

FULL WANG INTERNATIONAL DEVELOPMENT COMPANY LIMITED

Agenda of 2024 Annual Shareholders' Meeting

Time of Meeting : May 30, 2024(Thursday) at 9:00am

Holding method : Physical shareholders meeting

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

Total outstanding share: 119,016,276 shares

Total shares represented by shareholders present in person or by proxy: 82,978,875 shares (including votes casted electronically 74,369,439 votes)

Percentage of shares held by shareholders present in person or by proxy: 69.72%

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

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

Attend : CPA Wang, Yu-Chuan ; Lawyer Lin, Chin-Lung ; Corporate governance officer Li, Yu-Feng

Chairman : Lin, Cheng-Hsiung

Recorder : Chen, Yung-Ho

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

II 、 Chairman's Remarks : (omitted)

III 、 Reports

Case 1. 2023 Business Report.

Explanation: Please refer to Attachment 1 of this handbook for the 2023 Business Report.

Case 2. 2023 Audit Committee's Review Report.

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

Case 3. The 2018 first time, the 2019 first time, the 2019 second time, the 2019 third time, the 2020 first time, the 2023 first time and the 2024 first time secured ordinary corporate bond enforcement report.

Explanation: The execution of the 2018 first time, the 2019 first time, the 2019 second time, the 2019 third time, the 2020 first time, the 2023 first time and the 2024 first

time secured ordinary corporate bond are as follows :

Types of corporate bonds		First secured corporate bonds in 2018 (B86206)	First secured corporate bonds in 2019 (B86207)	Second secured corporate bonds in 2019 (B86208)	Third secured corporate bonds in 2019 (B86209)	First secured corporate bonds in 2020 (B86210)	First secured corporate bonds in 2023 (B86211)	First secured corporate bonds in 2024 (B86212)
Issue (Processing) Date		December 2018	March 2019	May 2019	July 2019	April 2020	December 2023	January 2024
Face value		NT\$1 million	NT\$1 million	NT\$1 million	NT\$1 million	NT\$1 million	NT\$1 million	NT\$1 million
Issuance and trading location		Taiwan	Taiwan	Taiwan	Taiwan	Taiwan	Taiwan	Taiwan
Issue price		Issued in full by face value	Issued in full by face value	Issued in full by face value	Issued in full by face value	Issued in full by face value	Issued in full by face value	Issued in full by face value
Total amount		NT\$300 million	NT\$400 million	NT\$300 million	NT\$300 million	NT\$400 million	NT\$200 million	NT\$300 million
Interest rate		1.02%	0.95%	0.88%	1.05%	0.74%	1.77%	1.77%
Period		5 years; maturity date: December 2023	5 years; maturity date: March 2024	5 years; maturity date: May 2024	5 years; maturity date: July 2024	3 years; maturity date: April 2023	3 years; maturity date: December 2026	3 years; maturity date: January 2027
