,148,543

	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
	$ 6,985,759	$ -	$ 6,985,759

A. The detail of inventories are listed below:

	December 31, 2023	December 31, 2022
Buildings and land held for sale		
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 Wenhu section, Miaoli County)	114,571	-
Others	10,744	10,744
	266,746	187,622

	December 31, 2023	December 31, 2022
Construction in progress		
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 YUNLIN(formerly Douliu Ming De section)	-	388,551
The melody of home(formerly Wenhu 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	-
	6,805,452	6,792,137
Prepayment for land		
Kouzhuang Section, Houli Dist.	$ 66,490	$ -
Guanghua Section, Caotun Township	6,800	-
	73,290	-
Others		
Merchandise inventory	$ 3,055	$ 6,000
	$ 7,148,543	$ 6,985,759

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

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

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
	$ 638,956	$ 548,364

(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
	$ 66,285	$ 23,577	($ 500)	$ 89,362
Accumulated Depreciation				
Leasehold improvements	($ 11,338)	($ 3,002)	$ -	($ 14,340)
Other equipment	(19,582)	(7,347)	500	(26,429)
	($ 30,920)	($ 10,349)	$ 500	($ 40,769)
	$ 35,365			$ 48,593

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

A. Information on capitalisation of interest is as follows:

	Year ended December 31	
	2023	2022
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:

	Year ended December 31	
	2023	2022
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:

	December 31, 2023	December 31, 2022
	Book value	Book value
Land	$ 158,166	$ 158,971
Buildings	3,666	4,666
	$ 161,832	$ 163,637

	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)	-
	$ 5,857	$ 11,247

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
Items affecting profit or loss		
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, Xingaotie 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

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

(b) A 1% increase in the announced land values with such variable lease contracts would increase total lease payments by approximately $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
	$	4,829,259		

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
	$	4,759,162		

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)
	$	348,159	$	348,737
Coupon rate		1.75%		1.19%

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
	$	108,295	$	52,730

(12) 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)
	$ 199,602	$ 999,605

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	771	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	$ -

(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	$ 119,016	$ 154,016

B. To improve the Company' s financial structure, on April 10, 2023, the shareholders resolved to reduce its capital be 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	
	Amount	Dividends per share (in dollars)	Amount	Dividends per share (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(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
	$ 2,600,430	$ 578,022

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	$ 2,580,480	$ 12,848	$ 3,342	$ 2,596,670
Timing of revenue recognition				
At a point in time	$ 2,580,480	$ 12,848	$ 3,342	$ 2,596,670

Year ended December 31, 2022	Building and land sales	Service revenue	Cosmetic sales revenue	Total
Total segment revenue	$ 573,028	$ 1,372	$ 1,012	$ 575,412
Timing of revenue recognition				
At a point in time	$ 573,028	$ 1,372	$ 1,012	$ 575,412

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	$ 1,356,279	$ 1,233,459	$ 1,164,027

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
	$ 46,417	$ 73,064

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)
	$ 22,015	($ 905,722)

(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)
	$ 12,979	$ 36,516

(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
	$ 134,229	$ 99,548

(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
	$ 117,391	$ 75,471

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	$ 30,154	$ 3,710	$ 33,864

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

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 deferred tax assets	Expiry year
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 tax assets	Expiry year
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’(Baoxin 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)
Basic earnings per share			
Profit attributable to ordinary shareholders	$ 193,112	95,797	$ 2.02
Diluted earnings per share			
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	$ 193,112	95,797	$ 2.02

	Year ended December 31, 2022		
	Amount after tax	Weighted average number of ordinary shares outstanding (share in thousands)	Loss per share (in dollars)
Basic loss per share			
Loss attributable to ordinary shareholders	($ 977,659)	94,016	($ 10.40)

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)	-
	$ 15,119	$ 12,223

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)
	$ 291,789	$ 9,384,464

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)
	$ 835,230	$ 9,619,090

D. Financing activities with no cash flow effects

	Year ended December 31	
	2023	2022
Capital reduction to offset accumulated deficits	($ 600,000)	$ -

(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
	$ 6,976,326	($ 440,822)	$ 10,526	($ 551)	$ 6,545,479

	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	-	-
	$ 6,990,110	($ 41,721)	$ 28,154	($ 217)	$ 6,976,326

