Delpha Construction Co., Ltd. and Subsidiaries
Consolidated Financial Statements and
Independent Auditors' Review Report
For the Three Months Ended
March 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.

Table of Contents

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Independent Auditors' Review Report

To Delpha Construction Co., Ltd.

Introduction

We have reviewed the accompanying consolidated balance sheets of Delpha Construction Co., Ltd. (the "Company") and its subsidiaries (the "Group") as of March 31, 2023, the related consolidated statements of comprehensive income, changes in equity and cash flows for the three months ended March 31, 2023, and notes to the consolidated financial statements, including the summary of significant accounting policies (together "the consolidated financial statements"). Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34, "Interim Financial Reporting" as endorsed and became effective by the Financial Supervisory Commission of the Republic of China. Our responsibility is to express a conclusion on these consolidated financial statements based on our reviews.

Scope of Review

Except as explained in the following paragraph, we conducted our reviews in accordance with the International Standard on Review Engagements 2410, "Review of Financial Information Performed by the Independent Auditor of the Entity" of the Republic of China. A review of consolidated financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with the Standards on Auditing of the Republic of China and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Basis for Qualified Conclusion

As explained in Note 4(3), the financial statements of certain insignificant subsidiaries were not reviewed by independent accountants. Those statements reflect total assets of NT$1,540,196 thousand, constituting 7% of the consolidated total assets, and total liabilities of NT$921,304 thousand, constituting 9% of the consolidated total liabilities as of March 31, 2023, respectively; and total comprehensive income of NT$(7,047) thousand, constituting 64% of the consolidated total comprehensive income for the three months ended March 31, 2023, respectively. The information related to above subsidiaries, and associates and joint ventures accounted for under the equity method disclosed in Note 13 was also not reviewed by independent accountants.

Qualified Conclusion

Based on our reviews and the review reports of other independent accountants, except for the effect of such adjustments, if any, as might have been determined to be necessary had the financial statements of certain insignificant subsidiaries been reviewed by independent accountants described in the preceding paragraph, nothing has come to our attention that causes us to believe that the accompanying consolidated financial statements do not present fairly, in all material respects, the consolidated financial position of the Company and its subsidiaries as of March 31, 2023, and their consolidated financial performance and cash flows for the three months ended March 31, 2023, in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34, "Interim Financial Reporting" as endorsed and became effective by the Financial Supervisory Commission of the Republic of China.

Other Matter – Making Reference to the Reviews of Other Independent Accountants

The consolidated financial statements of the Group for the three months ended March 31, 2022, were reviewed by other auditors, who expressed a qualified conclusion on those statements on May 12, 2022.

Lin, Su-Wen

Huang, Chien-Che

Ernst & Young, Taiwan

May 12, 2023

Notice to Readers

The accompanying parent company only financial statements are intended only to present the financial position and results of operations and cash flows in accordance with accounting principles and practices generally accepted in the Republic of China and not those of any other jurisdictions. The standards, procedures and practices to audit such parent company only financial statements are those generally accepted and applied in the Republic of China.

Accordingly, the accompanying parent company only financial statements and report of independent auditors are not intended for use by those who are not informed about the accounting principles or auditing standards generally accepted in the Republic of China, and their applications in practice. As the financial statements are the responsibility of the management, Ernst & Young cannot accept any liability for the use of, or reliance on, the English translation or for any errors or misunderstandings that may derive from the translation.

Delpha Construction Co., Ltd. and Subsidiaries
Consolidated Balance Sheets
As of March 31, 2023, December 31, 2022, and March 31, 2022
(Reviewed Only, Not Audited in Accordance with Standards on Auditing)

(In Thousands of New Taiwan Dollars)

Code	Assets	Notes	March 31, 2023		December 31, 2022		March 31, 2022	
			Amount	%	Amount	%	Amount	%
	Current assets							
1100	Cash and cash equivalents	4,6	$1,388,600	7	$2,135,572	11	$2,666,510	14
1150	Notes receivable, net	4,6	11,636	-	9,281	-	3,214	-
1170	Accounts receivable, net	4,6	1,439	-	306	-	5,378	-
1200	Other receivables	4,6	393	-	-	-	14,170	-
1220	Current tax assets	4,6	675	-	595	-	259	-
130X	Inventories	4,6	17,820,266	86	16,760,895	82	15,138,278	82
1410	Prepayments	6,8	250,316	1	231,481	1	174,444	1
1476	Other current financial assets	6,8	942,930	4	784,447	4	181,964	1
1479	Other current assets-others	6,8	1,461	-	1,329	-	1,005	-
1480	Current assets recognized as incremental costs to obtain contract with customers		198,434	1	169,767	1	130,739	1
11xx	Total current assets		20,616,150	99	20,093,673	99	18,315,961	99
	Non-current assets							
1517	Non-current financial assets at fair value through other comprehensive income	4,6	2,970	-	2,530	-	3,525	-
1600	Property, plant and equipment	4,6	117,522	1	118,318	1	119,484	1
1755	Right-of-use assets	4,6	2,463	-	3,015	-	4,743	-
1780	Intangible assets	4,6	11,410	-	11,410	-	11,410	-
1840	Deferred tax assets	4,6	48,685	-	47,934	-	-	-
1920	Guarantee deposits paid	7	23,702	-	28,633	-	26,791	-
1975	Net defined benefit asset-non-current	6	6,857	-	6,835	-	3,913	-
1990	Other non-current assets-others		5,552	-	5,552	-	5,552	-
15xx	Total non-current assets		219,161	1	224,227	1	175,418	1
1xxx	Total assets		$20,835,311	100	$20,317,900	100	$18,491,379	100