Guarantee Agency		Taiwan Cooperative Bank	Taiwan Cooperative Bank	Taiwan Cooperative Bank	Taiwan Business Bank Co., Ltd.	Taiwan Cooperative Bank	Taiwan Cooperative Bank	Taiwan Cooperative Bank
Trustee		Taipei Fubon Bank	Taipei Fubon Bank	Taipei Fubon Bank	Taipei Fubon Bank	Taipei Fubon Bank	Hua Nan Commercial Bank	Hua Nan Commercial Bank
Underwriting Agency		Taiwan Cooperative Securities	Taiwan Cooperative Securities	Taiwan Cooperative Securities	Bank Taiwan Securities Co., Ltd.	Taiwan Cooperative Securities	Taiwan Cooperative Securities	Taiwan Cooperative Securities
Attorney-CPAs		Far East Law Offices Attorney Chiu Ya-Wen	Far East Law Offices Attorney Chiu Ya-Wen	Far East Law Offices Attorney Chiu Ya-Wen	Far East Law Offices Attorney Chiu Ya-Wen	Handsome Attorney-at-Law Attorney Chiu Ya-Wen	Far East Law Offices Attorney Chiu Ya-Wen	Far East Law Offices Attorney Chiu Ya-Wen
Certified Public Accountant		CPA Yen Hsiao-Fang and Tseng Tung-Yun at Deloitte Taiwan	CPA Su Ting-Chien and Yen Hsiao-Fang at Deloitte Taiwan	CPA Su Ting-Chien and Yen Hsiao-Fang at Deloitte Taiwan	CPA Su Ting-Chien and Yen Hsiao-Fang at Deloitte Taiwan	CPA Su Ting-Chien and Chiang Shu-Ching at Deloitte Taiwan	CPA Wang, Yu-Chuan and Liu, Mei Lan at PricewaterhouseCoopers Taiwan	CPA Wang, Yu-Chuan and Liu, Mei Lan at PricewaterhouseCoopers Taiwan
Repayment Method		Repayment of principal in cash at 5-year-maturity from the issue date	Repayment of principal in cash at 5-year-maturity from the issue date	Repayment of principal in cash at 5-year-maturity from the issue date	Repayment of principal in cash at 5-year-maturity from the issue date	Repayment of principal in cash at 3-year-maturity from the issue date	Repayment of principal in cash at 3-year-maturity from the issue date	Repayment of principal in cash at 3-year-maturity from the issue date
Outstanding principal		NT\$0.	NT\$0.	NT\$300 million	NT\$300 million	NT\$0.	NT\$200 million	NT\$300 million
Redemption or Early Settlement Terms		None	None	None	None	None	None	None
Restriction Terms		None	None	None	None	None	None	None
Name of the credit rating agency, date of the rating, results of corporate bond rating		Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable
Other Rights Attached	Number of ordinary shares, overseas depositary receipts, or other marketable securities converted (exchanged or subscribed) as of the date of publication of the annual report	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable
	Issuance and conversion (exchange or subscription)	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable
If issuance, conversion, exchange, or subscription rights are attached to the bonds, the issuance and conversion, exchange, or subscription rules, possibility of dilution of equity under the terms and conditions of issuance, and effect on shareholder equity		None	None	None	None	None	None	None
Name of the depository institution of the exchangeable corporate bonds		Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable

