Stock Code: 5533

Founding Construction Development Corp.

Parent Company Only Financial Statements and Independent Auditors' Report

For the Years Ended December 31, 2023 and 2022

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For the convenience of readers, the independent auditors′ report and the accompanying consolidated financial statements have been translated into English from the original Chinese version prepared and used in the Republic of China. If there is any conflict between the English version and the original Chinese version or any difference in the interpretation of the two versions, the Chinese-language independent auditors′ report and consolidated financial statements shall prevail.

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Independent Auditors' Report

Founding Construction Development Corp.

Audit Opinion

We have audited the accompanying parent company only financial statements of Founding Construction Development Corp., which comprise the parent company only balance sheets as of December 31, 2023 and 2022, and the parent company only statements of comprehensive income, changes in equity and cash flows for the years then ended, and the notes to the parent company only financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying parent company only financial statements present fairly, in all material respects, the accompanying parent company only financial position of Founding Construction Development Corp. as of 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 Auditing and Attestation of Financial Statements by Certified Public Accountants and the auditing standards in the Republic of China. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Parent Company Only Financial Statements section of our report. We are independent of Founding Construction Development Corp. 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 that, in our professional judgment, were of most significance in our audit of Founding Construction Development Corp.'s parent company only financial statements for the year ended December 31, 2023. 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, and we do not provide a separate opinion on these matters.

Key audit matters for Founding Construction Development Corp.'s parent company only financial statements for the year ended December 31, 2023 are stated as follows:

Key Audit Matters I: Inventory Valuation

Inventories of Founding Construction Development Corp. represented 31% of the total parent company only assets as of December 31, 2023. The inventories are buildings and land held for sale and construction in progress. Because the situations of the domestic real estate supply, natural disasters, government policies, and economic conditions significantly impact the values of properties, the assessment of the properties inevitably contains uncertainty, and so the risk of individual assets being improperly evaluated exists. Therefore, inventories have been deemed as one of the key audit matters for the year. Please refer to Note 4(4) of the financial statements for relevant information on the inventories.

The main audit procedures performed on the specific levels in respect of the above-mentioned key audit matter for the audit of the year are as follows:

We obtain information on the evaluation of the market value of Founding Construction Development Corp.'s inventories, test and review samples of the sales contracts, obtain information adopted for the market value of the Founding Construction Development Corp.'s inventories, and obtain transaction quotes from the neighboring regions with reference to the price registration of the real estate to evaluate the signs of inventory impairment.

Key Audit Matters II: Recognition of Income from Sales of Real Estate

The sales of real estate are recognized after the construction projects were actually completed and handed over, and the registration of property right was finished. Whether sales revenue recognition meets the sales revenue recognition conditions is material to the consolidated financial statements for the year. Therefore, the occurrence of sales revenue is considered as a key audit matter. Please refer to Note 4 (12) of the financial statements for relevant information on the sales revenues.

The main audit procedures performed on the specific levels in respect of the above-mentioned key audit matter for the audit of the year are as follows:

1. We evaluate the designs of the relevant operating procedures for sales revenue recognition and the appropriateness of execution. We also select samples to test the situation of effectively ongoing operations during the year of its significant control operations.

2. For the details of the recognized real estate sales revenue for the year, we select samples and examine their corresponding evidences of the real estate handover and the registration of property right to verify the appropriateness of the classification under real estate sales revenue.

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 Founding Construction Development Corp.'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 Founding Construction Development Corp. or to cease operations, or has no realistic alternative but to do so.

Those charged with governance (including members of the Audit Committee) are responsible for overseeing Founding Construction Development Corp.'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 auditing standards in 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 auditing standards in 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 Founding Construction Development Corp.'s internal control.

3. Evaluate the appropriateness of accounting policies adopted 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 Founding Construction Development Corp.'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 Founding Construction Development Corp. 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 parent company only 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 Founding Construction Development Corp. to express an opinion on the parent company only financial statements. We are responsible for the direction, supervision and performance of the audit. We remain solely responsible for our opinion to Founding Construction Development Corp.

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 Founding Construction Development Corp.'s parent company only financial statements for the year ended December 31, 2023 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.

Deloitte & Touche

CPA	LU I-CHEN	CPA	HSIEH MING-CHUNG

Financial Supervisory Commission Approval Document Ref.	Financial Supervisory Commission Approval Document Ref.
No. FSC Sheng-Zi 1080321204	No. FSC Sheng-Zi 1000028068

March 14, 2024

Founding Construction Development Corp.

Parent Company Only Balance Sheet
December 31, 2023 and 2022
Unit: NT$ thousands

Code	ASSETS	December 31, 2023 Amount	%	December 31, 2022 Amount	%
	CURRENT ASSETS				
1100	Cash and cash equivalents (Note 6)	$ 2,800,070	24	$ 2,541,366	21
1110	Financial assets at fair value through profit or loss - current (Notes 7)	2,852	-	6,382	-
1150	Notes receivable (Note 21)	11,000	-	5,949	-
1170	Accounts receivable (Note 21)	-	-	25,631	-
130X	Inventories (Note 8 and 29)	3,621,791	31	5,164,178	42
1410	Prepayments (Note 9)	5,379	-	4,146	-
1476	Other financial assets - current	88,841	1	173,557	1
1479	Other current assets (Note 9)	4,507	-	2,661	-
11XX	Total current assets	6,534,440	56	7,923,870	64
	NON-CURRENT ASSETS				
1550	Investments accounted for using the equity method (Note 10)	601,595	5	486,446	4
1600	Property, plant and equipment (Notes 11 and 29)	84,359	1	120,161	1
1755	Right-of-use assets (Note 12)	-	-	462	-
1760	Investment properties, net (Notes 13 and 29)	4,364,333	38	3,767,550	31
1780	Intangible assets	393	-	423	-
1840	Deferred tax assets (Note 23)	6,253	-	11,973	-
1920	Refundable deposits	1,312	-	1,850	-
1975	Net defined benefit liabilities (Note 18)	4,803	-	-	-
15XX	Total non-current assets	5,063,048	44	4,388,865	36
1XXX	Total assets	$ 11,597,488	100	$ 12,312,735	100

Code	LIABILITIES AND EQUITY	December 31, 2023 Amount	%	December 31, 2022 Amount	%
	CURRENT LIABILITIES				
2100	Short-term borrowings (Notes 14 and 29)	$ 593,000	5	$ 1,138,000	9
2130	Contract liabilities (Note 21)	76,412	1	587,093	5
2150	Notes payable (Note 15)	1,323	-	14,721	-
2160	Notes payable to related parties (Note 15 and 28)	35,175	-	29,662	-
2170	Accounts payable (Note 15)	2,847	-	2,748	-
2180	Accounts payable to related parties (Notes 15 and 28)	36,750	-	54,600	1
2230	Current tax liabilities (Note 23)	64,709	1	101,124	1
2280	Lease liabilities - current (Note 12)	-	-	477	-
2219	Other payables (Notes 16 and 28)	31,775	-	42,127	-
2250	Provisions - current (Note 17)	1,106	-	1,106	-
2320	Current portion of long-term borrowings (Notes 14 and 29)	119,462	1	117,843	1
2399	Other current liabilities	2,042	-	22,392	-
21XX	Total current liabilities	964,601	8	2,111,893	17
	NON-CURRENT LIABILITIES				
2540	Long-term borrowings (Notes 14 and 29)	1,005,798	9	1,125,274	9
2570	Deferred tax liabilities (Note 23)	2,852	-	1,268	-
2640	Net defined benefit liabilities - non-current (Note 18)	-	-	3,678	-
2645	Guarantee deposits (Note 28)	11,281	-	11,424	-
25XX	Total non-current liabilities	1,019,931	9	1,141,644	9
2XXX	Total liabilities	1,984,532	17	3,253,537	26
	EQUITY (Note 20)				
	Capital stock				
3110	Ordinary shares	2,852,450	25	2,852,450	23
	Capital surplus				
3210	Shares premium	20,894	-	20,894	-
3220	Treasury shares transactions	236	-	236	-
3200	Total capital surplus	21,130	-	21,130	-
	Retained earnings				
3310	Legal reserve	1,180,904	10	1,079,098	9
3320	Special reserve	-	-	966	-
3350	Unappropriated earnings	5,558,472	48	5,105,554	42
3300	Total retained earnings	6,739,376	58	6,185,618	51
3XXX	Total equity	9,612,956	83	9,059,198	74
	Total liabilities and equity	$ 11,597,488	100	$ 12,312,735	100

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

Chairman: Liu Hsin-Hsiung   Manager: Tsao Lo-Fang   Accounting Officer: Cheng Yen-Fen

Founding Construction Development Corp.

Parent Company Only Statements of Comprehensive Income
For the years ended December 31, 2023 and 2022
Unit: NT$ thousands, except for earnings per share (in NT$)

Code		2023 Amount	2023 %	2022 Amount	2022 %
	OPERATING REVENUE (Notes 21 and 28)				
4300	Rental revenue	$ 87,270	3	$ 86,521	2
4500	Construction revenue	3,326,474	97	4,437,419	98
4000	Total operating revenue	3,413,744	100	4,523,940	100
	OPERATING COSTS (Notes 8, 22 and 28)				
5300	Rental costs	(53,464)	(2)	(54,523)	(1)
5500	Construction costs	(2,338,473)	(68)	(3,343,444)	(74)
5000	Total operating costs	(2,391,937)	(70)	(3,397,967)	(75)
5900	Gross Profit	1,021,807	30	1,125,973	25
6000	OPERATING EXPENSES (Notes 18, 22 and 28)	(147,301)	(4)	(178,925)	(4)
6900	Net Operating Income	874,506	26	947,048	21
	NON-OPERATING INCOME AND EXPENSES (Notes 22)				
7100	Interest income	15,251	-	3,542	-
7010	Other income	352	-	1,836	-
7020	Other gains and losses	391	-	271,407	6
7050	Finance costs	(170)	-	(134)	-
7070	Shares of profits of subsidiaries, associates and joint ventures accounted for using the equity method	157,420	5	36,009	1
7000	Total non-operating income and expenses	173,244	5	312,660	7

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Code		2023 Amount	2023 %	2022 Amount	2022 %
7900	Net income before tax for the year	$ 1,047,750	31	$ 1,259,708	28
7950	Income tax expense (Note 23)	(158,207)	(5)	(245,010)	(6)
8200	Net Income (Loss) for the Year	889,543	26	1,014,698	22
	OTHER COMPREHENSIVE INCOME/(LOSS) (Notes 23)				
8310	Items that will not be reclassified subsequently to profit or loss				
8311	Remeasurement of defined benefit plans	7,917	-	2,534	-
8330	Shares of other comprehensive income of subsidiaries, associates and joint ventures accounted for using the equity method	176	-	1,330	-
8349	Income tax relating to items that will not be reclassified subsequently to profit or loss	(1,584)	-	(507)	-
8300	Other comprehensive income for the year, net of income tax	6,509	-	3,357	-
8500	TOTAL COMPREHENSIVE INCOME FOR THE YEAR	$ 896,052	26	$ 1,018,055	22
	EARNINGS PER SHARE (Note 24)				
9710	Basic	$ 3.12		$ 3.56	
9810	Diluted	$ 3.11		$ 3.55	

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

Chairman: Liu Hsin-Hsiung　　Manager: Tsao Lo-Fang　　Accounting Officer: Cheng Yen-Fen

Founding Construction Development Corp.

Parent Company Only Statements of Changes in Equity
For the years ended December 31, 2023 and 2022
Unit: NT$ thousands

		Capital stock		Capital surplus		Retained earnings			
Code		Shares (In Thousands)	Ordinary shares	Shares premium	Treasury shares transactions	Legal reserve	Special reserve	Unappropriated earnings	Total equity
A1	Balance as of January 1, 2022	285,245	$ 2,852,450	$ 20,894	$ 236	$ 972,814	$ 966	$ 4,479,027	$ 8,326,387
	Appropriation and distribution of retained earnings for 2021								
B1	Legal reserve	-	-	-	-	106,284	-	(106,284)	-
B5	Cash dividends to shareholders	-	-	-	-	-	-	(285,244)	(285,244)
D1	Net income for 2022	-	-	-	-	-	-	1,014,698	1,014,698
D3	After-tax other comprehensive income for 2022	-	-	-	-	-	-	3,357	3,357
D5	Total comprehensive income in 2022	-	-	-	-	-	-	1,018,055	1,018,055
Z1	Balance as of December 31, 2022	285,245	2,852,450	20,894	236	1,079,098	966	5,105,554	9,059,198
	Appropriation and distribution of retained earnings for 2022								
B1	Legal reserve	-	-	-	-	101,806	-	(101,806)	-
B17	Special reserve	-	-	-	-	-	(966)	966	-
B5	Cash dividends to shareholders	-	-	-	-	-	-	(342,294)	(342,294)
D1	Net income for 2023	-	-	-	-	-	-	889,543	889,543
D3	After-tax other comprehensive income for 2023	-	-	-	-	-	-	6,509	6,509
D5	Total comprehensive income in 2023	-	-	-	-	-	-	896,052	896,052
Z1	Balance as of December 31, 2023	285,245	$ 2,852,450	$ 20,894	$ 236	$ 1,180,904	$ -	$ 5,558,472	$ 9,612,956

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

Chairman: Liu Hsin-Hsiung Manager: Tsao Lo-Fang Accounting Officer: Cheng Yen-Fen

Founding Construction Development Corp.