7. Related Party Transactions

(1) Names of related parties and relationship

Names of related parties	Relationship with the Company
Chang Yun CONSTRUCTION DEVELOPMENT CO.,LTD.(Chang Yun Company)	A major shareholder of the Company
Tian Wei Asset Management Corporation CO.,LTD.(Tian Wei Company)	A major shareholder of the Company
Hung Chien CONSTRUCTION CO.,LTD. (Hung Chien Company)	The Company's chairman and the chairman of the company are within second degree of kinship
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
	$ 31,806	$ 1,372

(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	-
	$ 7,651	$ -

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	$ 2,262	$ 3,374

ii. Interest expense

	Year ended December 31	
	2023	2022
Tian Wei Company	$ 30	$ 43

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

	December 31, 2023	December 31, 2022
Chang Yun Company	$ -	$ 497

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

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:

	Book value	Book value	
asset	2023	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

	December 31, 2023	December 31, 2022
Financial assets		
Financial assets at fair value through profit or loss		
Financial assets mandatorily measured at fair value through profit or loss	$ 25,543	$ 521,271
Financial assets at fair value through other comprehensive income		
Designation of equity instrument	$ 40,000	$ -
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
	$ 2,214,268	$ 1,398,739

	December 31, 2023	December 31, 2022
Financial liabilities		
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
	7,190,394	7,407,066
Lease liability	167,865	168,151
	$ 7,358,259	$ 7,575,217

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 occured:

(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
December 31, 2023				
Expected loss rate	0.15%	-	-	
Total book value	$ 468,190	$ -	$ -	$ 468,190
Loss allowance	($ 699)	$ -	$ -	($ 699)
December 31, 2022				
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:

December 31, 2023	Less than 3 months	Between 3 months and 1 year	Between 1 and 3 years	Over 3 years	Total
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:

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

December 31, 2023	Level 1	Level 2	Level 3	Total
Assets				
Recurring fair value measurements				
Financial assets at fair value through profit or loss				
Equity securities	$ 25,523	$ -	$ 20	$ 25,543
Financial assets at fair value through other comprehensive income				
Equity securities	$ -	$ 4,000	$ -	$ 4,000

December 31, 2022	Level 1	Level 2	Level 3	Total
Assets				
Recurring fair value measurements				
Financial assets at fair value through profit or loss				
Equity securities	$ 521,251	$ -	$ 20	$ 521,271

(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:

	Listed shares
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. <u>Supplementary Disclosures</u>

(1) <u>Significant transactions information</u>

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) <u>Information on investees</u>

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

(3) <u>Information on investments in Mainland China</u>

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) <u>Major shareholders information</u>

Major shareholders information: Please refer to table 8

14. <u>Segment Information</u>

(1) <u>General information</u>

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
	$ 2,600,430	$ 578,022

(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	$ 2,600,430	$ 211,025	$ 578,022	$ 250,420

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.

Full Wang International Development Co., Ltd. And Subsidiaries

Holding of marketable securities at the end of the period (not including subsidiaries, associates and joint ventures)

December 31, 2023

Table 1

Expressed in thousands of NTD

(Except as otherwise indicated)

Securities held by	Marketable securities (Note 1)	Relationship with the securities issuer	General ledger account	As of December 31, 2023 Number of shares	Book value	Ownership	Fair value	Footnote
The Company	KINSUS INTERCONNECT TECHNOLOGY CORP.	None.	Current financial assets at fair value through profit or loss	$ 256,000	$ 25,274	0.06%	$ 25,523	
			Valuation adjustments		249			
					$ 25,523			
The Company	The Second Credit Cooperative Association of Taichung	None.	Non-current financial assets at fair value through profit or loss	100	$ 10	-	$ 10	
The Company	TAICHUNG INTERNATIONAL ENTERTAINMENT CORPORATION	None.	Non-current financial assets at fair value through other comprehensive income	2,494	3,930	-	$ 4,000	
			Valuation adjustments		70			
					$ 4,000			
Baoxin Company	The Second Credit Cooperative Association of Taichung	None.	Non-current financial assets at fair value through profit or loss	100	$ 10	-	$ 10	

Note 1: Marketable securities in the table refer to stocks, bonds, beneficiary certificates and other related derivative securities in accordance with IFRS 9.