Case 4. Report on the Company's 2023 remuneration to directors and employees.

Explanation:

- According to Article 36 of the Articles of Association of the Company, if the Company makes a profit in the year, it shall allocate no less than 3% of the remuneration to employees, which shall be distributed by the board of directors in stock or cash, and the distribution objects include employees of subordinate companies who meet certain conditions; The Company may allocate no more than 3% of the above profit amount to the remuneration of directors by resolution of the Board of Directors. Employee remuneration and directors' remuneration distribution proposals should be submitted to the shareholders' meeting. However, if the company still has accumulated losses, it shall reserve the amount of compensation in advance, and then allocate the remuneration of employees and directors in accordance with the proportion of the preceding paragraph.

2. In view of the losses to be made up by the Company in 2023, the Board of Directors has resolved not to distribute employee remuneration and director remuneration in 2023 after review and approval by the Remuneration Committee.

3. The detailed report of the Company's remuneration to directors in 2023 is as follows:

Position	Name	Remuneration of directors								A, B, C and D as a % of the net profits after tax		Remuneration for employees with concurrent positions in the Company and other companies								A, B, C, D, E, F and G as a % of the net profits after tax		Remuneration from reinvested enterprises other than subsidiaries	
		Base remuneration (A)		Severance and pension (B)		Remuneration for directors (C)		Business execution expenses (D)				Remuneration, bonus, special allowance (E)		Severance and pension (F)		Remuneration for employees (G)							
		The Company	All companies in the financial statements	The Company	All companies in the financial statements	The Company	All companies in the financial statements	The Company	All companies in the financial statements	The Company	All companies in the financial statements	The Company	All companies in the financial statements	The Company	All companies in the financial statements	The Company	All companies in the financial statements	The Company	All companies in the financial statements				
Chairman	Lin, Cheng-Hsiung	120	120	0	0	0	0	50	50	0.09%	0.09%	2,400	2,400	2,400	0	0	0	0	0	0	1.33%	1.33%	None
Directors	Lin, Tsung-Yi	120	120	0	0	0	0	70	70	0.10%	0.10%	2,141	1,771	1,771	0	0	0	0	0	0	1.21%	1.21%	None
Directors	Chang, Yu-Tuan	120	120	0	0	0	0	60	60	0.10%	0.10%	0	0	0	0	0	0	0	0	0	0.10%	0.10%	None
Directors	PAO CHU Investment Co., Ltd. deputy : Lin, Yu-Jen	120	120	0	0	0	0	70	70	0.10%	0.10%	887	766	766	0	0	0	0	0	0	0.56%	0.56%	None
Directors	PAO CHU Investment Co., Ltd. deputy : Lin, Yu-Chen	120	120	0	0	0	0	90	90	0.11%	0.11%	766	1,794	1,794	0	0	0	0	0	0	1.04%	1.04%	None
Independent Director	Wang, Jin-Chun	180	180	0	0	0	0	100	100	0.15%	0.15%	0	0	0	0	0	0	0	0	0	0.15%	0.15%	None
Independent Director	Wang, Chin-Hsiang(Note 1)	75	75	0	0	0	0	40	40	0.07%	0.07%	0	0	0	0	0	0	0	0	0	0.07%	0.07%	None
Independent Director	Chan, Chia Chang(Note 2)	22.5	22.5	0	0	0	0	10	10	0.02%	0.02%	0	0	0	0	0	0	0	0	0	0.02%	0.02%	None
Independent Director	Chang, Kuo-Hsiung	180	180	0	0	0	0	80	80	0.14%	0.14%	0	0	0	0	0	0	0	0	0	0.14%	0.14%	None
Independent Director	Lii, Yuan-shuh	180	180	0	0	0	0	70	70	0.14%	0.14%	0	0	0	0	0	0	0	0	0	0.14%	0.14%	None

IV、Ratifications

Case 1: To accept 2023 business report and financial statements. (Proposed by Board of Directors)

Explanation:

- (I) The Company's individual and consolidated financial statements for 2023 have been duly audited by Jane Wang and Mei-Lan Liu, the CPAs from PwC Taiwan, who have approved the report without reservation, and issued an unqualified opinion.
- (II) The aforesaid financial statements together with the operating report have reviewed and determined as correct and accurate by the Audit Committee.
- (III) Please refer to Attachment 1 of this handbook for the 2023 Business Report.
- (IV) Please refer to Attachment 3 of this handbook for the CPA opinion and Financial statements.
- (V) It is hereby submitted for ratification.

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

Voting results	%
In favour: 72,963,481 votes (including votes casted electronically 64,472,661 votes)	87.93%
Against: 50,298 votes (including votes casted electronically 50,298 votes)	0.06%
Invalid: 0 votes	0.00%
Abstained: 9,965,096 (including votes casted electronically 9,965,096 votes)	12.01%

The proposal was adopted by vote.

Case 2: To accept 2023 deficit compensation. (Proposed by Board of Directors)

Explanation:

- (I) The Company has no surplus available for distribution in 2023, so no surplus will be distributed in the fourth quarter of 2023. The proposed loss allowance table is as follows:


FULL WANG INTERNATIONAL DEVELOPMENT COMPANY LIMITED
Deficit Compensation
2023

Unit: NT\$	
Item	Amount
Losses to be covered at the beginning of the period	(937,263,276)
Plus (Less): Capital reduction to offset losses	600,000,000
The loss needs to be covered after the capital reduction	(337,263,276)
Plus (Less): Profit (loss) for the year	193,112,450
Rotation Special reserve	438,074
Losses to be covered for the current year	(143,712,752)
Deficit compensation	
The statutory surplus reserve covers the loss	143,712,752
Losses to be covered at the end of the period	0

Chairman: 

Manager: 

Accounting Controller: 

(II) It is hereby submitted for ratification.