Parent Company Only Statements of Cash Flows
For the years ended December 31, 2023 and 2022
Unit: NT$ thousands

Code		2023	2022
	CASH FLOWS FROM OPERATING ACTIVITIES		
A10000	Net income before tax for the year	$ 1,047,750	$ 1,259,708
A20010	Adjustments for:		
A20100	Depreciation expenses	55,648	57,713
A20200	Amortization expenses	149	12
A20400	Net loss (gain) on financial assets and liabilities at fair value through profit or loss	(1,638)	1,850
A20900	Finance costs	170	134
A21200	Interest income	(15,251)	(3,542)
A22300	Shares of profits of subsidiaries, associates and joint ventures accounted for using the equity method	(157,420)	(36,009)
A22700	Gain on disposal of investment properties	-	(271,279)
A29900	Gain on lease modification	-	(2,323)
A30000	Net changes in operating assets and liabilities		
A31130	Notes receivable	(5,051)	10,611
A31150	Accounts receivable	25,631	(24,801)
A31200	Inventories	1,655,859	2,190,436
A31230	Prepayments	(1,233)	8,487
A31240	Other current assets	(1,846)	4,983
A31250	Other financial assets—current	84,716	12,720
A32125	Contract liabilities	(510,681)	271,706
A32130	Notes payable	(13,398)	14,631
A32140	Notes payable - related parties	5,513	13,912
A32150	Accounts payable	99	2,665
A32160	Accounts payable - related parties	(17,850)	(161,050)
A32180	Other payables	(11,957)	(18,756)
A32230	Other current liabilities	(20,350)	4,250
A32240	Net defined benefit liabilities - non-current	(564)	(4,216)
A33000	Cash generated from operations	2,118,296	3,331,842
A33500	Income taxes paid	(188,902)	(179,105)
AAAA	Net cash generated from operating activities	1,929,394	3,152,737

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Code		2023	2022
	CASH FLOWS FROM INVESTING ACTIVITIES		
B00100	Acquisition of financial assets at fair value through profit or loss	$ -	($ 5,040)
B00200	Disposal of financial assets at fair value through profit or loss	5,168	5,279
B02700	Purchase of property, plant and equipment	(376)	-
B03800	Decrease in refundable deposits	538	477
B04500	Purchase of intangible assets	(119)	(435)
B05400	Purchase of investment properties	(729,263)	(5,300)
B05500	Disposal of investment properties	-	620,039
B06100	Decreases in finance lease receivables	13	171
B07500	Interest received	15,238	3,529
B07600	Dividends received from subsidiaries	45,000	15,000
BBBB	Net cash generated from investing activities	(663,801)	633,720
	CASH FLOWS FROM FINANCING ACTIVITIES		
C00100	Increase in short-term borrowings	36,000	126,000
C00200	Decrease in short-term borrowings	(581,000)	(1,200,730)
C01700	Repayments of long-term borrowings	(117,857)	(424,743)
C03100	Guarantee deposits received	(143)	(1,209)
C04020	Payments of lease liabilities	(477)	(1,255)
C04500	Dividends paid to owners of the Company	(342,294)	(285,244)
C05600	Interest paid	(1,118)	(1,209)
CCCC	Net cash used in financing activities	(1,006,889)	(1,788,390)
EEEE	NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS FOR THE YEAR	258,704	1,998,067
E00100	CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	2,541,366	543,299
E00200	CASH AND CASH EQUIVALENTS, END OF YEAR	$ 2,800,070	$ 2,541,366

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

Chairman: Liu Hsin-Hsiung Manager: Tsao Lo-Fang Accounting Officer: Cheng Yen-Fen

1. Company History

Founding Construction Development Corp. ("the Company") was incorporated in Taipei City in April 1991, and has mainly engaged in appointments and management of contractors to build public housing developments and commercial buildings for leasing and selling, trading of construction materials and machines, designs and constructions of interior decoration, etc.

The Company's shares have been listed on the Taiwan Stock Exchange (TWSE) since April, 2008.

The parent company only financial statements are presented in the Company's functional currency, the New Taiwan dollar.

2. Date and Procedures of Authorization of Financial Statements

The accompanying parent company only financial statements were approved and authorized for issue by the Board of Directors on March 14, 2024

3. Application of New and Amended Standards and Interpretations

a. Initial application of the amendments to the International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) (collectively, "IFRSs") endorsed and issued into effect by the Financial Supervisory Commission (FSC)

Unless stated below, the application of the amendments to the IFRSs endorsed and issued into effect by the FSC will not have a significant effect on the Company's accounting policies.

1) Amendment to IAS 1 "Disclosure of Accounting Policies"

This amendment prescribes that the Company shall apply the concept of materiality in making decisions about the disclosure of accounting policy information. Accounting policy information is material if, when considered together with other information included in the Company's financial statements, it can reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements. Moreover,

- Accounting policy information that relates to immaterial transactions, other events or conditions is immaterial and need not be disclosed by the Company.

- The Company's accounting policy information may be material because of the nature of the related transactions, other events or conditions, even if the amounts are immaterial.
- Not all accounting policy information relating to material transactions, other events or conditions is itself material.

Moreover, it is likely to consider accounting policy information material to the financial statements if that information relates to material transactions, other events or conditions and the accounting policy:

a) Has changed during the reporting period by the Company, and this change results in a material change on information of the financial statements;

b) Was chosen properly by the Company from alternatives permitted by IFRS;

c) Was developed in accordance with IAS 8 "Accounting Policies, Changes in Accounting Estimates and Errors" in the absence of an IFRS Standard that specifically applies;

d) Relates to an area for which the disclosure the Company is required to make significant judgments and assumptions; or

e) Involves complex accounting treatment, and users of the Company’s financial statements would otherwise not understand the relating transactions, other events or conditions.

Please refer to Note 4 for the disclosure of relevant accounting policies.

2) Amendment to IAS 8 "Definition of Accounting Estimates"

This amendment defines accounting estimates as "monetary amounts in financial statements that are subject to measurement uncertainty," which applied by the Company from January 1, 2023. The accounting policy applicable to the Company may require items in financial statements to be measured at monetary amounts that cannot be observed directly and must instead be estimated. Therefore, an input or a measurement technique has to be used to develop an accounting estimate to achieve this goal. The effects of a change in an input or a measurement technique used to develop an accounting estimate are changes in accounting estimates if they do not result from the correction of prior period errors.

b. The IFRSs in 2024 endorsed by the FSC

New, Revised or Amended Standards and Interpretations	Effective Date Issued by IASB (Note 1)
Amendment to IFRS 16 “Lease Liabilities in Sale and Lease Back”	January 1, 2024 (Note 2)
Amendment to IAS 1 "Classification of Liabilities as Current or Non-current"	January 1, 2024
Amendment to IAS 1: "Non-current Liabilities with Contractual Terms"	January 1, 2024
Amendments to IAS 7 and IFRS 7 "Supplier Finance Arrangements"	January 1, 2024 (Note 3)

Note1: Unless stated otherwise, the aforementioned New, Revised or Amended Standards and Interpretations are effective for annual periods beginning on or after their respective effective dates.

Note2: Sellers and lessees should retrospectively apply the amendment to IFRS 16 to sale and lease back transactions entered into after the date of initial application of IFRS 16.

Note3: The first application of this amendment exempts certain disclosure requirements.

1) Amendment to IFRS 16 “Lease Liabilities in Sale and Lease Back”

The amendment clarifies that for sale and lease back transactions, if the transfer of assets meets the requirements of IFRS 15 "Revenue from Customer Contracts" to be treated as a sale of assets, the seller and lessee's liabilities arising from the lease back should be treated as lease liabilities in accordance with IFRS 16. However, if a variable lease payment not dependent on an index or rate is involved, the seller and lessee shall measure the liabilities in such a way that no gain or loss is recognized in relation to the retained use rights. Subsequently, the difference between the current lease payments and the actual payments included in the calculation of lease liabilities is recognized in profit or loss.

2) Amendment to IAS 1 “Classification of Liabilities as Current or Non-current” (2020 amendment) and “Non-current Liabilities with Contractual Terms” (2022 amendment)

The 2020 amendment clarifies whether or not a liability to be classified as non-current, the Company shall assess whether it has the right at the end of the reporting period to defer settlement of the liability for at least twelve months after the reporting period. If such rights are in existence at the end of the reporting period, the liability is classified as non-current regardless of whether the Company will exercise that right.

The 2020 amendment also stipulates that, if the right to defer settlement is subject to compliance with specified conditions, the Company must comply with those conditions at the end of the reporting period even if the lender does not test compliance until a later date. The 2020 amendment also stipulates that, if the right to defer settlement is subject to compliance with specified conditions, the Company must comply with those conditions at the end of the reporting period even if the lender does not test compliance until a later date. The 2022 amendment further clarifies that only contractual terms required to be complied with prior to the end of the reporting period affect the classification of liabilities. Although the contractual terms to be complied with within 12 months after the reporting period do not affect the classification of liabilities, relevant information must be disclosed to enable users of the financial reports to be aware of the risk that the Company may not be able to comply with the contractual terms and is required to make repayment within 12 months after the reporting period.

The 2020 amendment stipulates that, for the purpose of liability classification, the aforementioned settlement refers to a transfer of cash, other economic resources or the Company's own equity instruments to the counterparty those results in the extinguishment of the liability. However, if the terms of a liability that could, at the option of the counterparty, result in its settlement by a transfer of the Company's own equity instruments, and if such option is recognized separately as equity in accordance with IAS 32 "Financial Instruments: Presentation", the aforementioned terms would not affect the classification of the liability.

Besides the above-mentioned impact, as of the date the accompanying financial statements were authorized for issue, the Company continues in evaluating the impact on its financial position and financial performance as a result of the amendment of the other standards or interpretations.

c. The IFRSs issued by IASB but not yet endorsed and issued into effect by the FSC

New, Revised or Amended Standards and Interpretations	Effective Date Issued by IASB (Note 1)
Amendments to IFRS 10 and IAS 28 "Sale or Contribution of Assets between an Investor and its Associate or Joint Venture"	To be determined
IFRS 17 "Insurance Contracts"	January 1, 2023
Amendment to IFRS 17	January 1, 2023
Amendment to IFRS 17: "Initial Application of IFRS 17 and IFRS 9 - Comparison Information"	January 1, 2023
Amendment to IAS 21 "Lack of Exchangeability"	January 1, 2025 (Note 2)

Note1: Unless stated otherwise, the aforementioned New, Revised or Amended Standards and Interpretations are effective for annual reporting periods beginning on or after their respective effective dates.

Note2: This amendment is effective for annual periods beginning on or after January 1, 2025 Upon the initial application of this amendment, the effect on the recognized amounts is recorded in retained earnings as of the initial application date. When the Company used the non-functional currency as the presentation currency, the effect should be adjusted to foreign operations' exchange differences under equity on the initial application date.

As of the date the accompanying financial statements were authorized for issue, the Company continues in evaluating the impact on its financial position and financial performance as a result of the amendment of the other standards or interpretations. The related impact will be disclosed when the Company completes the evaluation.

4. Summary of Significant Accounting Policies

a. Statement of Compliance

The accompanying parent company only financial statements have been prepared in conformity with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

b. Basis of Preparation

The accompanying parent company only financial statements have been prepared on the historical cost basis except for financial instruments which are measured at fair value, and net defined benefit liabilities which are measured at the present value of the defined benefit obligation less the fair value of plan assets.

The fair value measurements, which are grouped into Levels 1 to 3 based on the degree to which the related inputs are observable and based on the significance of the related inputs, are described as follows:

1) Level 1 inputs: They refer to quoted prices (unadjusted) in active markets for identical assets or liabilities on the measurement date.

2) Level 2 inputs: They refer to inputs other than quoted prices included within Level 1 that are observable for an asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices).

3) Level 3 inputs: They refer to unobservable inputs for an asset or liability.

When the Company prepares the parent company only financial statements, it adopts the equity method for investment in subsidiaries. In order to make the current year's profit and loss, other comprehensive income/(loss), and equity in the parent company only financial statements the same as the current year's profit and loss, other comprehensive income/(loss), and equity attributable to the owners of the company in the Company's consolidated financial report, certain differences in accounting treatment between the parent company only basis and the consolidated basis are adjusted for “investments accounted for using the equity method”, “shares of profits and losses of subsidiaries, associates, and joint ventures accounted for using the equity method”, and “shares of other comprehensive income/(loss) of subsidiaries, associates, and joint ventures accounted for using the equity method” and related equity items.

c. Standards for Classification of Current and Noncurrent Assets and Liabilities

Current assets include:

1) Assets held for trading purposes,

2) Assets expected to be realized within 12 months after the balance sheet date; and

3) Cash and cash equivalents, excluding those that are restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period.

Current liabilities include:

1) Obligations incurred for trading purposes,

2) Obligations expected to be settled within 12 months from the balance sheet date (even if an agreement to refinance or to reschedule payments on a long-term basis is completed after the balance sheet date and before the financial reports are authorized for issue, which are classified as current liabilities), and

3) Liabilities for which the Company does not have an unconditional right to defer settlement for at least 12 months after the reporting period. However, the counterparty has the option to settle the terms of the liabilities by issuing equity instruments, without impacting the classification.

Assets and liabilities that are not listed above are classified non-current.

The Company is engaged in the construction business, which has an operating cycle of over 1 year. The normal operating cycle applies when considering the classification of the construction-related assets and liabilities.

d. Inventories

Inventories comprise properties under construction and properties held for sale. Properties under construction and properties held for sale are initially recorded at acquisition cost. Costs of properties under construction include costs of construction land of unfinished construction, construction costs and related borrowing costs. Upon completion of construction, the costs of the portion sold are then recognized as operating costs for the proportion of the selling price when revenue is recognized for the sales of real estate.

Properties held for sale is stated at the lower of cost or net realizable value. Comparing costs with net realizable value is based on individual item.

e. Investment in Subsidiaries

The Company's investments in subsidiaries accounted for using the equity method.

Subsidiaries refer to the entities over which the Company has control.

Under the equity method, the investment is initially recognized at cost, and the carrying value after the acquisition date will increase or decrease with the Company's share of the subsidiary's profit and loss and other comprehensive income/ (loss), and profit distribution. Besides, changes in other equity of subsidiaries that the Company can be entitled are recognized based on the percentage of ownership.

When the Company’s share of loss of a subsidiary equals or exceeds its interest in that subsidiary (which includes any carrying amount of the investment accounted for using the equity method and long-term interests that, in substance, form part of the Company’s net investment in the subsidiary), the Company continues to recognize losses based on shareholding.

The Company assesses its investment for any impairment by comparing the carrying amount with the estimated recoverable amount as assessed based on the investee’s financial statements as a whole. If the recoverable amount of the investment subsequently increases, the Company recognizes a reversal of the impairment loss; the adjusted post-reversal carrying amount should not exceed the carrying amount that would have been recognized (net of amortization) had no impairment loss recognized in prior years.

Unrealized profit or loss resulting from downstream transactions between the Company and subsidiaries is eliminated in full in the parent company only financial statements. Profits and losses resulting from upstream transactions and transactions between the Company and subsidiaries are recognized in the parent company only financial statements and only to the extent of interests in the subsidiaries that are not related to the Company.

f. Property, Plant and Equipment

Property, plant and equipment are recognized at cost, and then measured at cost less accumulated depreciation and accumulated impairment.