(Please refer to the accompanying notes to the consolidated financial statements)

Delpha Construction Co., Ltd. and Subsidiaries
Consolidated Balance Sheets (Continued)
As of March 31, 2023, December 31, 2022, and March 31, 2022
(Reviewed Only, Not Audited in Accordance with Standards on Auditing)

(In Thousands of New Taiwan Dollars)

Code	Liabilities and Equity	Notes	March 31, 2023 Amount	%	December 31, 2022 Amount	%	March 31, 2022 Amount	%
	Current liabilities							
2100	Short-term borrowings	6,8	$3,772,000	18	$3,609,000	18	$4,086,600	23
2110	Short-term notes and bills payable	4,6	-	-	49,960	-	-	-
2130	Current contract liabilities	4,6	1,148,036	6	948,965	5	561,565	3
2150	Notes payable	4,6	140,114	1	137,825	1	68,737	-
2170	Accounts payable	4,6	81,196	-	98,919	-	68,704	-
2200	Other payables		367,197	2	86,058	-	13,959	-
2230	Current tax liabilities		6,626	-	5,011	-	2,657	-
2250	Current provisions	6	-	-	1,242	-	-	-
2280	Current lease liabilities		2,515	-	3,079	-	4,812	-
2310	Advance receipts		3,739	-	4,812	-	29,637	-
2320	Long-term borrowings, current portion	6,8	3,499,555	17	3,499,555	17	1,157,405	6
2399	Other current liabilities-others		631	-	4,969	-	3,683	-
21xx	Total current liabilities		9,021,609	44	8,449,395	41	5,997,759	32
	Non-current liabilities							
2540	Long-term borrowings	6,8	1,648,130	8	1,346,380	7	3,182,130	18
2645	Guarantee deposits received		2,712	-	3,592	-	1,061	-
25xx	Total non-current liabilities		1,650,842	8	1,349,972	7	3,183,191	18
2xxx	Total liabilities		10,672,451	52	9,799,367	48	9,180,950	50
31xx	Equity attributable to owners of parent							
3100	Common shares							
3110	Ordinary shares	6	8,399,880	40	8,399,880	42	7,743,235	42
3200	Capital surplus	6	1,257,440	6	1,257,084	6	1,125,755	6
3300	Retained earnings	6						
3310	Legal reserve		275,584	1	237,247	1	237,247	1
3320	Special reserve		-	-	-	-	-	-
3350	Unappropriated earnings		(9,968)	-	383,372	2	(42,938)	-
	Total retained earnings		265,616	1	620,619	3	194,309	1
3400	Other equity interest		1,080	-	640	-	1,635	-
31xx	Total equity attributable to owners of parent		9,924,016	47	10,278,223	51	9,064,934	49
36xx	Non-controlling interests	6	238,844	1	240,310	1	245,495	1
3xxx	Total equity		10,162,860	48	10,518,533	52	9,310,429	50
	Total liabilities and equity		$20,835,311	100	$20,317,900	100	$18,491,379	100

(Please refer to the accompanying notes to the consolidated financial statements)

Delpha Construction Co., Ltd. and Subsidiaries

Consolidated Statements of Comprehensive Income

For the Three Months Ended March 31, 2023 and 2022

(Reviewed Only, Not Audited in Accordance with Standards on Auditing)

(In Thousands of New Taiwan Dollars)

			For the three months ended			
			March 31, 2023		March 31, 2022	
Code	Item	Notes	Amount	%	Amount	%
4000	Operating revenue	6,7	$3,889	100	$238,556	100
5000	Operating costs	6,7	(2,179)	(56)	(177,739)	(75)
5900	Gross profit from operating		1,710	44	60,817	25
6000	Operating expenses	6				
6100	Selling expenses		(3,304)	(85)	(13,943)	(6)
6200	Administrative expenses		(15,446)	(397)	(18,051)	(7)
	Total operating expenses		(18,750)	(482)	(31,994)	(13)
6900	Net operating income (loss)		(17,040)	(438)	28,823	12
7000	Non-operating income and expenses					
7010	Other income	6,7	13,387	344	262	-
7100	Interest income		809	21	352	-
7020	Other gains and losses	6	(3,314)	(85)	2,859	1
7050	Financial costs	6	(4,402)	(113)	(3,812)	(1)
	Total non-operating income and expenses		6,480	167	(339)	-
7900	Net profit (Loss) before tax		(10,560)	(271)	28,484	12
7950	Income tax expense	4,6	(874)	(22)	(1,399)	(1)
8200	Net profit (loss)		(11,434)	(293)	27,085	11
8300	Other comprehensive income	6				
8310	Components of other comprehensive income that will not be reclassified to profit or loss:					
8316	Unrealized gains (losses) from investments in equity instruments measured at fair value through other comprehensive income		440	11	338	-
	Total other comprehensive income (net of tax)		440	11	338	-
8500	Total comprehensive income		$(10,994)	(282)	$27,423	11
8600	Profit (loss), attributable to:					
8610	Owners of parent		$(9,968)		$28,082	
8620	Non-controlling interests		(1,466)		(997)	
	Total		$(11,434)		$27,085	
8700	Comprehensive income attributable to:					
8710	Owners of parent		$(9,528)		$28,420	
8720	Non-controlling interests		(1,466)		(997)	
	Total		$(10,994)		$27,423	
	Earnings per share (in dollars)	6				
9750	Basic earnings per share		$(0.01)		$0.04	
Accordance	Diluted earnings per share		$(0.01)		$0.04	