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

Voting results	%
In favour: 72,947,215 votes (including votes casted electronically 64,456,395 votes)	87.91%
Against: 69,295 votes (including votes casted electronically 69,295 votes)	0.08%
Invalid: 0 votes	0.00%
Abstained: 9,962,365 (including votes casted electronically 9,843,749 votes)	12.01%

The proposal was adopted by vote.

VI、Motions : NO.

VII、Adjournment : 9:10AM, May 30, 2024

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

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

Chairman : Lin, Cheng-Hsiung

Recorder : Chen, Yung-Ho

FULL WANG INTERNATIONAL DEVELOPMENT COMPANY LIMITED

2023 Business Report

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

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

I. Business results

(I) Implementation Results of Business Plans:

Unit: NTD thousand

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

(II) Budget Implementation:

The Company did not prepare 2023 financial forecasts and therefore there was no budget implementation.

(III) Financial receipts and expenditures and profitability analysis:

International Financial Reporting Standards - Consolidated Financial Statements

Analysis			2023	2022
Financial performance (%)	Debt to assets ratio		85.52	91.09
	Long-term capital to property, plant and equipment ratio		3,788.86	2,441.01
Solvency (%)	Current ratio		114.88	109.95
	Quick ratio		28.02	17.58
	Times interest earned		1.56	(7.99)
Profitability (%)	Return on assets (%)		2.04	(9.32)
	Return on equity (%)		16.42	(71.30)
	Ratio to paid-in capital	Operating (loss) profit	14.08	(6.80)
		Profit (loss) before income tax	19.29	(63.08)
	Net profit margin (%)		7.43	(169.14)
	Earnings per share (NT\$)		2.02	(10.40)

(IV) Research and Development:

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

II. Summary of 2024 Business Plan:

(I) Management Policy:

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

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

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

(II) Expected sales volume and its basis

Our Company's construction division has purchased the land for the next 3 years as planned to be developed. Construction projects are planned according to the construction period in the short, medium and long term. These projects are expected to be complete in 2024, 2025 and 2026, respectively, to contribute to each year's operating income and profitability. It is also actively developing a "large department store" located in the Wuri High-speed Railway Special Zone, attracting well-known domestic and foreign manufacturers to enter and cooperate, so as to create a long-term and stable development of the company's future operations.

(III) Important production and marketing policies

Production strategy: The development strategy for Company's construction business division regarding construction projects is focused on self-occupied projects, supplemented by home exchange and investment products. The company's products meet the market demand and our current development projects are the metropolitan areas in Hsinchu County, Yunlin County, Taichung City, and Kaohsiung City. To solve the issue of the lack of land for industrial use, we provide industries with

production bases and develop land in industrial real estates centered on areas where the transportation is convenient and where industries are concentrated. These places include Taoyuan, Hsinchu, Changhua, Nantou, and Tainan.

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

III. The Company’s future development strategy

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

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

(I) External competition

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

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

(II) Regulatory environment

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

Full Wang has set up an investor service section to publish important information, which is released on the public information website designated by the competent authority and the Company’s website. We also comply with the amendments or

promulgation of laws and regulations formulated by the competent authorities to make our internal regulations more stringent. By taking such an approach, we aim to strengthen corporate governance and the protection of shareholders' rights.