Property, plant and equipment in the course of construction are carried at cost, less any recognized impairment loss. Cost includes professional fees and borrowing costs eligible for capitalization. Such assets are classified to the appropriate categories of property, plant and equipment and subject to depreciation when completed and ready for intended use.

Except for freehold land which is not depreciated, the depreciation of property, plant and equipment is separately calculated using the straight-line method over the useful life of each significant part. The Company at least reviews the estimated useful lives, residual values and depreciation method at the end of each reporting period, with the effect of any changes in estimates accounted for on a prospective basis.

Upon disposal of property, plant and equipment, the difference between the net sales proceeds and the carrying amount of the asset is recognized in profit or loss.

g. Investment Properties

Investment property is properties held to earn rental and/or for capital appreciation, including properties qualified to the definition of investment property and is under progress in construction. Investment property also includes land held for future use that is currently undetermined.

Self-owned investment property is initially measured at cost, including transaction costs. Subsequent to initial recognition, investment property is measured at cost less accumulated depreciation and accumulated impairment loss.

Depreciation of investment properties is recognized using the straight-line method.

Investment property is reclassified as inventories at its carrying amount at the date when it is ready for sale.

Property, plant, and equipment are reclassified as investment properties at their carrying value at the end of their self-use period.

Property recorded as inventory is reclassified as investment property at its carrying amount when it was rented under an operating lease.

Upon disposal of investment properties, the difference between the net sales proceeds and the carrying amount of the asset is recognized in profit or loss.

h. Intangible Assets

1) Individually Acquired

Individually acquired intangible assets with finite useful lives are initially measured at cost, and then measured at cost less accumulated amortization and accumulated impairment loss. Intangible assets are amortized on a straight-line basis over the useful lives. The Company at least reviews the estimated useful lives, residual values and amortization method at the end of each reporting period, with the effect of any changes in estimates accounted for on a prospective basis.

2) Derecognition

When an intangible asset is derecognized, the difference between the net disposal price and the carrying amount of the asset is recognized in current profit or loss.

i. Impairment of Property, Plant and Equipment, Right-of-use Assets, Investment Properties and Intangible Assets

On each balance sheet date, the Company assesses whether there is any indication that the property, plant and equipment, right-of-use assets, investment properties and intangible assets might have suffered an impairment loss. If any such indication exists, the Company estimates the recoverable amount of the asset. When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. Corporate assets are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

The recoverable amount is the higher of fair value less costs to sell and value in use. If the recoverable amount of an asset or cash-generating unit is estimated to be less than its carrying amount, the carrying amount of the asset or cash-generating unit is reduced to its recoverable amount, with the resulting impairment loss recognized in profit or loss.

An impairment loss on inventories and property, plant and equipment related to the contracts with customers shall be recognized in accordance with the applicable standards of inventory impairment and the above-mentioned principles. Then, the impairment loss is recognized to the extent that the carrying amount of the assets related to contract costs exceeds the remaining amount of consideration that the Company expects to receive in exchange for related goods or services less the direct costs related to providing those goods or services. The assets related to the contract costs are then included in the carrying amount of the cash-generating unit to which they belong for the purpose of evaluating impairment of that cash-generating unit.

When an impairment loss is subsequently reversed, the carrying amount of the corresponding asset, cash-generating unit or assets related to contract costs is increased to the revised estimate of its recoverable amount, but only to the extent of the carrying amount, less any amount of amortization or depreciation, that would have been determined had no impairment loss been recognized on the asset in prior years. A reversal of an impairment loss is recognized in profit or loss.

j. Financial Instruments

Financial assets and liabilities shall be recognized in the parent company only balance sheet when the Company becomes a party to the contractual provisions of the instruments.

While financial assets and liabilities are initially recognized, transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities are added to or deducted from the fair value of those financial assets and financial liabilities that are not measured at fair value through profit or loss. Transaction costs directly attributable to the acquisition or issue of financial assets or financial liabilities measured at fair value through profit or loss are recognized immediately in profit or loss.

1) Financial assets

Regular way transactions of financial assets are recognized and derecognized on a settlement date basis.

a) Category of measurement

Financial assets held by the Company are classified into the following categories: financial assets at fair value through profit or loss (FVTPL) and financial assets at amortized cost.

i. Financial asset at FVTPL

Financial asset at FVTPL includes the financial assets mandatorily required to measure at FVTPL. Financial assets mandatorily required to measure at FVTPL include investments in equity instruments that are not designated as FVTOCI, and investments in debt instruments that do not meet the criteria of amortized cost or FVTOCI.

Financial asset at FVTPL is measured at fair value, and any dividends or interests from such financial assets are recognized in other revenues. Any remeasurement gain or loss on such financial assets is recognized in other gain or loss. Fair value is determined in the manner described in Note 27.

ii. Financial asset measured at amortized cost

The Company's investments in financial assets that meet the following two conditions are subsequently measured at amortized cost:

(a) Within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and

(b) The contractual terms give rise to cash flows on specified dates that are solely payments of principal and interest on the principal amount outstanding.

Subsequent to initial recognition, financial assets measured at amortized cost, including cash and cash equivalents, notes receivable measured at amortized cost, accounts receivable, other financial assets, and refundable deposits, are equals to the carrying amount determined by the effective interest method less any impairment loss. Any foreign exchange gain/loss is recognized in profit or loss.

Interest income is calculated by applying the effective interest rate to the gross carrying amount of such a financial asset, except for:

(a) Purchased or originated credit-impaired financial assets, for which interest income is calculated by applying the credit-adjusted effective interest rate to the amortized cost of such financial assets; and

(b) Financial assets that are not credit-impaired on purchase or origination but have subsequently become credit-impaired, for which interest income is calculated by applying the effective interest rate to the amortized cost of such financial assets in subsequent reporting periods.

Credit-impaired financial assets are those where the issuer or debtor has experienced major financial difficulties, defaults, the debtor is likely to file for bankruptcy or other financial restructuring, or disappearance of an active market for the financial assets due to financial difficulties.

b) Impairment of financial assets

On each date of balance sheets, the Company evaluates a loss allowance for financial assets at amortized cost (including accounts receivable) and lease payments receivable based on expected credit loss.

The loss allowances for accounts receivable and lease payments receivable are recognized at an amount equal to lifetime expected credit losses. Other financial assets are first evaluated whether or not the credit risk has increased significantly since initial recognition. If it has not increased significantly, a loss allowance is recognized at an amount equal to expected credit loss within 12 months. If it has increased significantly, a loss allowance is recognized at an amount equal to expected credit loss over the expected life.

Expected credit losses are the weighted average credit losses resulting from a risk of default events as the weight. Expected credit losses within 12 months represent the expected credit losses resulting from possible default events of a financial instrument within 12 months after the reporting date. Expected credit loss over the expected life represent the expected credit losses resulting from all possible default events of a financial instrument over the expected life.

An impairment loss of all financial assets is recognized with a corresponding adjustment to their carrying amount through a loss allowance account.

c) Derecognition of financial assets

The Company derecognizes a financial asset only when the contractual rights to the cash flows from the financial asset are extinguished, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the financial asset to another entity.

On derecognition of a financial asset at amortized cost in its entirety, the difference between the asset’s carrying amount and the sum of the consideration received and receivable is recognized in profit or loss.

2) Financial liabilities

a) Subsequent measurement

All financial liabilities are subsequently measured at amortized cost using effective interest method.

b) Derecognition of financial liabilities

The difference between the carrying amount of the financial liability derecognized and the consideration paid and payable, including liabilities of any transferred non-cash asset or afforded liabilities, is recognized in profit or loss.

k. Provisions

Provisions are measured at the best estimate of the expenditures required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. Provisions are measured at the discounted cash flows of the consideration required to settle the present obligation.

l. Revenue Recognition

The Company identifies performance obligations in customer contracts, allocates the transaction price to the performance obligations and recognizes revenue when performance obligations are satisfied.

1) Revenue from sale of goods

Revenue from sale of goods comes from the sales of real estate. The Company recognizes the revenue when the customer has the right to set the price and use of the commodities respectively and is mainly responsible for resale once the property is handed over, and the registration of property right is finished.

2) Rental revenue

Revenue from lease is recognized when a property is actually used in lease, provided that it is probable the economic benefits will flow to the Company and the amount of revenue can be measured reliably.

m. Leases

At the inception of a contract, the Company assesses whether the contract is, or contains, a lease.

1) The Company as lessor.

Leases are classified as finance leases whenever the terms of a lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

When the Company subleases the right-of-use asset, it determines the classification of the sublease based on the right-of-use asset (rather than the underlying asset). However, if the head lease is a short-term lease for which the Company is subject to the recognition exemption, the sublease is classified as an operating lease.

Under a finance lease, lease payments include fixed payments. The net lease investment is measured as the sum of the present value of the lease payments receivable and the non-guaranteed residual value, plus the original direct cost; it is expressed as a finance lease receivable. Financing income is allocated to each accounting period to reflect the fixed rate of return available in each period on the unexpired net lease investment of the Company.

After lease-related incentives are deducted, the rental income from operating lease is recognized on a straight-line basis over the term of the lease. The initial direct costs arising from acquisition of operating leases is added to the carrying amount of the underlying assets; and an expense is recognized for the lease on a straight line basis over the lease term. The lease negotiations processed with lessees are treated as new leases from the effective date of the lease modification.

When a lease includes both land and building elements, the Company assesses the classification of each element separately as a financial or an operating lease based on the assessment as to whether substantially all the risks and rewards incidental to ownership of each element have been transferred to the lessee. The lease payments are allocated between the land and the building elements in proportion to the relative fair values of the leasehold interests in the land element and building element of the lease at the inception of a contract. If the allocation of the lease payments can be made reliably, each element is accounted for separately in accordance with its lease classification. If the lease payments cannot be allocated reliably between the land and building elements, the entire lease is generally classified as a finance lease unless it is clear that both elements meet the standards of operating leases; in which case, the entire lease is classified as an operating lease.

2) The Company as lessee

The Company recognizes right-of-use assets and lease liabilities for all leases at the commencement date of a lease, except for short-term leases and low-value asset leases accounted for applying a recognition exemption where lease payments are recognized as expenses on a straight-line basis over the lease terms.

Right-of-use assets are measured initially at cost, which comprises the initial measurement of lease liabilities. Subsequent measurement is calculated as cost less accumulated depreciation and accumulated impairment loss and adjusted for changes in lease liabilities as a result of remeasurement. Right-of-use assets are presented on a separate line in the parent company only balance sheets.

Right-of-use assets are depreciated using the straight-line method from the commencement dates to the earlier of the end of the useful lives of the right-of-use assets or the end of the lease terms.

Lease liabilities are initially measured at the present value of the lease payments, which comprise fixed payments. The lease payments are discounted using the interest rate implicit in a lease, if that rate can be readily determined. If that rate cannot be readily determined, the consolidated company uses the lessee's incremental borrowing rate.

Subsequently, lease liabilities are measured at amortized cost using the effective interest method, with interest expense allocated over the lease terms. When there is a change in future lease payments resulting from a change in a lease term, the Company remeasures the lease liabilities with a corresponding adjustment to the right-of-use assets. However, if the carrying amount of the right-of-use assets is reduced to zero, any remaining amount of the remeasurement is recognized in profit or loss. Lease liabilities are presented on a separate line item in the parent company only balance sheets.

Variable lease payments that do not depend on indices or rates are recognized as expenses in the periods in which they are incurred.

n. Borrowing Costs

Borrowing costs directly attributable to an acquisition, construction or production of qualifying assets are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization.

Other than that which is stated above, all other borrowing costs are recognized in profit or loss in the period in which they are incurred.

o. Employee Benefits

1) Short-term employee benefits

Liabilities recognized in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for service rendered by employees.

2) Post-Retirement Benefits

Payments of defined contribution retirement benefit plans are recognized as an expense when the employees have rendered service entitling them to the contribution.

Defined benefit costs (including service costs, net interest and remeasurements) under the defined benefit retirement plans are determined using the Projected Unit Credit Method. Service costs (including current service costs), and net interest on the net defined benefit liability (asset) are recognized as employee benefits expense in the period they occur.

Remeasurement, including actuarial gain or loss and the return on plan assets (less interest), is recognized in other comprehensive income and other equity in the period in which they occur, and will not be subsequently reclassified to profit or loss.

Net defined benefit liabilities (assets) represent the actual deficit (surplus) in the Company's defined benefit retirement plans. Any surplus resulting from this calculation is limited to the present value of any refunds from the plans or reductions in future contributions to the plans.

p. Income Tax

Income tax expense is the sum of current income tax and deferred income tax.

1) Current income tax

According to the Income Tax Law of the ROC, an additional income tax on unappropriated earnings was surcharged in the year approved by the shareholders' meeting.

Adjustments of prior years' tax liabilities are added to or deducted from the current year's tax provision.

2) Deferred income tax

Deferred income tax is calculated on temporary differences between the carrying amounts of the recorded assets and liabilities and the corresponding tax bases used in the computation of taxable profit.

Deferred tax assets are generally recognized as it is very likely that taxable profits will be available against which those deductible temporary differences can be utilized.

Deferred tax liabilities are recognized for taxable temporary differences associated with investments in subsidiaries, except where the Company is able to control the timing of the reversal of the temporary difference and it is very likely that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investment and equity are only recognized to the extent that it is very likely that there will be sufficient taxable profit against which to utilize the benefit of the temporary differences that are expected to reverse in the foreseeable future.

The carrying amount of deferred tax asset is reviewed on each date of balance sheets and it is reduced to the extent that it is no longer very likely that sufficient taxable profits will be available to allow all or part of the deferred tax asset to be recovered. The deferred tax assets not originally recognized are also reviewed on each date of balance sheets, and their carrying amount is increased to the extent that it is very likely that sufficient taxable profits will be available to allow all or part of the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year in which the liability is settled or the asset is realized, and this tax rate is based on the tax rates and tax laws that have been enacted or substantively enacted on the date of balance sheet. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the consolidated company expects to recover or settle the carrying amount of its assets and liabilities on the date of balance sheet.

3) Current and deferred income tax

Current and deferred income taxes are recognized in profit or loss, unless when they relate to items that are recognized in other comprehensive income or directly recorded in equity, the current and deferred income tax are separately recognized in other comprehensive income or directly recorded in equity.