(Please refer to the accompanying notes to the consolidated financial statements)

Delpha Construction Co., Ltd. and Subsidiaries

Consolidated Statements of Changes in Equity

For the Three Months Ended March 31, 2023 and 2022

(Reviewed Only, Not Audited in Accordance with Standards on Auditing)

(In Thousands of New Taiwan Dollars)

	Equity attributable to owners of parent								
			Retained earnings			Other equity interest items			
Item	Ordinary shares	Capital surplus	Legal reserve	Special reserve	Unappropriated earnings	Unrealized gain (loss) on financial assets at fair value through other comprehensive income	Total equity attributable to owners of parent	Non-controlling interests	Total equity
Balance as of January 1, 2022	$7,207,525	$1,018,613	$237,247	$-	$(71,020)	$1,297	$8,393,662	$246,492	$8,640,154
Profit for the three months ended March 31, 2022	-	-	-	-	28,082	-	28,082	(997)	27,085
Other comprehensive income for the three months ended March 31, 2022	-	-	-	-	-	338	338	-	338
Total comprehensive income for the three months ended March 31, 2022	-	-	-	-	28,082	338	28,420	(997)	27,423
Issue of shares	535,710	107,142	-	-	-	-	642,852	-	642,852
Balance on March 31, 2022	$7,743,235	$1,125,755	$237,247	$-	$(42,938)	$1,635	$9,064,934	$245,495	$9,310,429
Balance as of January 1, 2023	$8,399,880	$1,257,084	$237,247	$-	$383,372	$640	$10,278,223	$240,310	$10,518,533
Legal reserve appropriated	-	-	38,337	-	(38,337)	-	-	-	-
Cash divdends of ordinary share	-	-	-	-	(345,035)	-	(345,035)	-	(345,035)
Capital surplus transferred from unclaimed dividends	-	356	-	-	-	-	356	-	356
Profit for the three months ended March 31, 2023	-	-	-	-	(9,968)	-	(9,968)	(1,466)	(11,434)
Other comprehensive income for the three months ended March 31, 2023	-	-	-	-	-	440	440	-	440
Total comprehensive income for the three months ended March 31, 2023	-	-	-	-	(9,968)	440	(9,528)	(1,466)	(10,994)
Balance on March 31, 2023	$8,399,880	$1,257,440	$275,584	$-	$(9,968)	$1,080	$9,924,016	$238,844	$10,162,860

(Please refer to the accompanying notes to the consolidated financial statements)

Delpha Construction Co., Ltd. and Subsidiaries
Consolidated Statements of Cash Flows
For the Three Months Ended March 31, 2023 and 2022
(Reviewed Only, Not Audited in Accordance with Standards on Auditing)

(In Thousands of New Taiwan Dollars)

Item	For the three months ended March 31, 2023	For the three months ended March 31, 2022
Cash flows from operating activities:		
Profit (Loss) before tax	$(10,560)	$28,484
Adjustments:		
Adjustments to reconcile profit (loss):		
Depreciation expense	1,485	1,409
Amortization expense	56	60
Interest income	(809)	(352)
Interest expense	4,402	3,812
Changes in operating assets and liabilities:		
Decrease (increase) in notes receivable	(2,355)	(84)
Decrease (increase) in accounts receivable	(1,133)	(5,372)
Decrease (increase) in other receivable	(393)	(14,117)
Decrease (increase) in inventories	(1,012,724)	(1,330,065)
Decrease (increase) in prepayments	(18,891)	(15,051)
Decrease (increase) in other financial assets	(158,483)	(24,925)
Decrease (increase) in other current assets	(132)	(55)
Decrease (increase) in other non-current assets	-	-
Decrease (increase) in net defined benefit assets	(22)	(6)
Decrease (increase) in assets recognized as incremental costs to obtain contract with customers	(28,667)	(392)
Increase (decrease) in contract liabilities	199,071	29,106
Increase (decrease) in notes payable	2,289	(40,124)
Increase (decrease) in accounts payable	(17,723)	(18,679)
Increase (decrease) in other payable	(64,567)	(6,449)
Increase (decrease) in provisions	(1,242)	(1,107)
Increase (decrease) in receipts in advance	(1,073)	1,622
Increase (decrease) in other current liabilities	(4,338)	1,578
Other adjustments to reconcile profit (loss)	(5)	-
Cash inflow (outflow) generated from operations	(1,115,814)	(1,390,707)
Interest received	809	352
Interest paid	(50,365)	(35,321)
Income taxes refund (paid)	(90)	(498)
Net cash flows from (used in) operating activities	(1,165,460)	(1,426,174)
Cash flows from investing activities:		
Acquisition of property, plant and equipment	(112)	(1,754)
Decrease in guarantee deposits paid	4,931	12,145
Net cash flows from (used in) investing activities	4,819	10,391
Cash flows from financing activities:		
Increase in short-term borrowings	163,000	95,879
Decrease in short-term notes and bills payable	(49,960)	(49,998)
Proceeds from long-term borrowings	308,000	292,451
Repayments of long-term borrowings	(6,250)	(60,000)
Decrease in guarantee deposits received	(880)	(106)
Repayments of lease liabilities	(597)	(595)
Proceeds from issuing shares	-	642,852
Other financing activities	356	-
Net cash flows from (used in) financing activities	413,669	920,483
Net increase (decrease) in cash and cash equivalents	(746,972)	(495,300)
Cash and cash equivalents at the beginning of period	2,135,572	3,161,810
Cash and cash equivalents at the end of period	$1,388,600	$2,666,510

(Please refer to the accompanying notes to the consolidated financial statements)