Full Wang International Development Co., Ltd. And Subsidiaries

Acquisition or sale of the same security with the accumulated cost exceeding $300 million or 20% of the Company's paid-in capital

Year ended December 31, 2023

Table 3

Expressed in thousands of NTD

(Except as otherwise indicated)

					Balance as at January 1, 2023 (Note 5)		Addition (Note 3)		Disposal (Note 3)				Balance as at December 31, 2023 (Note 5)	
Investor	Marketable securities (Note 1)	General ledger account	Counterparty (Note 2)	Relationship with the investor (Note 2)	No. of shares	Amount	No. of shares	Amount	No. of shares	Selling price	Book value	Gains (losses) on disposal	No. of shares	Amount
The Company	Baoxin Company	Investments accounted for using equity method	Subsidiaries	A subsidiary of the company	12,000	$ 120,000	30,000	$ 300,000	-	$ -	$ -	$ -	42,000	$ 420,000

Note 1: Marketable securities in the table refer to stocks, bonds, beneficiary certificates and other related derivative securities.
Note 2: Fill in the columns the counterparty and relationship if securities are accounted for under the equity method; otherwise leave the columns blank.
Note 3: Aggregate purchases and sales amounts should be calculated separately at their market values to verify whether they individually reach NT$300 million or 20% of paid-in capital or more.
Note 4: Paid-in capital referred to herein is the paid-in capital of parent company. In the case that shares were issued with no par value or a par value other than NT$10 per share, the 20 % of paid-in capital shall be replaced by 10% of equity attributable to owners of the parent in the calculation.
Note 5: Valuation adjustments were both included in the ending balance and beginning balance.

Full Wang International Development Co., Ltd. And Subsidiaries

Acquisition of real estate reaching NT$300 million or 20% of paid-in capital or more

Year ended December 31, 2023

Table 2

Expressed in thousands of NTD

(Except as otherwise indicated)

							If the counterparty is a related party, information as to the last transaction of the real estate is disclosed below:						
Real estate acquired by	Real estate acquired	Transaction date or date of the event (Note 1)	Transaction amount	Status of payment	Counterparty	Relationship with the counterparty	Original owner who sold the real estate to the counterparty	Relationship between the original owner and the acquirer	Date of the original transaction	Amount	Basis or reference used in setting the price	Reason for acquisition of real estate and status of the real estate	Other commitments
The Company	Kouzhuang Section, Houli Dist.	17-Jul-23	$ 440,670	$ 66,491	Natural person	-	-	-	-	$ -	Contract	Inventories	-

Note 1: Date of the event referred to herein is the date of contract signing.

Full Wang International Development Co., Ltd. And Subsidiaries

Purchases or sales of goods from or to related parties reaching NT$100 million or 20% of paid-in capital or more

Year ended December 31, 2023

Table 3

Expressed in thousands of NTD

(Except as otherwise indicated)

			Transaction				Compared to third party transactions（Note 1）		Notes/accounts receivable (payable)		
Purchaser/seller	Counterparty	Relationship with the counterparty	Purchases (sales)	Amount	Percentage of total purchases (sales)	Credit term	Unit price	Credit term	Balance at December 31, 2023	Percentage of total notes/accounts receivable (payable)	Footnote (Note 2)
The Company	Baoxin Company	A subsidiary of the company	subcontracting construction	$ 1,405,059	69%	Price and payment were made based on the construction contract	$ -	-	($ 174,364)	25%	Note 2

Note 1: If terms of related-party transactions are different from third-party transactions, explain the differences and reasons in the ‘Unit price’ and ‘Credit term’ columns.

Note 2:In case related-party transaction terms involve advance receipts (prepayments) transactions, explain in the footnote the reasons, contractual provisions, related amounts and differences in types of transactions compared to third-party transactions

Note 3: Paid-in capital referred to herein is the paid-in capital of parent company. In the case that shares were issued with no par value or a par value other than NT$10 per share, the 20 % of paid-in capital shall be replaced by 10% of equity attributable to owners of the parent in the calculation.

Note 4:The transactions were eliminated when preparing the consolidated financial statements.

Full Wang International Development Co., Ltd. And Subsidiaries

Receivables from related parties reaching NT$100 million or 20% of paid-in capital or more

December 31, 2023

Table 4

Expressed in thousands of NTD

(Except as otherwise indicated)

Creditor	Counterparty	Relationship with the counterparty	Balance as at December 31, 2023 (Note 1)	Turnover rate	Overdue receivables		Amount collected subsequent to the balance sheet date (Note 2)	Allowance for doubtful account
					Amount	Action taken		
Baoxin Company	The Company	Parent-subsidiary company	$ 174,364	14.74	$ -	-	$ 62,669	-

Note 1: Fill in separately the balances of accounts receivable–related parties, notes receivable–related parties, other receivables–related parties….
Note 2: Balance as of March 12, 2024.