5. The Primary Sources of Uncertainties in Major Accounting Judgments, Estimates, and Assumptions

In the application of the Company's accounting policies, the management is required to make judgments, estimates and assumptions based on historical experience and other relevant factors for the items that are not readily apparent from other sources. Actual results may differ from these estimates.

Management of the Company will consistently review estimates and basic assumptions. If an amendment of estimates only affects the current period, it shall be recognized in the period of amendment. If an amendment of accounting estimates affects the current year and future periods, it shall be recognized in the period of estimate amendment and future periods.

Significant Accounting Judgments

None.

Key Sources of Estimation and Assumption Uncertainty

Impairment loss of inventory

Inventory is stated at the lower of cost or net realizable value so the Company must use judgments and estimates to determine their net realizable value at the end of each reporting period. This valuation is based on the sales contracts signed or the transaction prices in the neighboring areas obtained with reference to the actual price registration of real estate, and are therefore subject to significant changes.

Please refer to Note 8 for the carrying amounts of land, property, and building of inventory as of December 31, 2023 and 2022.

6. Cash and Cash Equivalents

	December 31, 2023	December 31, 2022
Cash on hand and working capital	$ 235	$ 218
Bank Deposits	2,799,835	2,541,148
	$ 2,800,070	$ 2,541,366

7. Financial Instruments at Fair Value Through Profit or Loss

	December 31, 2023	December 31, 2022
Financial assets - current		
Financial Instruments at Fair Value Through Profit or Loss		
Financial assets		
Fund beneficiary certificates	$ 2,852	$ 6,382

8. Inventories

a. Details of inventories are as follows:

	December 31, 2023	December 31, 2022
Buildings and land held for sale	$ 205,665	$ 254,715
Construction in progress	3,416,126	4,909,463
	$ 3,621,791	$ 5,164,178

Cost of goods sold related to inventories amounted to $2,338,473 thousand and $3,343,444 thousand, respectively, was recognized for the years ended December 31, 2023 and 2022.

As of December 31, 2023 and 2022, inventories of $3,416,126 thousand and $4,909,463 thousand, respectively, are expected to be recovered after more than 12 months.

Please refer to Note 29 for information about the amount of inventories pledged by the consolidated company as collateral for borrowings.

b. Buildings and land held for sale

	December 31, 2023	December 31, 2022
Cosmos Technology	$ 88,801	$ 183,811
Nan Ke Ming Men	-	27,985
Zhong Lu Sec.	-	16,400
Fu Gui Ming Di	16,025	16,025
Founding Yi Pin	90,345	-
Others	10,494	10,494
	$ 205,665	$ 254,715

c. Construction in progress

	December 31, 2023	December 31, 2022
Founding Yi Pin	$ -	$ 2,078,086
Star Technology	879,990	674,251
Founding Li Garden	1,351,242	1,191,476
Chief Li Yuan(originally Lung Chuan sec.)	307,204	300,154
Meditation Garden	428,212	354,372
Li Ren Ming Di (originally known as Chenggong Fu-Yi No.2)	255,664	193,978
Others	193,814	117,146
	$ 3,416,126	$ 4,909,463

Information on the capitalization of interest is as follows:

	2023	2022
Total amount of interest expense	$ 48,217	$ 54,126
Current capitalized construction interest	$ 48,047	$ 53,992
Capitalization interest rate	2.14%~2.44%	1.60%~2.22%
Year-end accumulated amount of capitalized construction interest	$ 113,364	$ 138,492

9. Other Assets

	December 31, 2023	December 31, 2022
Current		
Prepayments		
Prepayments	$ 859	$ 1,696
Construction prepayments	3,238	-
Prepaid commission	1,282	2,450
	$ 5,379	$ 4,146
Other current assets		
Other receivables	$ 245	$ 680
Suspense payments	4,262	1,981
	$ 4,507	$ 2,661

10. Investments Accounted for Using the Equity Method

Investment in Subsidiaries

	December 31, 2023	December 31, 2022
Chien-Chiao Construction Co., Ltd.	$ 143,556	$ 121,780
FUSHIN Hotel Co., Ltd.	158,400	96,163
Hsin-Long-Hsing Investment Co., Ltd.	299,639	268,503
	$ 601,595	$ 486,446

The Company's proportion of ownership and voting rights of subsidiaries as of the balance sheet date are as follows:

Name of Subsidiary	December 31, 2023	December 31, 2022
Chien-Chiao Construction Co., Ltd.	100%	100%
FUSHIN Hotel Co., Ltd.	94.375%	94.375%
Hsin-Long-Hsing Investment Co., Ltd.	100%	100%

Please refer to Appendix five for the Company's details of indirectly invested subsidiaries.

11. Property, Plant and Equipment

	Land	Buildings and Property	Transportation Equipment	Office Equipment	Other Equipment	Total
Cost						
Balance as of January 1, 2023	$104,583	$ 23,535	$ 12,911	$ 3,428	$ 1,169	$145,626
Addition	-	-	-	376	-	376
Reclassification to investment properties	(33,481)	(1,811)	-	-	-	(35,292)
Balance as of December 31, 2023	$ 71,102	$ 21,724	$ 12,911	$ 3,804	$ 1,169	$110,710
Accumulated depreciation and impairment						
Balance as of January 1, 2023	$ -	$ 12,127	$ 8,978	$ 3,428	$ 932	$ 25,465
Depreciation expenses	-	413	1,210	13	86	1,722
Reclassification to investment properties	-	(836)	-	-	-	(836)
Balance as of December 31, 2023	$ -	$ 11,704	$ 10,188	$ 3,441	$ 1,018	$ 26,351
Net carrying amount as of December 31, 2023	$ 71,102	$ 10,020	$ 2,723	$ 363	$ 151	$ 84,359

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	Land	Buildings and Property	Transportation Equipment	Office Equipment	Other Equipment	Total
Cost						
Balance as of January 1, 2022	$104,583	$ 23,535	$ 12,911	$ 3,428	$ 1,169	$145,626
Addition	-	-	-	-	-	-
Balance as of December 31, 2022	$104,583	$ 23,535	$ 12,911	$ 3,428	$ 1,169	$145,626
Accumulated depreciation and impairment						
Balance as of January 1, 2022	$ -	$ 11,155	$ 7,769	$ 3,428	$ 846	$ 23,198
Depreciation expenses	-	972	1,209	-	86	2,267
Balance as of December 31, 2022	$ -	$ 12,127	$ 8,978	$ 3,428	$ 932	$ 25,465
Net carrying amount as of December 31, 2022	$104,583	$ 11,408	$ 3,933	$ -	$ 237	$120,161

Depreciation expenses are depreciated by straight-light method using the estimated useful lives as follows:

Buildings and Property	
Main property	3 to 50 years
Decoration and partitioning project	3 to 11 years
Transportation Equipment	5 to 6 years
Office Equipment	
Computer peripherals and communication equipment	4 to 6 years
Others	6 years
Other Equipment	5 to 6 years

Please refer to Note 29 for information about the amount of property, plant and equipment pledged by the Company as collateral for borrowings.

12. Lease Arrangements

a. Right-of-use assets

	December 31, 2023	December 31, 2022
Carrying amount of right-of-use assets		
Buildings	$ -	$ 462

	2023	2022
Depreciation expense of right-of-use assets		
Buildings	$ 462	$ 923

In addition to the above-mentioned depreciation expenses, there was no significant impairment of the right-of-use assets of the Company for the years ended December 31, 2023, and 2022.

b. Lease liabilities

	December 31, 2023	December 31, 2022
Carrying amount of lease liabilities		
Current	$ -	$ 477

Ranges of discount rates for lease liabilities are as follows:

	December 31, 2023	December 31, 2022
Buildings	2.2%	2.2%

c. Major lease activities and terms

The Company leases several buildings for office use with lease terms of 5 years. The consolidated company does not have bargain purchase options to acquire the leasehold buildings at the end of the lease terms.

d. Other lease information

	2023	2022
Expenses relating to short-term leases	$ 377	$ 385
Expenses relating to low-value asset leases	$ 123	$ 155
Total cash (outflow) for leases	($ 980)	($ 1,843)

The Company has elected to apply the recognition exemption to venue rental which qualify as short-term leases and certain assets which qualify as low-value asset lease, and thus, did not recognize right-of-use assets and lease liabilities for these leases.

13. Investment Properties

	Investment property - land	Investment property - property	Total
Cost			
Balance as of January 1, 2023	$ 2,180,700	$ 1,937,521	$ 4,118,221
Addition	724,737	4,526	729,263
Property, plant and equipment			
Reclassifications	33,481	1,811	35,292
Transferred from inventories	12,898	3,502	16,400
Reclassified to inventories	(48,150)	(85,204)	(133,354)
Balance as of December 31, 2023	$ 2,903,666	$ 1,862,156	$ 4,765,822

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	Investment property - land	Investment property - property	Total
Accumulated depreciation and impairment			
Balance as of January 1, 2023	$ -	$ 350,671	$ 350,671
Depreciation expenses	-	53,464	53,464
Property, plant and equipment			
Reclassifications	-	836	836
Reclassified to inventories	-	(3,482)	(3,482)
Balance as of December 31, 2023	$ -	$ 401,489	$ 401,489
Net carrying amount as of December 31, 2023	$ 2,903,666	$ 1,460,667	$ 4,364,333
Cost			
Balance as of January 1, 2022	$ 2,334,941	$ 2,237,389	$ 4,572,330
Addition	-	5,300	5,300
Disposal	(133,477)	(277,727)	(411,204)
Reclassified to inventories	(20,764)	(27,441)	(48,205)
Balance as of December 31, 2022	$ 2,180,700	$ 1,937,521	$ 4,118,221
Accumulated depreciation and impairment			
Balance as of January 1, 2022	$ -	$ 365,267	$ 365,267
Depreciation expenses	-	54,523	54,523
Disposal	-	(62,444)	(62,444)
Reclassified to inventories	-	(6,675)	(6,675)
Balance as of December 31, 2022	$ -	$ 350,671	$ 350,671
Net carrying amount as of December 31, 2022	$ 2,180,700	$ 1,586,850	$ 3,767,550

The fair values of investment properties were $5,250,652 thousand and $4,481,495 thousand as of December 31, 2023 and 2022, respectively. The fair values as of December 31, 2023 and 2022 were referred to the evidences of market transaction prices of similar properties by Chen's Real Estate Appraiser Firm, an independent appraiser company, on the balance sheet date of 2023 and 2022.

The investment properties are depreciated by straight-light method using the estimated useful lives as follows:

Investment property - property	
Main property	5 to 51 years
Decoration and partitioning project	5 to 26 years

The maturity analysis of operating lease payments receivable from the investment properties for the years ended December 31, 2023 and 2022 is as follows:

	December 31, 2023	December 31, 2022
Year 1	$ 71,294	$ 85,175
Year 2	59,263	67,441
Year 3	58,067	58,381
Year 4	57,657	58,286
Year 5	52,724	58,286
Over 5 years	76,191	129,257
	$ 375,196	$ 456,826

The Company held freehold interests in all of its investment properties. Please refer to Note 29 for the amount of investment properties pledged by the Company as collateral for borrowings.

14. Borrowings

a. Short-term borrowings

	December 31, 2023	December 31, 2022
Secured borrowings (Note 29)		
— Bank loans	$ 593,000	$ 1,138,000
Interest rate range		
— Secured loans	2.42%~2.57%	2.05%~2.45%
Loan maturity date	2025.02.25~ 2025.11.18	2023.05.14~ 2025.11.18

Please refer to Note 29 for information about the construction inventories pledged by the Company as collateral for short-term borrowings.

b. Long-term borrowings

	December 31, 2023	December 31, 2022
Secured borrowings (Note 29)		
Bank loans (1)	$ 1,125,260	$ 1,243,117
Less: Current portion matured in 1 year	(119,462)	(117,843)
Long-term borrowings	$ 1,005,798	$ 1,125,274

a) The Company's borrowings include:

	Initial loan principal		December 31, 2023	December 31, 2022
Hua Nan Bank Nan-Neihu - secured loans	Total loan amount: Borrowing period: Interest rates range: Repayment Method:	$150,000 thousand 2020.09.30 ~ 2025.09.30 2.31% Evenly split into a total of 60 installments on a monthly basis.	$ 56,599	$ 86,498
Hua Nan Bank Nan-Neihu - secured loans	Total loan amount: Borrowing period: Interest rates range: Repayment Method:	$368,000 thousand 2018.02.26 ~ 2033.02.26 2.44% Interests paid monthly in the first twelve months; starting the 13th month, a total of 168 installments on a monthly basis.	254,163	278,385
Hua Nan Bank Nan-Neihu - secured loans	Total loan amount: Borrowing period: Interest rates range: Repayment Method:	$100,000 thousand 2018.07.27 ~ 2033.07.27 2.44% evenly split principal and interest into a total of 180 installments on a monthly basis.	67,683	73,833
First Bank Jen-Ai - secured loans	Total loan amount: Borrowing period: Interest rates range: Repayment Method:	$80,000 thousand 2010.11.23~2025.11.23 2.47% Interests paid monthly in the first thirty-six months; starting the 37th month, evenly split into a total of 144 installments on a monthly basis.	14,656	21,758
Taichung Bank Nei-Hu – secured loans	Total loan amount: Borrowing period: Interest rates range: Repayment Method:	$11,000 thousand 2013.04.22~2023.04.22 2.19% Interests paid monthly in the first year; one year later, evenly split into a total of 108 installments on a monthly basis.	-	549
Chang Hwa Bank Yung-Chun – secured loans	Total loan amount: Borrowing period: Interest rates range: Repayment Method:	$960,000 thousand 2016.05.23~2036.05.23 2.30% Interests paid monthly in the first three years; annuity method applied three years later, evenly split principal into a total of 204 installments on a monthly basis.	732,159	782,094
			$1,125,260	$1,243,117

Please refer to Note 29 for information about the property, plant and equipment and investment properties pledged by the Company as collateral for long-term borrowings.

15. Notes Payable and Accounts Payable

The average payment term of accounts payable is 30 days ~ 60 days. The Company has conducted financial risk management policies to ensure that all payables are paid within the pre-agreed credit terms.

Accounts payable classified as construction retainage payable for construction contracts were $2,500 thousand as of December 31, 2022 and 2023. Construction retainage, which is interest free, will be paid for each construction contract at the end of the construction retainage period. This retainage period is the consolidated company’s normal operating cycle, which generally exceeds one year.