Delpha Construction Co., Ltd. and Subsidiaries
Notes to the Consolidated Financial Statements
March 31, 2023 and 2022
(Reviewed Only, Not Audited in Accordance with Standards on Auditing)
(Amounts in Thousands of New Taiwan Dollars, Unless Otherwise Specified)

1. History and organization

Delpha Construction Co., Ltd. (the "Company") was incorporated in December 1960 with the approval of the Ministry of Economic Affairs. The Company and its subsidiaries (collectively, the "Group") primarily engaged in building commercial buildings by commissioning construction building companies, selling and leasing of public housing, development of specific professional areas, interior decoration, property rent/sale real estate agency, and the operation of and investment in related businesses. The Company's stocks were listed on the TWSE in 1995. And the address is registered at 16F, No. 460, Sec. 5, Chenggong Rd., Neihu Dist., Taipei City.

2. Date and procedures of authorization of financial statements for issue

The consolidated financial statements of the Company and its subsidiaries ("the Group") for the three months ended March 31, 2023 and 2022 were authorized for issue by the Board of Directors on May 12, 2023.

3. Newly issued or revised standards and interpretations

(1) Changes in accounting policies resulting from applying for the first-time certain standards and amendments.

The Group applied for the first time International Financial Reporting Standards, International Accounting Standards, and Interpretations issued, revised or amended which are recognized by Financial Supervisory Commission ("FSC") and become effective for annual periods beginning on or after January 1, 2023. The adoption of these new standards and amendments had no material impact on the Group.

(2) Standards or interpretations issued, revised or amended, by International Accounting Standards Board ("IASB") but not yet endorsed by FSC, and not yet adopted by the Group as of the end of the reporting period are listed below.

Items	New, Revised or Amended Standards and Interpretations	Effective Date issued by IASB
a	IFRS 10 "Consolidated Financial Statements" and amendments to IAS 28 "Investments in Associates and Joint Ventures" — Sale or Contribution of Assets between an Investor and its Associate or Joint Ventures	To be determined by IASB
b	IFRS 17 "Insurance Contracts"	January 1, 2023
c	Classification of Liabilities as Current or Non-current – Amendments to IAS 1	January 1, 2024
d	Lease Liability in a Sale and Leaseback – Amendments to IFRS 16	January 1, 2024
e	Non-current Liabilities with Covenants – Amendments to IAS 1	January 1, 2024

(a) IFRS 10“Consolidated Financial Statements” and amendments to IAS 28 “Investments in Associates and Joint Ventures” — Sale or Contribution of Assets between an Investor and its Associate or Joint Ventures

The amendments address the inconsistency between the requirements in IFRS 10 “Consolidated Financial Statements” and IAS 28 “Investments in Associates and Joint Ventures”, in dealing with the loss of control of a subsidiary that is contributed to an associate or a joint venture. IAS 28 restricts gains and losses arising from contributions of non-monetary assets to an associate or a joint venture to the extent of the interest attributable to the other equity holders in the associate or joint ventures. IFRS 10 requires full profit or loss recognition on the loss of control of the subsidiary. IAS 28 was amended so that the gain or loss resulting from the sale or contribution of assets that constitute a business as defined in IFRS 3 between an investor and its associate or joint venture is recognized in full.

IFRS 10 was also amended so that the gains or loss resulting from the sale or contribution of a subsidiary that does not constitute a business as defined in IFRS 3 between an investor and its associate or joint venture is recognized only to the extent of the unrelated investors’ interests in the associate or joint venture.

(b) IFRS 17 “Insurance Contracts”

IFRS 17 provides a comprehensive model for insurance contracts, covering all relevant accounting aspects (including recognition, measurement, presentation and disclosure requirements). The core of IFRS 17 is the General (building block) Model, under this model, on initial recognition, an entity shall measure a group of insurance contracts at the total of the fulfilment cash flows and the contractual service margin. The carrying amount of a group of insurance contracts at the end of each reporting period shall be the sum of the liability for remaining coverage and the liability for incurred claims.

Other than the General Model, the standard also provides a specific adaptation for contracts with direct participation features (the Variable Fee Approach) and a simplified approach (Premium Allocation Approach) mainly for short-duration contracts.

IFRS 17 was issued in May 2017 and it was amended in 2020 and 2021. The amendments include deferral of the date of initial application of IFRS 17 by two years to annual beginning on or after 1 January 2023 (from the original effective date of 1 January 2021); provide additional transition reliefs; simplify some requirements to reduce the costs of applying IFRS 17 and revise some requirements to make the results easier to explain. IFRS 17 replaces an interim Standard – IFRS 4 Insurance Contracts – from annual reporting periods beginning on or after 1 January 2023.

(c) Classification of Liabilities as Current or Non-current – Amendments to IAS 1

These are the amendments to paragraphs 69-76 of IAS 1 “Presentation of Financial statements” and the amended paragraphs related to the classification of liabilities as current or non-current.

(d) Lease Liability in a Sale and Leaseback – Amendments to IFRS 16

The amendments add seller-lessees additional requirements for the sale and leaseback transactions in IFRS 16, thereby supporting the consistent application of the standard.

(e) Non-current Liabilities with Covenants – Amendments to IAS 1

The amendments improved the information companies provide about long-term debt with covenants. The amendments specify that covenants to be complied with within twelve months after the reporting period do not affect the classification of debt as current or non-current at the end of the reporting period.

The abovementioned standards and interpretations issued by IASB have not yet endorsed by FSC at the date when the Group's financial statements were authorized for issue, the local effective dates are to be determined by FSC. As the Group is still currently determining the potential impact of the standards and interpretations listed under (c) and (e), it is not practicable to estimate their impact on the Group at this point in time. The remaining new or amended standards and interpretations have no material impact on the Group.