Full Wang International Development Co., Ltd. And Subsidiaries

Significant inter-company transactions during the reporting periods

Year ended December 31, 2023

Table 5

Expressed in thousands of NTD

(Except as otherwise indicated)

				Transaction			
No.(Note 1)	Company name	Counterparty	Relationship (Note 2)	General ledger account	Amount (Note 4)	Transaction terms	Percentage of
0	The Company	Baoxin Company	1	Subcontracting construction	$ 1,405,059	Price and payment were made based on the construction contract	54.03%
0	The Company	Baoxin Company	1	Accounts payable	174,364	Price and payment were made based on the construction contract	1.70%
0	The Company	Baoxin Company	1	Guarantee deposits received	724,248	Provide a performance guarantee of 10% of the total contract price in accordance with the construction contract.	7.04%

Note 1: The numbers filled in for the transaction company in respect of inter-company transactions are as follows:

(1)Parent company is ‘0’.

(2)The subsidiaries are numbered in order starting from ‘1’.

Note 2: Relationship between transaction company and counterparty is classified into the following three categories; fill in the number of category each case belongs to (If transactions between parent company and subsidiaries or between subsidiaries refer to the same transaction, it is not required to disclose twice. For example, if the parent company has already disclosed its transaction with a subsidiary, then the subsidiary is not required to disclose the transaction; for transactions between two subsidiaries, if one of the subsidiaries has disclosed the transaction, then the other is not required to disclose the transaction.):

(1)Parent company to subsidiary.

(2)Subsidiary to parent company.

(3)Subsidiary to subsidiary.

Note 3: Regarding percentage of transaction amount to consolidated total operating revenues or total assets, it is computed based on period-end balance of transaction to consolidated total assets for balance sheet accounts and based on accumulated transaction amount for the period to consolidated total operating revenues for income statement accounts.

Note 4: The transactions were eliminated when preparing the consolidated financial statements.

Note 5: The Company may decide to disclose or not to disclose transaction details in this table based on the Materiality Principle.

Full Wang International Development Co., Ltd. And Subsidiaries

Information on investees

Year ended December 31, 2023

Table 6

Expressed in thousands of NTD

(Except as otherwise indicated)

				Initial investment amount		Shares held as at December 31, 2023					
Investor	Investee	Location	Main business activities	Balance as at December 31, 2023	Balance as at December 31, 2022	No. of shares (in thousands)	Ownership (%)	Book value	Net income of investee as of December 31, 2023	Investment income (loss) recognised by the Company for the year ended December 31, 2023	Footnote
The Company	Baoxin Company	Taiwan	Comprehensive construction	$ 420,000	$ 120,000	42,000	100	$ 333,374	($ 6,889)	$ 12,462	Notes 1 and 2
The Company	Full Xin Company	Taiwan	Trade of real estate	10,000	10,000	1,000	100	6,816	(210)	(210)	Note 2
The Company	Full Wang Real Estate	Taiwan	Trade of real estate	5,000	5,000	500	100	4,980	24	24	Note 2
The Company	Fuwong	Cambodia	Trade of real estate	-	3,272	-	-	-	39	39	Note 2
The Company	Full Wang Property Agency	Taiwan	Trade, lease, agency and consignment of real estate	10,000	10,000	1,000	74	(3,392)	1	-	Note 2
The Company	BIFINITY	Taiwan	Trade of cosmetic	61,900	61,900	6,000	100	14,362	2,806	2,806	Notes 2
The Company	Sindar	British Virgin Islands	Merchant	21,456	21,456	650	100	(323)	-	-	Note 2
BIFINITY	Full Wang Property Agency	Taiwan	Trade, lease, agency and consignment of real estate	3,500	3,500	350	26	3,372	1	-	Notes 2 and 3

Note 1: Investment income recognised for the year ended December 31, 2023 includes realised and unrealised gain (loss) on upstream transactions.
Note 2: The transactions were eliminated when preparing the consolidated financial statements.
Note 3: It was a second-tier subsidiary, and invevestment income was not included.
Note 4: Fuwong's liquidation was completed in May 16, 2023.

Full Wang International Development Co., Ltd. And Subsidiaries

Major shareholders information

December 31, 2023

Table 7

Name of major shareholders	Shares	
	Name of shares held	Ownership (%)
PAO CHU Investment Co., Ltd.	17,533,316	14.73%
PAO HSIN Investment Ltd.	13,232,001	11.11%
Tian Wei Asset Management Corporation CO.,LTD.	12,910,732	10.84%
Chang Yun CONSTRUCTION DEVELOPMENT CO.,LTD.	12,427,611	10.44%