16. Other Liabilities

	December 31, 2023	December 31, 2022
Current		
Other payables		
Payable for salary and bonus	$ 11,772	$ 15,235
Payable for remuneration of directors	3,240	3,240
Payable for employees' compensation	6,350	7,630
Interest payable	3,470	4,419
House Tax Payment	5,068	5,100
Business tax payable	311	1,291
Others	1,564	5,212
	$ 31,775	$ 42,127

17. Provisions

	December 31, 2023	December 31, 2022
Current		
Employee Benefits	$ 1,106	$ 1,106

Provisions for employee benefits are accrued for short-term compensated absences to which employees are entitled. The Company shall measure the expected cost of accumulating compensated absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the end of the reporting period, and it shall recognize such cost when the employees render service that increases their entitlement to future compensated absences.

18. Post-Retirement Benefit Plans

a. Defined contribution plans

The Company adopted a pension plan under the Labor Pension Act, which is a government-managed defined contribution plan. The Company has made monthly contributions equal to 6% of each employee’s monthly salary to employees’ individual pension accounts of Bureau of Labor Insurance.

b. Defined benefit plans

The Company adopted the government-managed defined benefit plan under the "Labor Standards Act". Pension of an employee is paid based on an employee's length of service and average monthly salary for the six-month period prior to retirement. The Company contributes an amount equal to 2% of total monthly salaries of the employees to their respective pension funds (the Funds), which are deposited at the Bank of Taiwan by the Labor Pension Fund Supervisory Committee in their name. Before the end of each year, if the assessed amount of the balance in the Funds is inadequate to pay retirement benefits for employees who conform to retirement requirements in the next year, these companies are required to fund the differences in one appropriation before the end of March of the next year. The Funds are administered by the Bureau of Labor Funds, Ministry of Labor; as such, the Company does not have any right to intervene in the investments of the Funds.

The amounts of the defined benefit plans recorded in the parent company only balance sheet were as follows:

	December 31, 2023	December 31, 2022
Present value of defined benefit obligation	$ 26,679	$ 33,775
Fair value of plan assets	(31,482)	(30,097)
Contribution deficit (surplus)	(4,803)	3,678
Defined benefit (asset) liability, net	($ 4,803)	$ 3,678

Movements in the net defined benefit liability were as follows:

	Present value of defined benefit obligation	Fair value of plan assets	Defined benefit liability (asset), net
January 1, 2023	$ 33,775	($ 30,097)	$ 3,678
Service cost			
Current service cost	150	-	150
Interest expense (revenue)	380	(342)	38
Recognized in profit and loss	530	(342)	188
Remeasurement:			
Return on plan assets (excluding amounts included in net interest expense)	-	(291)	(291)
Actuarial loss (gain) - changes in financial assumption	150	-	150
Actuarial loss (gain) - experience adjustment	(7,776)	-	(7,776)
Recognized in other comprehensive income	(7,626)	(291)	(7,917)
Contributions from employer	-	(752)	(752)
December 31, 2023	$ 26,679	($ 31,482)	($ 4,803)
January 1, 2022	$ 33,923	($ 23,495)	$ 10,428
Service cost			
Current service cost	345	-	345
Interest expense (revenue)	170	(119)	51
Recognized in profit and loss	515	(119)	396

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	Present value of defined benefit obligation	Fair value of plan assets	Defined benefit liability (asset), net
Remeasurement:			
Return on plan assets (excluding amounts included in net interest expense)	$ -	($ 1,871)	($ 1,871)
Actuarial loss (gain) - changes in financial assumption	(983)	-	(983)
Actuarial loss (gain) - experience adjustment	320	-	320
Recognized in other comprehensive income	(663)	(1,871)	(2,534)
Contributions from employer	-	(4,612)	(4,612)
December 31, 2022	$ 33,775	($ 30,097)	$ 3,678

The amount of the defined benefit plans were recognized in profit or loss by functions as follows:

	2023	2022
Operating expenses	$ 188	$ 396

Through the pension plan under the R.O.C. Labor Standards Act, the Company is exposed to the following risks:

1) Investment risk: The Bureau of Labor Funds, Ministry of Labor, invests the pension funds in domestic and foreign equity and debt securities, bank deposits, etc through self-operation and entrusted operation. However, the return generated by plan assets of the Company shall not be less than the proceeds calculated by the interest rate on a two-year term deposit at the local banks.

2) Interest risk: A decrease in the government bond interest rate will increase the present value of the defined benefit obligation, and the return on the debt investments of the plan assets will also increase, partially offsetting the effect of the net defined benefit liability.

3) Salary risk: The present value of the defined benefit obligation is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the present value of the defined benefit obligation.

The actuarial valuations of the Company's present value of the defined benefit obligation were carried out by qualified actuaries. The material assumptions of the measurement date were as follows:

	December 31, 2023	December 31, 2022
Discount rate	1%	1.125%
Expected growth rate of salary	2%	2%

Assuming reasonable and probable changes were incurred to each material actuarial assumption and all other assumptions were held constant, the present value of the defined benefit obligation would increase (decrease) for the amounts as follows:

	December 31, 2023	December 31, 2022

Discount rate		
Increased by 0.25%	($ 299)	($ 377)
Decreased by 0.25%	$ 306	$ 386
Expected growth rate of salary		
Increased by 0.25%	$ 298	$ 377
Decreased by 0.25%	($ 292)	($ 370)

The sensitivity analysis presented above may not be representative of the actual change in the present value of the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

	December 31, 2023	December 31, 2022
Expected contribution amount in 1 year	$ 588	$ 634
Average maturity period of the defined benefit obligation	4.5 years	4.5 years

19. Maturity Analysis of Assets and Liabilities

The Company classified the assets and liabilities of its construction operations as current and non-current in accordance with the length of the operating cycle of these constructions. The amounts that are expected to be recovered or settled within one year and beyond one year from the balance sheet date are listed as follows:

December 31, 2023	Within 1 Year	Beyond 1 Year	Total
ASSETS			
Cash and Cash Equivalents	$ 2,800,070	$ -	$ 2,800,070
Financial assets at fair value through profit or loss - current	2,852	-	2,852
Notes receivable	11,000	-	11,000
Inventory - buildings and land held for sale	205,665	-	205,665
Inventory - construction in progress	-	3,416,126	3,416,126
Prepayments	5,379	-	5,379
Other financial assets - current	88,841	-	88,841
Other current assets	4,507	-	4,507
	$ 3,118,314	$ 3,416,126	$ 6,534,440
Liabilities			
Short-term borrowings	$ -	$ 593,000	$ 593,000
Contract liabilities	76,412	-	76,412
Notes payable	1,323	-	1,323
Notes payable - related parties	35,175	-	35,175
Accounts payable	347	2,500	2,847
Accounts payable - related parties	36,750	-	36,750
Current tax liabilities	64,709	-	64,709
Other payables	31,775	-	31,775
Provisions - current	1,106	-	1,106
Long-term borrowings matured in one year	119,462	-	119,462
Other current liabilities	2,042	-	2,042
	$ 369,101	$ 595,500	$ 964,601

December 31, 2022	Within 1 Year	Beyond 1 Year	Total
ASSETS			
Cash and Cash Equivalents	$ 2,541,366	$ -	$ 2,541,366
Financial assets at fair value through profit or loss - current	6,382	-	6,382
Notes receivable	5,949	-	5,949
Accounts receivable	25,631	-	25,631
Inventory - buildings and land held for sale	254,715	-	254,715
Inventory - construction in progress	-	4,909,463	4,909,463
Prepayments	4,146	-	4,146
Other financial assets - current	173,557	-	173,557
Other current assets	2,661	-	2,661
	$ 3,014,407	$ 4,909,463	$ 7,923,870
LIABILITIES			
Short-term borrowings	$ 545,000	$ 593,000	$ 1,138,000
Contract liabilities	587,093	-	587,093
Notes payable	14,721	-	14,721
Notes payable - related parties	29,662	-	29,662
Accounts payable	248	2,500	2,748
Accounts payable - related parties	54,600	-	54,600
Current tax liabilities	101,124	-	101,124
Lease liabilities- current	477	-	477
Other payables	42,127	-	42,127
Provisions - current	1,106	-	1,106
Long-term borrowings matured in one year	117,843	-	117,843
Other current liabilities	22,392	-	22,392
	$ 1,516,393	$ 595,500	$ 2,111,893

20. **Equity**

a. Capital stock

Ordinary shares

	December 31, 2023	December 31, 2022
Authorized shares (in thousands)	360,000	360,000
Authorized capital stock	$ 3,600,000	$ 3,600,000
Issued and fully paid shares (in thousands)	285,245	285,245
Issued capital stock	$ 2,852,450	$ 2,852,450

b. Capital surplus

	December 31, 2023	December 31, 2022
To offset a deficit, to be distributed as cash dividends or stock dividends		
Additional paid-in capital	$ 20,894	$ 20,894
Treasury shares transactions	236	236
	$ 21,130	$ 21,130

Such capital surplus may be used to offset a deficit or to be distributed as cash dividends or stock dividends when the company has no deficits; however, the stock dividends have a limitation up to a certain percentage of the paid-in capital per year.

c. Retained earnings and dividend policy

According to the Company's earnings distribution policy in Articles of Incorporation, the Company shall make appropriations from its net income (less any deficit), if any, to pay the taxes in compliance with the laws, offset its accumulated losses, set aside a legal reserve at 10% of the remaining earnings, and then set aside or reverse a special reserve in accordance with the relevant laws or regulations. The balance remaining, if any, together with any unappropriated earnings of prior years, shall be proposed by the Board of Directors as a plan for the distribution of the remaining undistributed earnings, and the shareholders shall resolve such plan in the shareholders' meeting in the form of stock dividends. A special resolution of the Board of Directors shall be reported to the shareholders' meeting in the form of cash dividends. Cash dividends of the Company shall not be lower than 30% of total dividends. For the policies on employees' compensation and remuneration of directors, which is stipulated in the Company's Articles of Incorporation, please refer to Note 22(8).

The legal reserve should be appropriated until the remaining balance reaches the Company's total paid-in capital. Legal reserve may be used to offset deficit. If the company has no deficit and the legal reserve has exceeded 25% of the company's paid-in capital, the excess may be transferred to capital or distributed in cash.

The appropriations of earnings of the Company for the years ended December 31, 2022 and December 31, 2021 were as follows:

	2022	2021
Legal reserve	$ 101,806	$ 106,284
Reversal of special reserves.	($ 966)	$ -
Cash dividends	$ 342,294	$ 285,244
Cash dividends per share ($)	$ 1.2	$ 1.0

The above appropriations of cash dividends were approved by the Board of Directors on March 9, 2023 and March 17, 2023, respectively, and the remaining appropriations of earnings were approved by the shareholders' meeting on June 9, 2023 and June 9, 2022, respectively.

The appropriations of earnings and dividends per share for the year ended December 31, 2023 had been proposed by the Founding Co.'s board of directors on March 14, 2024, and they were as follows:

	2023
Legal reserve	$ 89,605
Cash dividends	$ 342,294
Cash dividends per share ($)	$ 1.2

The above appropriations of cash dividends were approved by the Board of Directors. The remaining appropriations of earnings are subject to the resolution at the shareholders' meeting to be held on June 20, 2024.

21. Revenue

	2023	2022
Rental revenue	$ 87,270	$ 86,521
Construction revenue	3,326,474	4,437,419
	$ 3,413,744	$ 4,523,940

a. Explanation of customer contracts

Construction revenue

Penalties for delay of construction are specified in the real estate construction contracts, and the Company considers previous contracts with similar terms and scales to estimate the transaction price based on the most likely amount.

b. Contract balances

	December 31, 2023	December 31, 2022	January 1, 2022
Receivable	$ 11,000	$ 31,580	$ 17,390
Contract liabilities	$ 76,412	$ 587,093	$ 315,387

The changes in the contract asset and liability balances primarily result from the timing difference between the satisfaction of performance obligation and the customer's payment without other significant changes.

The amount of contract liabilities from the beginning of the year recognized as income in the current year was as follows:

	2023	2022
Sale of goods - Construction in progress	$ 578,772	$ 93,812

22. Net Income (Loss) for the Year

Components of profit/ (loss) from continuing operation are as follows:

a. Interest income

	2023	2022
Bank Deposits	$ 15,229	$ 3,524
Others	22	18
	$ 15,251	$ 3,542

b. Other income

	2023	2022
Remuneration of directors income	$ 130	$ 680
Others	222	1,156
	$ 352	$ 1,836

c. Other gains and losses

	2023	2022
Gain (loss) on fair value changes of financial assets at FVTPL	$ 1,638	($ 1,850)
Gains on disposal of investment properties	-	271,279
Others	(1,247)	1,978
	$ 391	$ 271,407

d. Finance costs

	2023	2022
Interest on bank loans	($ 48,047)	($ 53,993)
Imputed interest on deposits	(167)	(85)
Interest on lease liabilities	(3)	(48)
Less: Amounts included in the cost of required assets	48,047	53,992
	($ 170)	($ 134)

Please refer to Note 8(3) for the information about capitalized interest.

e. Depreciation and amortization

	2023	2022
Depreciation expenses by function		
Operating costs	$ 53,464	$ 54,523
Operating expenses	2,184	3,190
	$ 55,648	$ 57,713
Amortization expenses by function		
Operating expenses	$ 149	$ 12

f. Operating expenses directly related to investment property

	2023	2022
Rental cost generated	$ 53,464	$ 54,523

g. Employee benefits expenses

	2023	2022
Post-Retirement Benefits (Note 18)		
Defined contribution plans	$ 9,558	$ 1,748
Defined benefit plans	188	396
	9,746	2,144
Short-term employee benefits		
(salary, incentive, bonus, etc.)	57,419	65,516
Total employee benefit expenses	$ 67,165	$ 67,660
By function		
Operating costs	$ 4,236	$ 4,195
Operating expenses	62,929	63,465
	$ 67,165	$ 67,660

h. Employees’ compensation and remuneration of directors

The Company accrued employees’ compensation and remuneration of directors at the rates of no less than 0.6% and no higher than 3% for employees’ compensation and no higher than 2% for remuneration of directors of net profit before tax. The employees’ compensation and remuneration of directors for the years ended December 31, 2023 and 2022, which were approved by the Company’s board of directors on March 14, 2024 and March 9, 2023, respectively, were as follows:

Accrual rates

	2023	2022
Employees' compensation	0.60%	0.60%
Remuneration of directors	0.31%	0.26%

Amount

	2023	2022
	Cash	Cash
Employees' compensation	$ 6,350	$ 7,630
Remuneration of directors	3,240	3,240

If there is a change in the amounts after the parent company only financial statements are authorized for issue, the differences are recorded as a change in the accounting estimate and adjusted in the accounts in the following year.