4. Summary of significant accounting policies information

(1) Statement of compliance

The consolidated financial statements of the Group for the three months ended March 31, 2023 and 2022 have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers ("the Regulations") and IAS 34 Interim Financial Reporting as endorsed and became effective by the FSC.

(2) Basis of preparation

The consolidated financial statements have been prepared on a historical cost basis, except for financial instruments that have been measured at fair value. The consolidated financial statements are expressed in thousands of New Taiwan Dollars ("NT$") unless otherwise stated.

(3) Basis of consolidation

Preparation principle of consolidated financial statement

Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

(a) Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee).
(b) Exposure, or rights, to variable returns from its involvement with the investee, and;
(c) The ability to use its power over the investee to affect its returns.

When the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

(a) The contractual arrangement with the other vote holders of the investee.
(b) Rights arising from other contractual arrangements.
(c) The Group's voting rights and potential voting rights.

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control.

Subsidiaries are fully consolidated from the acquisition date, being the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases. The financial statements of the subsidiaries are prepared for the same reporting period as the parent company, using uniform accounting policies. All intra-group balances, income and expenses, unrealized gains and losses and dividends resulting from intra-group transactions are eliminated in full.

A change in the ownership interest of a subsidiary, if without a change of control, is accounted for as an equity transaction.

Total comprehensive income of the subsidiaries is attributed to the owners of the parent and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

If the Group loses control of a subsidiary, it:

(a) Derecognizes the assets (including goodwill) and liabilities of the subsidiary;
(b) Derecognizes the carrying amount of any non-controlling interest;
(c) Recognizes the fair value of the consideration received;
(d) Recognizes the fair value of any investment retained;
(e) Reclassifies the parent’s share of components previously recognized in other comprehensive income to profit or loss or retained earnings.
(f) Recognizes any surplus or deficit to profit or loss.

The consolidated entities are listed as follows:

			Percentage of ownership (%)		
Name of investor	Subsidiary	Main businesses	March 31, 2023	December 31, 2022	March 31, 2022
The Company	Huachien Development Co., Ltd. (“Huachien“)	Development, sales, and rental business	58.36%	58.36%	58.36%
The Company	Huajian Construction Co., Ltd. (“Huajian”)	Construction business	100%	100%	100%

The financial statements of some of the consolidated subsidiaries listed above had not been reviewed by auditors. As of March 31, 2023 and 2022, the related assets of the subsidiaries which were unreviewed by auditors amount to $1,540,196 thousand and $1,806,936 thousand, respectively, and the related liabilities amount to $921,304 thousand and $889,390 thousand, respectively. The comprehensive income of these subsidiaries amounts to $(7,047) thousand and $1,348 thousand for the three months ended March 31, 2023 and 2022, respectively.

(4) Foreign currency translation

The Group’s consolidated financial statements are presented in NT$, which is also the Company’s functional currency. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency.

Transactions in foreign currencies are initially recorded by the Group entities at their respective functional currency rates prevailing at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the functional currency closing rate of exchange ruling at the reporting date. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. Non-monetary items that are measured at historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions.

All exchange differences arising on the settlement of monetary items or on translating monetary items are taken to profit or loss in the period in which they arise except for the following:

(a) Exchange differences arising from foreign currency borrowings for an acquisition of a qualifying asset to the extent that they are regarded as an adjustment to interest costs are included in the borrowing costs that are eligible for capitalization.
(b) Foreign currency items within the scope of IFRS 9 "Financial Instruments" are accounted for based on the accounting policy for financial instruments.
(c) Exchange differences arising on a monetary item that forms part of a reporting entity's net investment in a foreign operation is recognized initially in other comprehensive income and reclassified from equity to profit or loss on disposal of the net investment.

When a gain or loss on a non-monetary item is recognized in other comprehensive income, any exchange component of that gain or loss is recognized in other comprehensive income. When a gain or loss on a non-monetary item is recognized in profit or loss, any exchange component of that gain or loss is recognized in profit or loss.

(5) Current and non-current distinction

An asset is classified as current when:

(a) The Group expects to realize the asset, or intends to sell or consume it, in its normal operating cycle.
(b) The Group holds the asset primarily for the purpose of trading.
(c) The Group expects to realize the asset within twelve months after the reporting period.
(d) The asset is cash or cash equivalent unless the asset is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is classified as current when:

(a) The Group expects to settle the liability in its normal operating cycle.
(b) The Group holds the liability primarily for the purpose of trading.
(c) The liability is due to be settled within twelve months after the reporting period.
(d) The Group does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting period. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

All other liabilities are classified as non-current.

The Group engages in the development of public housings by commissioning construction building companies and the sales of residential and commercial buildings. The operating cycle is longer than 1 year (generally 3 years). Therefore, the classification of current and non-current assets and liabilities related to construction business is based on operating cycle.

(6) Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, demand deposits and short-term, highly liquid time deposits (including ones that have maturity within 3 months) or investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

(7) Financial instruments

Financial assets and financial liabilities are recognized when the Group becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities within the scope of IFRS 9 "Financial Instruments" are recognized initially at fair value plus or minus, in the case of investments at fair value through profit or loss, directly attributable transaction costs.

(1) Financial assets: Recognition and Measurement

The Group accounts for regular way purchase or sales of financial assets on the trade date.