(III) Overall operation

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

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

Chairman:



Manager:



Accounting Controller:



FULL WANG INTERNATIONAL DEVELOPMENT COMPANY LIMITED

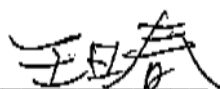
Audit Committee's Review Report

The Board of Directors has prepared the Company's 2023 Business Report, Financial Statements, and Deficit Compensation. The CPA firm of PricewaterhouseCoopers was retained to audit the Company's Financial Statements and has issued an audit report relating to the Financial Statements.

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

FULL WANG INTERNATIONAL DEVELOPMENT COMPANY LIMITED

Chairman of the Audit Committee: _____



March 12, 2024

INDEPENDENT AUDITORS' REPORT TRANSLATED FROM CHINESE

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

Opinion

We have audited the accompanying consolidated balance sheets of Full Wang International Development Co., Ltd. and subsidiaries (the “Group”) as at December 31, 2023 and 2022, and the related consolidated statements of comprehensive income, of changes in equity and of cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of material accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at December 31, 2023 and 2022, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations that came into effect as endorsed by the Financial Supervisory Commission.

Basis for opinion

We conducted our audits in accordance with the Regulations Governing Financial Statements Auditing and Attestation Engagements of Certified Public Accountants and Standards on Auditing of the Republic of China. Our responsibilities under those standards are further described in the Auditors’ responsibilities for the audit of the consolidated financial statements section of our report. We are independent of the Group in accordance with the Norm of Professional Ethics for Certified Public Accountant of the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Group’s 2023 consolidated financial statements. These matters were addressed in the context of our audit of the consolidated financial statements as a whole and, in forming our opinion thereon, we do not provide a separate opinion on these matters.

Key audit matters for the Group’s 2023 consolidated financial statements are stated as follows:

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

Please refer to Note 4(27) for accounting policies on sales revenue, and Note 6(18) for details.

For the year ended December 31, 2023, building and land sales revenue amounted to NT\$2,580,480 thousand, representing 99% of consolidated operating revenue.

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

How our audit addressed the matter

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

1. Obtained an understanding, assessment and verification on operating procedures and internal controls in relation to building and land sales revenue, including the following items:
 - (1) Interviewed employees involved in operating procedures of building and land sales revenue in each segment and obtained revenue recognition procedures of building and land sales in order to confirm that they are in line with the operating regulations.
 - (2) Examined the internal control of building and land sale revenue, checked whether the home inspection information had been reviewed by the competent supervisors and verified whether the date and the information recorded in supporting documents (including land registrations, house ownership certificates, home inspection information and house handover information) were consistent with the date and the information recorded in building and land sales contracts in order to ensure transactions were recorded in the proper period.
2. Performed cut-off test on building and land transactions around the end of the reporting period, including verifying land registration, transfer date in the house ownership certificate, customers' home inspection checklists and customers' signed receipts for turning over of property to confirm that the building and land sales revenue recognition timing was appropriate.

Assessment of allowance for inventory valuation losses

Description

Please refer to Note 4(13) for accounting policy on inventory valuation, Note 5(2) for accounting estimates and assumptions in relation to inventory valuation. As at December 31, 2023, the carrying amount of inventories and allowance for inventory valuation losses amounted to NT\$7,148,543 thousand and NT\$0 thousand, respectively.

The Group's inventories pertain to buildings and land held for sale and construction in progress, and inventories are measured at the lower of cost and net realisable value. Since the Group operates in the construction industry which involves a high degree of capital input and has a long capital recovery period, the market price of real estate has higher fluctuations due to the impact of the government's housing policy and the state of the economy in recent years and because

the inventory valuation involves management's subjective judgment, thus, we identified assessment of allowance for inventory valuation losses as a key audit matter.

How our audit addressed the matter

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

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

Other matter - parent company only financial reports

We have audited and expressed an unqualified opinion and an unqualified opinion with other matter paragraph, respectively, on the parent company only financial statements of Full Wang International Development Co., Ltd. as at and for the years ended December 31, 2023 and 2022.