There was no difference between the actual amount paid of employees’ compensation and remuneration of directors and the amount recognized in the parent company only financial statements for the years ended December 31, 2022 and 2021.

Information on the employees' compensation and remuneration of directors resolved by the Company's board of directors for the years ended December 31, 2023 and 2022 is available at the Market Observation Post System website of the Taiwan Stock Exchange.

23. Income Tax

a. Income tax recognized in profit or loss

Major components of income tax expense are as follows:

	2023	2022
Current income tax		
In respect of the current year	$ 20,273	$ 44,304
Land value increment tax	28,852	17,918
House and land transactions income tax	76,541	149,230
Surcharges on unappropriated earnings	28,746	33,566
Adjustments for prior years	(1,925)	883
Deferred income tax		
In respect of the current year	5,720	(891)
Income tax expenses recognized in profit or loss	$ 158,207	$ 245,010

A reconciliation of accounting profit and current income tax expense is as follows:

	2023	2022
Profit before income tax from continuing operations	$ 1,047,750	$ 1,259,708
Income tax from profit before income tax calculated at the statutory rate	$ 209,550	$ 251,942
Non-taxable income		
Gain on land sold exempt from income tax	(73,955)	(50,215)
Other non-taxable income	(33,237)	(9,602)
Non-deductible expenses for tax purposes	176	518
Land value increment tax	28,852	17,918
Surcharges on unappropriated earnings	28,746	33,566
Income tax expenses from previous years adjusted for current period	(1,925)	883
Income tax expenses recognized in profit or loss	$ 158,207	$ 245,010

b. Income tax recognized in other comprehensive income

	2023	2022
Deferred income tax		
In respect of the current year		
— Remeasurement of defined benefit plans	$ 1,584	$ 507

c. Current tax assets and liabilities

	December 31, 2023	December 31, 2022
Current tax liabilities		
Income tax payable	$ 64,709	$ 101,124

d. Deferred Tax Assets and Liabilities

The movements of deferred tax assets and liabilities were as follows:

2023

Deferred tax assets	Opening Balance	Recognized in profit and loss	Recognized in other comprehensive income	Closing Balance
Temporary differences				
Defined benefit retirement plans	$ 2,004	($ 113)	$ -	$ 1,891
Loss on idle asset valuation	3,173	-	-	3,173
Deferred selling and marketing expenses	6,796	(5,607)	-	1,189
	$ 11,973	($ 5,720)	$ -	$ 6,253

Deferred tax liabilities	Opening Balance	Recognized in profit and loss	Recognized in other comprehensive income	Closing Balance
Temporary differences				
Defined benefit retirement plans	($ 1,268)	$ -	($ 1,584)	($ 2,852)

2022

Deferred tax assets	Opening Balance	Recognized in profit and loss	Recognized in other comprehensive income	Reclassifications	Closing Balance
Temporary differences					
Defined benefit retirement plans	$ 2,086	($ 843)	($ 507)	$ 1,268	$ 2,004
Loss on idle asset valuation	3,173	-	-	-	3,173
Deferred selling and marketing expenses	5,062	1,734	-	-	6,796
	$ 10,321	$ 891	($ 507)	$ 1,268	$ 11,973

Deferred tax liabilities	Opening Balance	Recognized in profit and loss	Recognized in other comprehensive income	Reclassifications	Closing Balance
Temporary differences					
Defined benefit retirement plans	$ -	$ -	$ -	($ 1,268)	($ 1,268)

e. Amounts of deductible temporary differences for which no deferred tax assets have been recognized in the parent company only balance sheet

	December 31, 2023	December 31, 2022
Deductible temporary differences		
losses on impairment	$ 3,822	$ 13,822
Non-leaving pay	1,106	1,106
	$ 4,928	$ 14,928

f. Income tax assessments

The Company's annual income tax return of a profit-seeking enterprise has been assessed by the tax authorities for the years before 2021.

24. Earnings Per Share

Unit: NT$ per share

	2023	2022
Basic EPS	$ 3.12	$ 3.56
Diluted EPS	$ 3.11	$ 3.55

The earnings and weighted average number of ordinary shares outstanding used in the computation of earnings per share are as follows:

Net Income (Loss) for the Year

	2023	2022
Net profit to calculate basic and diluted EPS	$ 889,543	$ 1,014,698

Number of Shares

Unit: In Thousands of Shares

	2023	2022
Weighted average number of ordinary shares used in the computation of basic earnings per share	285,245	285,245
Effect of dilutive potential ordinary share:		
Employees' compensation	341	509
Weighted average number of ordinary shares used in the computation of dilutive earnings per share	285,586	285,754

If the Company offered to settle the employees’ compensation in cash or shares, the Company presumes that the entire amount of the employees’ compensation would be settled in shares and includes the potential shares that bear dilutive effect in the weighted average number of shares outstanding to calculate the diluted earnings per share. Such dilutive effect of the potential shares is included in the computation of diluted earnings per share until the shareholders resolve the number of shares to be distributed to employees at their meeting in the following year.

25. Information on Cash Flows

a. Non-cash transactions

For the years ended December 31, 2023 and 2022, the Company conducted the following non-cash transactions investments and financing activities.

1) The Company transferred inventories into investment properties, resulting in a decrease of $16,400 thousand in inventories and an increase of the same amount in investment properties for the year ended December 31, 2023.

2) The Company transferred investment properties into inventories, resulting in a decrease in investment properties and an increase in inventories, amounted to $129,872 thousand and $41,530 thousand, respectively, for the years ended December 31, 2023 and 2022.

3) The Company transferred property, plant and equipment into inventories, resulting in a decrease of $34,456 thousand in property, plant and equipment and an increase of the same amount in inventories for the year ended December 31, 2023.

b. Changes in liabilities arising from financing activities

2023

	January 1, 2023	Cash flows	Non-cash changes		December 31, 2023
			New leasing	Others	
Short-term borrowings	$1,138,000	($ 545,000)	$ -	$ -	$ 593,000
Long-term borrowings	1,243,117	(117,857)	-	-	1,125,260
Guarantee deposits	11,424	(143)	-	-	11,281
Lease liabilities	477	(477)	-	-	-
	$2,393,018	($ 663,477)	$ -	$ -	$1,729,541

2022

	January 1, 2022	Cash flows	Non-cash changes		December 31, 2022
			New leasing	Others	
Short-term borrowings	$2,212,730	($1,074,730)	$ -	$ -	$1,138,000
Long-term borrowings	1,667,860	(424,743)	-	-	1,243,117
Guarantee deposits	12,633	(1,209)	-	-	11,424
Lease liabilities	6,347	(1,255)	-	(4,615)	477
	$3,899,570	($1,501,937)	$ -	($ 4,615)	$2,393,018

26. Capital Risk Management

The Company conducts capital management to ensure that it would continue as a going concern with the premise of optimizing the balances of debt and equity, and to maximize shareholders' equity.

The Company's capital structure consists of net debt (which is borrowings less cash and cash equivalents) and equity (which are share capital, capital surplus, retained earnings, and other equity items).

The Company is not subject to any other external capital requirements.

The key management of the Company reviews the capital structure and considers the costs and risks involved in different capital structures when there are new construction projects and operational fund needs. Based on advice of the key management, the Company will balance its overall capital structure through financing. Generally, the Group adopts the conservative risk management strategy.

27. Financial Instruments

a. Information on fair value - financial instruments not measured at fair value

Except for long-term borrowings as below, management of the Company believes the carrying amounts of financial assets and financial liabilities not measured at fair value approximate their fair values.

Fair value hierarchy of the above-mentioned fair value measurement was as follows:

December 31, 2023

	Carrying Value	Level 1	Level 2	Level 3	Total
Financial liabilities					
Financial liabilities measured at amortized cost:					
— Long-term borrowings	$1,005,798	$ -	$ 983,253	$ -	$ 983,253

December 31, 2022

	Carrying Value	Level 1	Level 2	Level 3	Total
Financial liabilities					
Financial liabilities measured at amortized cost:					
— Long-term borrowings	$1,125,274	$ -	$1,101,260	$ -	$1,101,260

The above mentioned fair value measurements of Level 2 are determined by the discounted cash flow analysis of the borrowing rate.

b. Information on fair value - financial instruments measured at fair value on a recurring basis

Fair Value Hierarchy

December 31, 2023

	Level 1	Level 2	Level 3	Total
Financial asset at FVTPL				
Fund beneficiary certificates	$ 2,852	$ -	$ -	$ 2,852

December 31, 2022

	Level 1	Level 2	Level 3	Total
Financial asset at FVTPL				
Fund beneficiary certificates	$ 6,382	$ -	$ -	$ 6,382

There was no transfer between Levels 1 and Level 2 for the years ended December 31, 2023 and 2022.

c. Categories of financial instruments

	December 31, 2023	December 31, 2022
Financial assets		
Financial asset at FVTPL		
Mandatorily classified as at FVTPL		
Value Measurement	$ 2,852	$ 6,382
Financial assets at amortized cost (Note 1)	2,901,223	2,748,353
Financial liabilities		
Financial liabilities at amortized cost (Note 2)	1,816,049	2,510,294

Note1: The balances included financial assets measured at amortized cost, which comprise cash and cash equivalents, notes receivable, accounts receivable, other financial assets, refundable deposits, etc.

Note2: The balances included financial liabilities measured at amortized cost, which comprise short-term borrowings, short-term bills payable, notes payable, accounts payable, other payable, long-term borrowings, guarantee deposits, etc.

d. Financial risk management objectives and policies

The Company's major financial instruments included equity investments, accounts receivable, accounts payable, lease liabilities, and borrowings, etc. The Company's Finance division provides services to each business unit, coordinates access to domestic financial markets, and monitors and manages the financial risks relating to the operations of the

Company through internal risk reports that analyze exposures by degree and magnitude of risks. These risks include market risk (including foreign currency risk, interest rate risk and other price risk), credit risk and liquidity risk.

1) Market risk

The Company's operating activities exposed it primarily to the financial risks of changes in interest rates (see paragraph (a) below).

The Company's management methods and assessment methods of the risk exposure to market risks of financial instruments remain unchanged.

a) Interest rate risk

The Company is exposed to interest rate risk because entities in the Company borrow funds at both fixed and floating interest rates. The carrying amount of the Company's respective financial assets and financial liabilities exposed to interest rate risk as stated in the consolidated balance sheet is as follows:

	December 31, 2023	December 31, 2022
Cash flow interest rate risk		
— Financial assets	$ 2,799,835	$ 2,541,148
— Financial liabilities	1,718,260	2,381,117

Sensitivity analysis

The sensitivity analysis below was determined based on the consolidated company's exposure to interest rates for both derivatives and non-derivative instruments at the end of the reporting period. For floating rate liabilities, the analysis was prepared assuming the amount of the liability outstanding at the end of the reporting period was outstanding for the whole year.

If the interest rate had been 0.1% higher and all other variables were held constant, the Company's pre-tax profit for the years ended December 31, 2023 and 2022 would increase/decrease by $1,082 thousand and $160 thousand, respectively, mainly because the Company was exposed to risks from borrowings with variable interest rates and assets with variable interest rates.

b) Other price risk

The Company was exposed to other price risk through its fund beneficiary certificates.

2) Credit risk

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in a financial loss. As of the end of the reporting period, the Company's maximum exposure to credit risk due to failure to discharge an obligation by the counterparties arises from:

a) The carrying amount of the respective recognized financial assets as stated in the parent company only balance sheet.

b) The amount of contingent liabilities generated from financial guarantees that the Company provided.

The Company reviews the recoverable amount of each individual account receivable on the balance sheet date to ensure that adequate allowance is made for possible irrecoverable amounts. In this regard, the management believes that the Company’s credit risk has been significantly reduced.

3) Liquidity risk

The Company manages liquidity risk by monitoring and maintaining a level of cash and cash equivalents deemed adequate to finance the operations and mitigate the effects of fluctuations in cash flows. In addition, management monitors the utilization of bank borrowings and ensures compliance with loan covenants.

Bank loans are an important source of liquidity for the consolidated company. Please refer to (b) financing facilities as described below for the Company's unused financing facilities

a) Liquidity and interest rate risk table for non-derivative financial liabilities

The analysis of the Company’s remaining contractual maturities for its non-derivative financial liabilities with agreed repayment periods was drawn up based on the undiscounted cash flows (including principal and estimated interest) of financial liabilities from the earliest date on which the consolidated company can be required to repay. Therefore, bank borrowings that the Company may be required to repay immediately are listed in the table below at the earliest term disregard the probability of instantly exercising such right by the bank. The analysis of the maturities of other non-derivative financial liabilities is prepared in accordance with the agreed repayment date.