The Group classified financial assets as subsequently measured at amortized cost, fair value through other comprehensive income or fair value through profit or loss considering both factors below:

(a) The Group's business model for managing the financial assets and
(b) The contractual cash flow characteristics of the financial assets.

Financial assets measured at amortized cost

A financial asset is measured at amortized cost if both of the following conditions are met and presented as notes receivables, accounts receivables, financial assets measured at amortized cost and other receivables etc., on the balance sheet as at the reporting date:

(a) The financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and
(b) The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Such financial assets are subsequently measured at amortized cost (the amount at which the financial asset is measured at initial recognition minus the principal repayments, plus or minus the cumulative amortization using the effective interest method of any difference between the initial amount and the maturity amount and adjusted for any loss allowance) and is not part of a hedging relationship. A gain or loss is recognized in profit or loss when the financial assets is derecognized, through the amortization process or in order to recognize the impairment gains or losses.

Interest revenue is calculated by using the effective interest method. This is calculated by applying the effective interest rate to the gross carrying amount of a financial asset except for:

(a) Purchased or originated credit-impaired financial assets. For those financial assets, the Group applies the credit-adjusted effective interest rate to the amortized cost of the financial asset from initial recognition.
(b) Financial assets that are not purchased or originated credit-impaired financial assets but subsequently have become credit-impaired financial assets. For those financial assets, the Group applies the effective interest rate to the amortized cost of the financial asset in subsequent reporting periods.

Financial assets measured at fair value through other comprehensive income

A financial asset is measured at fair value through other comprehensive income if both of the following conditions are met:

(a) The financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and
(b) The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Recognition of gain or loss on a financial asset measured at fair value through other comprehensive income are described as below:

(a) A gain or loss on a financial asset measured at fair value through other comprehensive income recognized in other comprehensive income, except for impairment gains or losses and foreign exchange gains and losses, until the financial asset is derecognized or reclassified.
(b) When the financial asset is derecognized the cumulative gain or loss previously recognized in other comprehensive income is reclassified from equity to profit or loss as a reclassification adjustment.
(c) Interest revenue is calculated by using the effective interest method. This is calculated by applying the effective interest rate to the gross carrying amount of a financial asset except for:

    (i) Purchased or originated credit-impaired financial assets. For those financial assets, the Group applies the credit-adjusted effective interest rate to the amortized cost of the financial asset from initial recognition.
    (ii) Financial assets that are not purchased or originated credit-impaired financial assets but subsequently have become credit-impaired financial assets. For those financial assets, the Group applies the effective interest rate to the amortized cost of the financial asset in subsequent reporting periods.

    Besides, for certain equity investments within the scope of IFRS 9 that is neither held for trading nor contingent consideration recognized by an acquirer in a business combination to which IFRS 3 applies, the Group made an irrevocable election to present the changes of the fair value in other comprehensive income at initial recognition. Amounts presented in other comprehensive income shall not be subsequently transferred to profit or loss (when disposal of such equity instrument, its cumulated amount included in other components of equity is transferred directly to the retained earnings) and these investments should be presented as financial assets measured at fair value through other comprehensive income on the balance sheet. Dividends on such investment are recognized in profit or loss unless the dividends clearly represent a recovery of part of the cost of investment.

Financial asset measured at fair value through profit or loss

Financial assets were classified as measured at amortized cost or measured at fair value through other comprehensive income based on aforementioned criteria. All other financial assets were measured at fair value through profit or loss and presented on the balance sheet as financial assets measured at fair value through profit or loss.

Such financial assets are measured at fair value, the gains or losses resulting from remeasurement is recognized in profit or loss which includes any dividend or interest received on such financial assets.

(2) Impairment of financial assets

The Group recognizes a loss allowance for expected credit losses on debt instrument investments measured at fair value through other comprehensive income and financial assets measured at amortized cost. The loss allowance on debt instrument investments measured at fair value through other comprehensive income is recognized in other comprehensive income and not reduce the carrying amount in the balance sheet.

The Group measures expected credit losses of a financial instrument in a way that reflects:

(a) An unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes;
(b) The time value of money; and
(c) Reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions.

The loss allowance is measured as follows:

(a) At an amount equal to 12-month expected credit losses: the credit risk on a financial asset has not increased significantly since initial recognition or the financial asset is determined to have low credit risk at the reporting date. In addition, the Group measures the loss allowance at an amount equal to lifetime expected credit losses in the previous reporting period, but determines at the current reporting date that the credit risk on a financial asset has increased significantly since initial recognition is no longer met.
(b) At an amount equal to the lifetime expected credit losses: the credit risk on a financial asset has increased significantly since initial recognition or financial asset that is purchased or originated credit-impaired financial asset.
(c) For accounts receivables or contract assets arising from transactions within the scope of IFRS 15, the Group measures the loss allowance at an amount equal to lifetime expected credit losses.
(d) For lease receivables arising from transactions within the scope of IFRS 16, the Group measures the loss allowance at an amount equal to lifetime expected credit losses.

At each reporting date, the Group needs to assess whether the credit risk on a financial asset has increased significantly since initial recognition by comparing the risk of a default occurring at the reporting date and the risk of default occurring at initial recognition. Please refer to Note 12 for further details on credit risk.

(3) Derecognition of financial assets

A financial asset is derecognized when:

(a) The rights to receive cash flows from the asset have expired.
(b) The Group has transferred the financial asset and substantially all the risks and rewards of the asset have been transferred.
(c) The Group has neither transferred nor retained substantially all the risks and rewards of the financial asset, but has transferred control of the financial asset.

On derecognition of a financial asset in its entirety, the difference between the carrying amount and the consideration received or receivable including any cumulative gain or loss that had been recognized in other comprehensive income, is recognized in profit or loss.