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

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

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

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

Auditors' responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to

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

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

1. Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

We also provide those charged with governance with a statement that we have complied with

relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

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

Wang, Yu-Chuan
For and on Behalf of
March 12, 2024

Liu, Mei Lan

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

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

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

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

(Continued)

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

Liabilities and Equity			December 31, 2023		December 31, 2022	
			AMOUNT	%	AMOUNT	%
Current liabilities						
2100	Current borrowings	6(9)	\$ 4,829,259	47	\$ 4,759,162	49
2110	Short-term notes and bills payable	6(10)	348,159	3	348,737	4
2130	Current contract liabilities	6(18) and 7(2)	1,356,279	13	1,233,459	13
2150	Notes payable		38,053	-	23,085	-
2170	Accounts payable	9(1)	666,432	7	523,076	5
2200	Other payables	6(11)	108,295	1	52,730	1
2230	Current income tax liabilities		37,722	-	-	-
2280	Current lease liabilities	7(2)	15,563	-	11,589	-
2320	Long-term liabilities, current portion	6(12)	999,905	10	699,875	7
2399	Other current liabilities, others		46,059	1	21,713	-
21XX	Current Liabilities		8,445,726	82	7,673,426	79
Non-current liabilities						
2530	Corporate bonds payable	6(12)	199,602	2	999,605	10
2580	Non-current lease liabilities	7(2)	152,302	2	156,562	2
2600	Other non-current liabilities		-	-	796	-
25XX	Non-current liabilities		351,904	4	1,156,963	12
2XXX	Total Liabilities		8,797,630	86	8,830,389	91
Share capital						
3110	Share capital - common stock	6(15)	1,190,163	11	1,540,163	16
Capital surplus						
3200	Capital surplus	6(16)	274,901	3	92,566	1
Retained earnings						
3310	Legal reserve	6(17)	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						
Significant Events after the Balance Sheet Date						
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	Year ended December 31			
			2023		2022	
			AMOUNT	%	AMOUNT	%
4000	Sales revenue	6(18) and 7(2)	\$ 2,600,430	100	\$ 578,022	100
5000	Operating costs	6(5)	(2,046,918)	(78)	(423,833)	(73)
5900	Net operating margin		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)
	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							Other equity interest		Total equity
	Capital surplus			Retained earnings		Unrealised gains (losses) from financial assets measured at fair value through other comprehensive income				
	Share capital - common stock	Additional paid-in capital	Share options	Legal reserve	Special reserve					
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										
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)

(Continued)

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

	Notes	Year ended December 31	
		2023	2022
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.

INDEPENDENT AUDITORS' REPORT TRANSLATED FROM CHINESE

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

Opinion

We have audited the accompanying parent company only balance sheets of Full Wang International Development Co., Ltd. (the “Company”) as at December 31, 2023 and 2022, and the related parent company only statements of comprehensive income, of changes in equity and of cash flows for the years then ended, and notes to the parent company only financial statements, including a summary of material accounting policies.

In our opinion, the accompanying parent company only financial statements present fairly, in all material respects, the parent company only financial position of the Company as at December 31, 2023 and 2022, and its parent company only financial performance and its parent company only cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

Basis for opinion

We conducted our audits in accordance with the Regulations Governing Financial Statements Auditing and Attestation Engagements of Certified Public Accountants and Standards on Auditing of the Republic of China. Our responsibilities under those standards are further described in the Auditors’ responsibilities for the audit of the parent company only financial statements section of our report. We are independent of the Company in accordance with the Norm of Professional Ethics for Certified Public Accountant of the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Company’s 2023 parent company only financial statements. These matters were addressed in the context of our audit of the parent company only financial statements as a whole and, in forming our opinion thereon, we do not provide a separate opinion on these matters.