December 31, 2023

	Less than 1 year	2 - 3 years	4 - 5 years	6+ years	Total
Non-derivative financial liabilities					
Non-interest-bearing liabilities	$ 81,000	$ -	$ -	$ -	$ 81,000
Floating interest rate instruments	122,339	854,277	200,083	721,731	1,898,430
	$ 203,339	$ 854,277	$ 200,083	$ 721,731	$ 1,979,430

December 31, 2022

	Less than 1 year	2 - 3 years	4 - 5 years	6+ years	Total
Non-derivative financial liabilities					
Lease liabilities	$ 477	$ -	$ -	$ -	$ 477
Non-interest-bearing liabilities	111,231	-	-	-	111,231
Floating interest rate instruments	677,742	887,284	194,347	816,241	2,575,614
	$ 789,450	$ 887,284	$ 194,347	$ 816,241	$ 2,687,322

Additional information about the maturity analysis for lease liabilities:

	Less than 1 year	1 - 5 years	5 - 10 years	10 - 15 years	15 - 20 years	20+ years
Lease liabilities	$ 480	$ -	$ -	$ -	$ -	$ -

b) Financing facilities

	December 31, 2023	December 31, 2022
Unsecured bank borrowings amount (reviewed annually)		
— Amount used	$ -	$ -
— Amount unused	156,000	156,000
	$ 156,000	$ 156,000
Secured bank borrowings amount		
— Amount used	$ 1,718,260	$ 2,381,117
— Amount unused	1,424,740	3,124,863
	$ 3,143,000	$ 5,505,980

28. Related Party Transactions

a. Names and relationships of related parties

Name of related party	Relationship with the Company
Chien-Chiao Construction Co., Ltd. (the "Chien-Chiao Construction")	Investee accounted for using the equity method
FUSHIN Hotel Co., Ltd. (the "FUSHIN Hotel")	〃
Hsin-Long-Hsing Investment Co., Ltd. (the "Hsin-Long-Hsing Co.")	〃
Liu Hua-Hsing	Director of the Company

b. Operating revenue

Line Items	Name of related party	2023	2022
Rental revenue	Chien-Chiao Construction	$ 57	$ 57
	FUSHIN Hotel	57,600	59,882
		$ 57,657	$ 59,939

1) Lease agreement

For the years ended December 31, 2023 and 2022, the related party, FUSHIN Hotel, leased the buildings from the Company for hotel operations at a rent that was based on that of similar assets with monthly lease payments made in accordance with the lease agreement. The expiration date of the lease agreement as of December 31, 2023 ranges from May 31, 2028 to March 31, 2031.

2) Sublease of finance lease

In the fourth quarter of 2019, the Company transferred the office assets originally recorded as right-of-use assets under finance leases to FUSHIN Hotel with the net investment amounted to $3,851 thousand on the beginning date of lease and the lease term of 6 years. No loss allowance of finance lease was recognized for the years ended December 31, 2022 and 2021. A write-down of right-of-use asset costs amounted to $8,628 thousand and accumulated depreciation amounted to $958 thousand on the beginning date of lease. Differences were recognized under long-term investment using equity method and amortized through lease terms amounted to $0 thousand and $2,327 thousand as of December 31, 2023 and 2022

c. Construction subtracting

Details of the names of the construction projects subtracting to the Company's related parties, their total contract price, and their amounts sent for payment approval upon acceptance for the years ended December 31, 2023 and 2022 are as follows:

Name of related party	Project name	Construction contract price	Payment application upon acceptance as of December 31, 2023	Payment application upon acceptance as of December 31, 2022
Chien-Chiao Construction	Founding Yi Pin	$ 645,000	$ 645,000	$ 553,500
	Founding Li Garden	612,000	510,000	363,000
	Star Technology	585,000	461,000	282,000
	Li Ren Ming Di (originally Fu-Yi Tainan NO.2)	275,000	132,500	70,500
	Meditation Garden	195,000	85,000	18,000
	Chief Li Yuan (originally Lung Chuan sec.)	371,500	-	-
		$ 2,683,500	$ 1,833,500	$ 1,287,000

The construction cost shall be paid during the periods of which the estimate at completion based on the projects, and the final payment shall be made after all the work is completed and qualified with formal acceptance. Sight check issued for 50% of the price, and postdated check of one month issued for the other 50%.

The transaction terms of the above-mentioned subcontracting to related parties has no material abnormality.

d. Purchase (including investment in properties)

Name of related party	2023	2022
Chien-Chiao Construction	$ 529,500	$ 780,183

e. Amounts payable to related party

Line Items	Category / Name of related party	December 31, 2023	December 31, 2022
Notes payable	Chien-Chiao Construction	$ 35,175	$ 29,662
Accounts payable	Chien-Chiao Construction	$ 36,750	$ 54,600
Other payables	FUSHIN Hotel	$ 119	$ 154

The outstanding amount of payables - related parties is not collateralized.

f. Guarantee deposits

Name of related party	December 31, 2023	December 31, 2022
FUSHIN Hotel	$ 5,100	$ 5,100

g. Others

Accounts	Name of related party	2023	2022
Operating expenses	FUSHIN Hotel	$ 1,563	$ 2,772
	Liu Hua-Hsing	750	-
		$ 2,313	$ 2,772

h. Compensation of key management personnel

The remuneration of directors and other members of key management personnel for the years ended December 31, 2023 and 2022 was as follows:

	2023	2022
Short-term employee benefits	$ 26,150	$ 25,818
Post-retirement benefits	8,663	824
	$ 34,813	$ 26,642

The remuneration of directors and other members of key management personnel, was determined by the remuneration committee based on the individual performance and market trends.

29. Pledged Assets

The following assets were provided for financial institution or vendor payments as collateral, and each of their carrying amounts is as follows:

	December 31, 2023	December 31, 2022
Inventory - buildings and land held for sale	$ -	$ 183,811
Inventory - construction in progress	3,249,706	4,796,871
Property, plant and equipment	81,122	81,535
Investment properties	3,454,272	3,665,081
	$ 6,785,100	$ 8,727,298

30. Significant Contingent Liabilities and Unrecognized Contract Commitments

Except for those described in other notes, significant commitments and contingencies of the Company on the date of balance sheet were as follows:

a. According to Article 513 of the Civil Code, "when the contract of hire of work is for the construction of a building or other works on land or for vital repairs on such building or works, the undertaker in accordance with the remuneration of the relation of hire of work on the real property of the proprietor upon which the work is done, may demand the proprietor to register a right of mortgage." Hence, the construction company that undertakes the Company's construction project holds the right of mortgage over the construction in progress.

b. The Company entered into contracts amounted to $2,683,500 thousand with contractors undertaking outsourced works and the amounts of $1,833,500 thousand were paid as of December 31, 2023.

31. Supplementary Disclosures

a. Information on Significant Transactions

   1) Financing provided to others. (Table 1)

   2) Endorsements/guarantees provided. (Not applicable)

   3) Marketable securities held at year end. (Table 2)

   4) Marketable securities acquired or disposed of at costs or prices accumulated at least NT$300 million or 20% or greater of the paid-in capital. (None)

   5) Acquisition of individual real estate at costs of at least NT$300 million or 20% or greater of the paid-in capital. (Table 3)

   6) Disposal of individual real estate at prices of at least NT$300 million or 20% or greater of the paid-in capital. (Not applicable)

   7) Total purchases from or sales to related parties amounting to at least NT$100 million or 20% or greater of the paid-in capital. (Table 4)

   8) Receivables from related parties amounting to at least NT$100 million or 20% or greater of the paid-in capital. (Not applicable)

   9) Trading in derivative instruments. (Not applicable)

b. Information on Invested Companies: (Table 5)

c. Information on Investments in Mainland China

   1) Information on any investee in mainland China, showing the name, principal business activities, paid-in capital, method of investment, inward and outward remittance of funds, ownership percentage, investment income or loss, carrying amount of the investment at the end of the period, repatriations of investment income, and limit on the amount of investment in the mainland China area. (Not applicable)

2) Significant transactions directly or indirectly through third region with investee companies in mainland China, and their prices, terms of payment, unrealized gain or loss. (Not applicable)

a) Purchase amount and percentage, and the ending balance and percentage of the related payables.

b) Sales amount and percentage, and the ending balance and percentage of the related receivables.

c) Property transaction amounts and the resulting gain or loss.

d) Ending balances and the purposes of endorsements/guarantees or collateral provided.

e) The maximum remaining balance, ending balance, range of interest rate and total amount of current interest of financing facilities.

f) Other transactions having a significant impact on profit or loss or financial position for the period, such as provision or receipt of service.

d. Information on Major Shareholders:

List of all shareholders with ownership of 5% or greater showing the names and the number of shares and percentage of ownership held by each shareholder: (Table 6)

32. Segment Information

Founding Construction Development Corp. has provided the operating segments disclosure in the consolidated financial statements for the year ended December 31, 2023.

Table 1

Founding Construction Development Corp.

FINANCING PROVIDED TO OTHERS

2023

Unit: NT$ thousands/ Foreign Currency Dollars

Code (Note 1)	Lending company	Lending targets	Transactions	Whether it is a related party	Maximum balance during the period	Ending balance	Actual borrowing amount	Interest rate range	Nature of lending (Note 2)	Amount of business transactions	Reasons for short-term financing	Allowance for bad debts	Collateral	Value of collaterals	Limit on the amount of lending to individual target (Note 3)	Total limit on lending (Note 3)	Remarks
0	Founding Co.	FUSHIN Hotel Co.	Other receivables	Yes	$ 50,000	$ -	$ -	2.35%	2	$ -	Operating turnover	$ -	—	$ -	$ 961,296	$ 1,922,591	

The calculation based on measures governing the limit of each lending company's funds to others is as follows:

Note1: Explanation of the code column as follows:

1.Number 0 represents issuer.

2.Investee companies are numbered in order starting from "1" by company.

Note2: Explanation of the nature of lending column is as follows:

1.Please fill in 1 if it is for the purpose of business transactions.

2.Please fill in 2 if it is for the purpose of short-term financing.

Note3: The calculation is based on measures governing the limit of each lending company's funds to others as follows:

1.Limit on the amount of lending to individual targets = 10% of the net value of Founding Co. = 9,612,956 × 10% = 961,296

Total limit on lending = 20% of the net value of Founding Co. = 9,612,956 × 20% =1,922,591

Table 2

Founding Construction Development Corp.

MARKETABLE SECURITIES HELD AT YEAR END

December 31, 2023

Unit: NT$ thousands

Name of Holding Company	Type and Name of Marketable Security	Relationship with the Issuer of Marketable Security	Name of Account	Ending Balance				Remarks
				Shares (unit)	Carrying Value	Percentage of Ownership (%)	Market Value, Net	
Founding Construction Development Corp.	Beneficiary certificates							
	Mega Global Fund	No	Financial assets measured at fair value through profit or loss - current	73,733.33	$ 2,852	-	$ 2,852	
Chien-Chiao Construction Co., Ltd.	Stock							
	Chao-Teng Hydropower Engineering Co., Ltd.	No	Financial assets measured at fair value through other comprehensive income - non-current	-	$ 4,104	19	$ 4,104	Non-listed (non-OTC) company
Hsin-Long-Hsing Investment Co., Ltd.	Stock							
	YAGEO Corporation	No	Financial assets measured at fair value through profit or loss - current	31,868	$ 19,025	-	$ 19,025	Listed (OTC) company
	Yuanta Financial Holdings Co., Ltd.	No	〃	54,540	1,505	-	1,505	〃
	Yang Ming Marine Transport Corporation	No	〃	100,000	5,130	-	5,130	〃
	Fitipower Integrated Technology Inc.	No	〃	39,000	10,043	-	10,043	〃
	Innolux Display Corp.	No	〃	515,850	7,377	-	7,377	〃
					$ 43,080		$ 43,080	

Table 3

Founding Construction Development Corp. and Subsidiaries

ACQUISITION OF INDIVIDUAL REAL ESTATE AT PRICES OF AT LEAST NT$300 MILLION OR 20% OR GREATER OF THE PAID-IN CAPITAL

2023

Unit: NT$ thousands unless otherwise specified

Name of the Company acquiring real estate property	Name of property	Date of occurrence	Transaction amount	Consideration received	Counterparty	Relationship	If the counterparty is a related party, disclose the previous transfer information				Reference for pricing	Acquisition objectives and usage	Other contractual matters
							Owner	Relationship with the Company	Transfer Date	Amount			
Founding Construction Development Corp.	9 Parcels of Land located on Lot 671, 2nd Subsection, Dehui Section, Zhongshan District, Taipei City	2023.05.30	$ 722,432	Received in full	Natural person who is not related parties	—	—	—	—	$ -	Based on appraisal result (Note 1)	Operational requirements	No

Note1: Based on the appraisal report issued by Chen's Real Estate Appraiser Firm, the estimated subject property value based on comparative pricing is NT$709,743 thousand and the this was approved by the board of directors on May 30,2023.

Table 4

Founding Construction Development Corp.

TOTAL PURCHASES FROM OR SALES TO RELATED PARTIES OF AT LEAST NT$100 MILLION OR 20% OR GREATER OF THE PAID-IN CAPITAL

2023

Unit: NT$ thousands

Buyer/Seller	Counterparty	Relationship	Transaction Details				Terms and Reasons of Abnormal Transaction		Notes/ Accounts Receivable (Payable)		Remarks
			Purchase/ Sales	Amount	% to Total Purchases or Sales	Payment Terms	Unit price	Payment Terms	Balance	% to Total Notes/Accounts Receivable (Payable)	
Founding Co.	Chien-Chiao Co.	Subsidiaries	Purchases (undertaking contracted projects amounted to $2,683,500 thousand)	$ 529,500	38	in compliance with the payment term of the contracts	No abnormality	in compliance with the payment term of the contracts	Notes payable $ 35,175	96	
									Accounts payable 36,750	93	
Chien-Chiao Co.	Founding Co.	Parent company	Sales (undertaking contracted projects amounted to $2,683,500 thousand)	533,537	100	in compliance with the payment term of the contracts	No abnormality	in compliance with the payment term of the contracts	Notes receivable 35,175	100	
									Accounts receivable 36,750	100	

Note: The above transactions were eliminated in preparing the consolidated financial statements.

Table 5

Founding Construction Development Corp.

RELEVANT INFORMATION OF INVESTEE COMPANY (NAME, LOCATION, ETC)

2023

Unit: NT$ thousands

Name of investor company	Investee company	Location	Main businesses	Initial investment amount		Held as of the end of the period			Current profit or loss of the investee company	Investment gain (loss) recognized in the current period	Remarks
				Ending balance of the current period	Ending balance of the previous period	Shares	Ratio (%)	Carrying value			
Founding Co.	Chien-Chiao Co.	5F-5 No. 294, Sec. 1, Dunhua S. Rd., Da'an Dist., Taipei City	Business of buildings and civil construction	$ 51,800	$ 51,800	15,000,000	100	$ 143,556	$ 11,607	$ 64,047	Note 1
Founding Co.	FUSHIN Hotel Co.	No. 152, Sec. 1, Datong Rd., Xizhi Dist., New Taipei City	Catering and restaurant businesses - general hotel businesses	151,000	151,000	15,100,000	94.375	158,400	62,115	62,237	Note 2
Founding Co.	Hsin-Long-Hsing Co.	5F-8 No. 294, Sec. 1, Dunhua S. Rd., Da'an Dist., Taipei City	General investment business	300,000	300,000	30,000,000	100	299,639	31,136	31,136	
Chien-Chiao Co.	FUSHIN Hotel Co.	No. 152, Sec. 1, Datong Rd., Xizhi Dist., New Taipei City	Catering and restaurant businesses - general hotel businesses	9,000	9,000	900,000	5.625	8,666	62,115	3,512	Note 3

Note1: From January 1 to December 31, 2023, Founding Co. recognized incomes of Chien-Chiao Construction Co., Ltd. amounted to $11,607 thousand, an increase of realized gross profit amounted to $52,442 thousand, less effects from application of IFRS 16 amounted to $2 thousand.