(4) Financial liabilities and equity

Classification between liabilities or equity

The Group classifies the instrument issued as a financial liability or an equity instrument in accordance with the substance of the contractual arrangement and the definitions of a financial liability, and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. The transaction costs of an equity transaction are accounted for as a deduction from equity (net of any related income tax benefit) to the extent they are incremental costs directly attributable to the equity transaction that otherwise would have been avoided.

Compound instruments

The Group evaluates the terms of the convertible bonds issued to determine whether it contains both a liability and an equity component. Furthermore, the Group assesses if the economic characteristics and risks of the put and call options contained in the convertible bonds are closely related to the economic characteristics and risk of the host contract before separating the equity element.

For the liability component excluding the derivatives, its fair value is determined based on the rate of interest applied at that time by the market to instruments of comparable credit status. The liability component is classified as a financial liability measured at amortized cost before the instrument is converted or settled.

For the embedded derivative that is not closely related to the host contract (for example, if the exercise price of the embedded call or put option is not approximately equal on each exercise date to the amortized cost of the host debt instrument), it is classified as a liability component and subsequently measured at fair value through profit or loss unless it qualifies for an equity component. The equity component is assigned the residual amount after deducting from the fair value of the instrument as a whole the amount separately determined for the liability component. Its carrying amount is not remeasured in the subsequent accounting periods. If the convertible bond issued does not have an equity component, it is accounted for as a hybrid instrument in accordance with the requirements under IFRS 9 “Financial Instruments”.

Transaction costs are apportioned between the liability and equity components of the convertible bond based on the allocation of proceeds to the liability and equity components when the instruments are initially recognized.

On conversion of a convertible bond before maturity, the carrying amount of the liability component being the amortized cost at the date of conversion is transferred to equity.

<u>Financial liabilities</u>

Financial liabilities within the scope of IFRS 9 "Financial Instruments" are classified as financial liabilities at fair value through profit or loss or financial liabilities measured at amortized cost upon initial recognition.

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated as at fair value through profit or loss.

A financial liability is classified as held for trading if:

(a) It is acquired, or incurred principally for the purpose of selling or repurchasing it in the near term;
(b) On initial recognition, it is part of a portfolio of identified financial instruments that are managed together and for which there is evidence of a recent actual pattern of short-term profit-taking; or
(c) It is a derivative (except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument).

If a contract contains one or more embedded derivatives, the entire hybrid (combined) contract may be designated as a financial liability at fair value through profit or loss; or a financial liability may be designated as at fair value through profit or loss when doing so results in more relevant information, because either:

(a) It eliminates or significantly reduces a measurement or recognition inconsistency; or
(b) A group of financial liabilities or financial assets and financial liabilities is managed and its performance is evaluated on a fair value basis, in accordance with a documented risk management or investment strategy, and information about the Group is provided internally on that basis to the key management personnel.

Gains or losses on the subsequent measurement of financial liabilities at fair value through profit or loss including interest paid are recognized in profit or loss.

Financial liabilities at amortized cost

Financial liabilities measured at amortized cost include interest-bearing loans and borrowings that are subsequently measured using the effective interest rate method after initial recognition. Gains and losses are recognized in profit or loss when the financial liabilities are derecognized as well as through the effective interest rate method amortization process.

Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or transaction costs.

Derecognition of financial liabilities

A financial liability is derecognized when the obligation under the financial liability is discharged or cancelled or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified (whether or not attributable to the financial difficulty of the debtor), such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognized in profit or loss.

(5) Offsetting of financial assets and financial liabilities

Financial assets and financial liabilities are offset and the net amount reported in the balance sheet if, and only if, there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the assets and settle the liabilities simultaneously.

(8) Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

(a) In the principal market for the asset or liability, or
(b) In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible to by the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant’s ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

(9) Inventories

Inventories are stated at acquisition or construction costs. The allocation of construction cost to land and buildings sold and unsold is based on relative price or size of land. The interests paid prior to the completion of construction projects are capitalized as cost of inventories in accordance with IFRS 23 “Borrowing Costs”.

Inventories are valued at lower of cost and net realizable value. Inventory write-downs are made item by item, except where it may be appropriate to group similar or related items. Abnormal spoilage of inventories, losses on inventory valuation and obsolescence, and gains from price recovery should be recognized in the period incurred. Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

The Group acquires specific rights of superficies and land-use rights for its future development on lands. These rights on land meet the definitions of inventories in Paragraphs 6 and 8 in IAS2, Inventories. Therefore, the royalties for registration of superficies are recognized as construction costs and will be transferred to operating cost based on the ratio of area sold to total area when the construction is completed. The rent expenses after establishment of superficies, are deemed as necessary expenses incurred for the establishment and shall be recognized as expenses in the period incurred, no matter they incur in the construction periods or operation periods.

(10) Investments accounted for using the equity method

The Group's investment in its associate is accounted for using the equity method other than those that meet the criteria to be classified as held for sale. An associate is an entity over which the Group has significant influence. A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture.

Under the equity method, the investment in the associate or an investment in a joint venture is carried in the balance sheet at cost and adjusted thereafter for the post-acquisition change in the Group's share of net assets of the associate or joint venture. After the interest in the associate or joint venture is reduced to zero, additional losses are provided for, and a liability is recognized, only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate or joint venture. Unrealized gains and losses resulting from transactions between the Group and the associate or joint venture are eliminated to the extent of the Group's related interest in the associate or joint venture.