Key audit matters for the Company’s 2023 parent company only financial statements are stated as follows:

Cutoff of building and land sales revenue

Description

Please refer to Note 4(25) for accounting policies on sales revenue, and Note 6(18) for details. For the year ended December 31, 2023, building and land sales revenue amounted to

NT\$2,037,745 thousand, representing 99.57% of operating revenue.

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

How our audit addressed the matter

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

1. Obtained an understanding, assessment and verification on operating procedures and internal controls in relation to building and land sales revenue, including the following items:
 - (1) Interviewed employees involved in operating procedures of building and land sales revenue in each segment and obtained revenue recognition procedures of building and land sales in order to confirm that they are in line with the operating regulations.
 - (2) Examined the internal control of building and land sale revenue, checked whether the home inspection information had been reviewed by the competent supervisors and verified whether the date and the information recorded in supporting documents (including land registrations, house ownership certificates, home inspection information and house handover information) were consistent with the date and the information recorded in building and land sales contracts in order to ensure transactions were recorded in the proper period.
2. Performed cut-off test on building and land transactions around the end of the reporting period, including verifying land registration, transfer date in the house ownership certificate, customers' home inspection checklists and customers' signed receipts for turning over of property to confirm that the building and land sales revenue recognition timing was appropriate.

Assessment of allowance for inventory valuation losses

Description

Please refer to Note 4(11) for accounting policy on inventory valuation, Note 5(2) for accounting estimates and assumptions in relation to inventory valuation. As at December 31, 2023, the carrying amount of inventories and allowance for inventory valuation losses amounted to NT\$7,341,944 thousand and NT\$0 thousand, respectively.

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

identified assessment of allowance for inventory valuation losses as a key audit matter.

How our audit addressed the matter

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

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

Responsibilities of management and those charged with governance for the parent company only financial statements

Management is responsible for the preparation and fair presentation of the parent company only financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, and for such internal control as management determines is necessary to enable the preparation of parent company only financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Auditors' responsibilities for the audit of the parent company only financial statements

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

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

1. Identify and assess the risks of material misstatement of the parent company only financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the parent company only financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the parent company only financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the parent company only financial statements. We are responsible for the direction, supervision and performance of the company audit. We remain solely responsible for our audit opinion.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the parent company only financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the

matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Wang, Yu-Chuan

For and on Behalf of PricewaterhouseCoopers, Taiwan

March 12, 2024

Liu, Mei Lan

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

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

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

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

(Continued)

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

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

The accompanying notes are an integral part of these parent company only financial statements.

FULL WANG INTERNATIONAL DEVELOPMENT CO., LTD.
PARENT COMPANY ONLY STATEMENTS OF COMPREHENSIVE INCOME
YEARS ENDED DECEMBER 31, 2023 AND 2022

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

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

The accompanying notes are an integral part of these parent company only financial statements.

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

	Capital surplus			Retained earnings		Other equity interest			
	Share capital - common stock	Additional paid-in capital	Employee 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	6(17)								
Legal reserve	-	-	-	6,782	-	(6,782)	-	-	-
Special reserve	-	-	-	-	746	(746)	-	-	-
Cash dividends	-	-	-	-	-	(38,504)	-	-	(38,504)
Balance at December 31, 2022	\$1,540,163	\$ 92,566	\$ -	\$ 167,797	\$ 746	(\$ 937,571)	(\$ 438)	\$ -	\$ 863,263
Year ended December 31, 2023									
Balance at January 1, 2022	\$1,540,163	\$ 92,566	\$ -	\$ 167,797	\$ 746	(\$ 937,571)	(\$ 438)	\$ -	\$ 863,263
Profit for the year	-	-	-	-	-	193,112	-	-	193,112
Other comprehensive income	-	-	-	-	-	-	438	70	508
Total comprehensive income	-	-	-	-	-	193,112	438	70	193,620
Appropriations and distribution of 2022 retained earnings									
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 parent company only financial statements.

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

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

(Continued)

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

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

The accompanying notes are an integral part of these parent company only financial statements.