Note2: From January 1 to December 31, 2023, Founding Co. recognized incomes of FUSHIN Hotel Co., Ltd. amounted to $58,621 thousand, plus effects from application of IFRS 16 amounted to $3,616 thousand.

Note3: From January 1 to December 31, 2023, Chien-Chiao Construction Co., Ltd. recognized incomes of FUSHIN Hotel Co., Ltd. amounted to $3,494 thousand, plus effects from application of IFRS 16 amounted to $18 thousand.

Table 6

Founding Construction Development Corp.

INFORMATION ON MAJOR SHAREHOLDERS

December 31, 2023

Shareholder's Name	Shares	
	Number of Shares	Percentage of Shares
Mei-Hsiung Investment Co., Ltd.	53,813,212	18.86%
Syntain Co., Ltd.	22,918,571	8.03%
Fu-Hsiung Investment Co., Ltd.	16,187,416	5.67%

Note1: Information on major shareholders in this table is provided by Taiwan Depository & Clearing Corporation according to information on shareholders holding at least 5% or greater of ordinary shares and preferred shares (including treasury shares) that have been issued and delivered without physical registration by the Company on the last business day at the end of the current quarter. Share capital indicated in the Company's consolidated financial statements may differ from the actual number of shares that have been issued and delivered without physical registration as a result of different basis of preparation.

Note2: If a shareholder delivers its shareholding information to the trust, the aforesaid information shall be disclosed by the individual trustee who opened the trust account. For a shareholder who declares its shareholdings as an insider holding more than 10% of shares in accordance with the Securities and Exchange Act, such shareholding information shall include shares held by the shareholder and those delivered to the trust over which the shareholder has the right to determine the use of trust property. For information on declaration of shareholdings by insiders, please visit the Market Observation Post System.

THE CONTENTS OF STATEMENTS OF MAJOR ACCOUNTING ITEMS

Statement 1

Founding Construction Development Corp.

Statement of Financial Assets Measured at Fair Value Through Profit or Loss - Current

December 31, 2023

Unit: NT$ thousands

Name	Shares (unit)	Carrying value	Par value	Unit price	Total amount
Beneficiary certificates					
Mega Global Fund	73,733.33	$ 2,852	$ -	38.68	$ 2,852

Statement 2

Founding Construction Development Corp.

Statement of Construction Inventory

December 31, 2023

Unit: NT$ thousands

	Amount		
		Valuation at the lower of cost or net realizable value	
Item	Cost	Cost	Net realizable value
Buildings and land held for sale (Statement 3)	$ 205,665	$ 205,665	$ 293,154
Construction in progress (Statement 4)	3,416,126	3,416,126	3,753,750
	$ 3,621,791	$ 3,621,791	$ 4,046,904

Statement 3

Founding Construction Development Corp.

Statement of Construction Inventories - Buildings and Land Held for Sale

December 31, 2023

Unit: NT$ thousands

Name	Cost	Valuation at cost and net realizable value		Collateral or Pledge
		Cost	Net realizable value	
Buildings and land held for sale				
Buildings and land held for sale	$ 205,665	$ 205,665	$ 293,154	None
Loss on write-downs of inventories	-	-	-	〃
	$ 205,665	$ 205,665	$ 293,154	

Statement 4

Founding Construction Development Corp.

Statement of Construction Inventories - Construction in progress

2023

Unit: NT$ thousands unless otherwise specified

	Opening balance	Costs incurred during this period	Reclassification during this period	Closing balance	Collateral or pledge
Li Ren Ming Di (originally Chenggong Fuyi No.2)	$ 193,978	$ 61,686	$ -	$ 255,664	Refer to Note 29
Founding Yi Pin	2,078,086	97,865	(2,175,951)	-	Refer to Note 29
Founding Li Garden	1,191,476	159,766	-	1,351,242	Refer to Note 29
Star Technology	674,251	205,739	-	879,990	Refer to Note 29
Meditation Garden	354,372	73,840	-	428,212	Refer to Note 29
Chief Li Yuan (originally Lung Chuan sec.)	300,154	7,050	-	307,204	Refer to Note 29
Others (Note)	117,146	76,668	-	193,814	
	$4,909,463	$ 682,614	($2,175,951)	$3,416,126	

Note: The balance of each item does not exceed 5% of the account balance.

Statement 5

Founding Construction Development Corp.

Statement of Changes in Investments

2023

Unit: NT$ thousands, Except for Earnings per Share (in Dollars)

	Opening balance		Increase in the period		Decrease in the period				Closing balance			Market value or equity, net			Collateral or
	Shares	Amount	Shares	Amount	Shares	Amount	Gain (loss) on investment	Other Comprehensive Income/ (Loss)	Shares	Ownership (%)	Amount	Unit price	Gross price	Valuation basis	Pledge
Measured by using equity method															
Non-listed (non-OTC) company															
Chien-Chiao Construction Co., Ltd. (Note 1, 2)	15,000,000	$ 121,780	-	$ 2,553	-	$ 45,000	$ 64,047	$ 176	15,000,000	100	$ 143,556	18.64	$ 279,616	Equity method	None
FUSHIN Hotel Co., Ltd. (Note 1)	15,100,000	96,163	-	-	-	-	62,237	-	15,100,000	94.375	158,400	9.60	145,027	〃	〃
Hsin-Long-Hsing Investment Co., Ltd. (Note 1)	30,000,000	268,503	-	-	-	-	31,136	-	30,000,000	100	299,639	9.99	299,639	〃	〃
Financial assets measured at fair value through other comprehensive income - non-current															
Non-listed (non-OTC) company															
Greatforce Biochem Tech Co., Ltd.	500,000	-	-	-	500,000	-	-	-	-		-		-	Market price method	None
		$ 486,446		$ 2,553		$ 45,000	$ 157,420	$ 176			$ 601,595		$ 724,282		

Note 1: It was recognized according to the financial statements for the year ended December 31, 2023 audited by a Certified Public Accountant.

Note 2: The increase of $2,553 thousand for the year of Chien-Chiao Construction Co., Ltd. was due to the receipt of the payment of employees' compensation by the parent company; the decrease of $45,000 thousand for the year was due to the payment of dividends.

Founding Construction Development Corp.

Statement of Short-term Borrowings

December 31, 2023

Unit: NT$ thousands

Creditor	Category of borrowings	Ending balance	Terms of Contract	Interest rate range (%)	Financing facilities	Pledge or guarantee
CTBC Corporate Banking	Land finance	$ 345,000	2021.11.18-2025.11.18	2.57	$ 500,000	Hougang Section
Chang Hwa Bank Yung-Chun	Land finance	100,000	2021.07.01-2025.07.01	2.5	204,000	Meditation Garden
〃	Secured loan	-	-	-	70,000	FUSHIN Taipei 2
First Bank Jen-Ai	Land finance	72,000	2019.04.01-2025.06.01	2.5	72,000	Li Ren Ming Di (originally Chenggong Fu-Yi No.2)
〃	Secured loan	-	-	-	20,000	Tainan Fuward
〃	Land finance	-	-	-	143,000	Chief Li Yuan(originally Lung Chuan sec.)
Hua Nan Bank Nan-Neihu	Credit loans	-	-	-	30,000	-
Bank of Taiwan Wan-Hua	Credit loans	-	-	-	36,000	-
Shin Kong Bank Qing-Cheng	Credit loans	-	-	-	30,000	-
Taichung Bank Nei-Hu	Credit loans	-	-	-	30,000	-
Cathay United Bank	Land finance	76,000	2022.03.21-2025.02.25	2.42	476,000	Peipo Section
〃	Credit loans	-	-	-	30,000	−
		$ 593,000			$ 1,641,000	

Statement 7

Founding Construction Development Corp.

Statement of Notes Payable

December 31, 2023

Unit: NT$ thousands

Name of Customer	Memo	Amount
Non-related parties:		
Customer A		$ 300
Customer B		1,020
Others (Note)		3
		$ 1,323
Related parties:		
Chien-Chiao Construction Co., Ltd.	Payments for construction contracts	$ 35,175

Note: The balance of each item does not exceed 5% of the account balance.

Statement 8

Founding Construction Development Corp.

Statement of Accounts Payable

December 31, 2023

Unit: NT$ thousands

Name of Customer	Memo	Amount
Non-related parties:		
Customer C		$ 143
Customer D	Construction Retainage Received	2,500
Others (Note)		204
		$ 2,847
Related parties:		
Chien-Chiao Construction Co., Ltd.	Payments for construction contracts	$ 36,750

Note: The balance of each item does not exceed 5% of the account balance.

Statement 9

Founding Construction Development Corp.

Statement of Contract Liabilities

December 31, 2023

Unit: NT$ thousands

Item	Memo	Amount
Contract liabilities	Cosmos Technology	$ 791
	Founding Yi Pin	74,438
	Others	1,183
		$ 76,412

Statement 10

Founding Construction Development Corp.

Statement of Long-term Borrowings

December 31, 2023

Unit: NT$ thousands

Creditor	Terms of contract	Repayment method	Annual interest rate (%)	Amount: Due in one year	Amount: matured over one year	Amount: Total	Pledge or guarantee
Hua Nan Bank Nan-Neihu	2020.09.30～2025.09.30	Evenly split into a total of 60 installments on a monthly basis.	2.31	$ 30,575	$ 26,024	$ 56,599	3/F, White House Tower
〃	2018.02.26～2033.02.26	Interests paid monthly in the first twelve months; starting the 13th month, a total of 168 installments on a monthly basis.	2.44	24,634	229,529	254,163	FUSHIN Tainan
〃	2018.07.27～2033.07.27	Evenly split principal and interest into a total of 180 installments on a monthly basis.	2.44	6,285	61,397	67,682	FUSHIN Tainan
First Bank Jen-Ai	2010.11.23～2025.11.23	Interests paid monthly in the first thirty-six months; starting the 37th month, evenly split into a total of 144 installments on a monthly basis.	2.47	7,257	7,399	14,656	Tainan Fu Ward
Chang Hwa Bank Yung-Chun	2016.05.23～2036.05.23	Interests paid monthly in the first three years; annuity method applied three years later, evenly split principal into a total of 204 installments on a monthly basis.	2.3	50,711	681,449	732,160	FUSHIN Taipei 2
				$ 119,462	$ 1,005,798	$ 1,125,260	

Statement 11

Founding Construction Development Corp.

Statement of Operating Revenue

2023

Unit: NT$ thousands

Item	Memo	Amount
Construction contract revenue	Founding Yi Pin	$ 3,001,013
	Cosmos Technology	231,819
	Others (Note)	93,642
		3,326,474
Rental revenue		87,270
		$ 3,413,744

Note: Amount for each item does not exceed 5% of the total amount

Statement 12

Founding Construction Development Corp.

Statement of Operating Costs

2023

Unit: NT$ thousands

Item	Amount
Land costs	
Nan Ke Ming Men	$ 23,191
Cosmos Technology	71,074
Founding Yi Pin	1,333,135
	1,427,400
Housing Costs	
Nan Ke Ming Men	47,725
Cosmos Technology	110,877
Founding Yi Pin	752,471
	911,073
Rental costs	53,464
Operating costs	$ 2,391,937

Statement 13

Founding Construction Development Corp.

Statement of Operating Expenses

2023

Unit: NT$ thousands

Item	Memo	Amount
Operating expenses	Salary expenditures	$ 38,033
	Commission expenditures	10,149
	Taxation	21,849
	Advertising fees	23,414
	Retirement benefits	9,746
	Other operating expenses (Note)	44,110
		$ 147,301

Note: Balance for each item does not exceed 5% of the total account balance.

Statement 14

Founding Construction Development Corp.

Statement of Current Employee Benefits, Depreciation, and Amortization Expenses
For the years ended December 31, 2023 and 2022
Unit: NT$ thousands

	2023			2022		
	Recorded under Operating Costs	Recorded under Operating Expenses	Total	Recorded under Operating Costs	Recorded under Operating Expenses	Total
Employee benefits expenses						
Salary expenses	$ 3,740	$ 38,033	$ 41,773	$ 3,747	$ 44,031	$ 47,778
Labor and health insurance expenses	496	3,528	4,024	448	3,866	4,314
Retirement benefits expenses	-	9,746	9,746	-	2,144	2,144
Remuneration of directors	-	3,240	3,240	-	3,240	3,240
Other employee benefits expenses	-	8,382	8,382	-	10,184	10,184
Total	$ 4,236	$ 62,929	$ 67,165	$ 4,195	$ 63,465	$ 67,660
Depreciation expenses	$ 53,464	$ 2,184	$ 55,648	$ 54,523	$ 3,190	$ 57,713
Amortization expenses	$ -	$ 149	$ 149	$ -	$ 12	$ 12

Note:

1. The number of employees of the Company for the year ended December 31, 2023 and 2022 was 48 and 49, respectively; total number of directors is 9, and 5 of the directors are natural person. The number of non-employee directors is 5 and 4, respectively.
2. The average employee benefit expenses (excluding director's remuneration) were $1,487 thousand and $1,432 thousand for the years ended December 31, 2023 and 2022.
3. The average salary expenses were $971 thousand and $1,062 thousand for the years ended December 31, 2023 and 2022. The average salary expenses was decreased by 8.57% for both years.
4. The Company has no supervisor so there is no remuneration of supervisors.
5. Remuneration of directors and officers' compensation of the Company shall be determined based on the position held, education and experience, years of working performance and responsibilities assumed, with reference to the industry standards; In addition, no more than 2% of the Company's surplus at the end of the year, if any, is set aside as directors’ remuneration in accordance with the Company's Articles of Incorporation.
6. Employees' compensation of the Company are evaluated according to their abilities from academic and working experiences and their positions; In addition, no less than 0.6% and no more than 3% of the Company's surplus at the end of the year, if any, is set aside as employee compensation in accordance with the Company's Articles of Incorporation.