When changes in the interests of an associate or a joint venture occur and not those that are recognized in profit or loss or other comprehensive income and do not affects the Group's percentage of ownership interests in the associate or joint venture, the Group recognizes such changes in equity based on its percentage of ownership interests. The resulting capital surplus recognized will be reclassified to profit or loss at the time of disposing the associate or joint venture on a pro rata basis.

When the associate or joint venture issues new stock, and the Group's interest in an associate or a joint venture is reduced or increased as the Group fails to acquire shares newly issued in the associate or joint venture proportionately to its original ownership interest, the increase or decrease in the interest in the associate or joint venture is recognized in Additional Paid in Capital and Investment accounted for using the equity method. When the interest in the associate or joint venture is reduced, the cumulative amounts previously recognized in other comprehensive income are reclassified to profit or loss or other appropriate items. The aforementioned capital surplus recognized is reclassified to profit or loss on a pro rata basis when the Group disposes the associate or joint venture.

The financial statements of the associate or joint venture are prepared for the same reporting period as the Group. Where necessary, adjustments are made to bring the accounting policies in line with those of the Group.

The Group determines at each reporting date whether there is any objective evidence that the investment in the associate or an investment in a joint venture is impaired in accordance with IAS 28 “Investments in Associates and Joint Ventures”. If this is the case the Group calculates the amount of impairment as the difference between the recoverable amount of the associate or joint venture and its carrying value and recognizes the amount in the ‘share of profit or loss of an associate’ in the statement of comprehensive income in accordance with IAS 36 “Impairment of Assets”. In determining the value in use of the investment, the Group estimates:

(1) Its share of the present value of the estimated future cash flows expected to be generated by the associate or joint venture, including the cash flows from the operations of the associate and the proceeds on the ultimate disposal of the investment; or
(2) The present value of the estimated future cash flows expected to arise from dividends to be received from the investment and from its ultimate disposal.

Because goodwill that forms part of the carrying amount of an investment in an associate or an investment in a joint venture is not separately recognized, it is not tested for impairment separately by applying the requirements for impairment testing goodwill in IAS 36 “Impairment of Assets”.

Upon loss of significant influence over the associate or joint venture, the Group measures and recognizes any retaining investment at its fair value. Any difference between the carrying amount of the associate or joint venture upon loss of significant influence and the fair value of the retaining investment and proceeds from disposal is recognized in profit or loss. Furthermore, if an investment in an associate becomes an investment in a joint venture or an investment in a joint venture becomes an investment in an associate, the Group continues to apply the equity method and does not remeasure the retained interest.

(11) Property, plant and equipment

Property, plant and equipment is stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Such cost includes the cost of dismantling and removing the item and restoring the site on which it is located and borrowing costs for construction in progress if the recognition criteria are met. Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item is depreciated separately. When significant parts of property, plant and equipment are required to be replaced in intervals, the Group recognized such parts as individual assets with specific useful lives and depreciation, respectively. The carrying amount of those parts that are replaced is derecognized in accordance with the derecognition provisions of IAS 16 “Property, plant and equipment”. When a major inspection is performed, its cost is recognized in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognized in profit or loss as incurred.

Depreciation is calculated on a straight-line basis over the estimated economic lives of the following assets:

Buildings	5～50 years
Transportation equipment	5~8 years
Office equipment	3~5 years
Other equipment	5~8 years
Leasehold improvements	The shorter of lease terms or economic useful lives

An item of property, plant and equipment and any significant part initially recognized is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset is recognized in profit or loss.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

(12) Investment property

The Group's owned investment properties are measured initially at cost, including transaction costs. The carrying amount includes the cost of replacing part of an existing investment property at the time that cost is incurred if the recognition criteria are met and excludes the costs of day-to-day maintenance of an investment property. Subsequent to initial recognition, other than those that meet the criteria to be classified as held for sale (or are included in a disposal group that is classified as held for sale) in accordance with IFRS 5 "Non-current Assets Held for Sale and Discontinued Operations", investment properties are measured using the cost model in accordance with the requirements of IAS 16 "Property, plant and equipment" for that model. If investment properties are held by a lessee as right-of-use assets and is not held for sale in accordance with IFRS 5, investment properties are measured in accordance with the requirements of IFRS 16.

Investment properties are derecognized when either they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognized in profit or loss in the period of derecognition.

The Group transfers properties to or from investment properties according to the actual use of the properties.

The Group transfers properties to or from investment properties when the properties meet, or cease to meet, the definition of investment property and there is evidence of the change in use.

(13) Leases

The Group assesses whether the contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset for a period of time, the Group assesses whether, throughout the period of use, has both of the following:

(a) The right to obtain substantially all of the economic benefits from the use of the identified asset; and
(b) The right to direct the use of the identified asset.

For a contract that is, or contains, a lease, the Group accounts for each lease component within the contract as a lease separately from non-lease components of the contract. For a contract that contains a lease component and one or more additional lease or non-lease components, the Group allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components. The relative stand-alone price of a lease and non-lease components shall be determined on the basis of the price the lessor, or a similar supplier, would charge the Group for that component, or a similar component, separately. If an observable stand-alone price is not readily available, the Group estimates the stand-alone price, maximizing the use of observable information.

Group as a lessee

Except for leases that meet and elect short-term leases or leases of low-value assets, the Group recognizes right-of-use asset and lease liability for all leases which the Group is the lessee of those lease contracts.

At the commencement date, the Group measures the lease liability at the present value of the lease payments that are not paid at that date. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the Group uses its incremental borrowing rate. At the commencement date, the lease payments included in the measurement of the lease liability comprise the following payments for the right to use the underlying asset during the lease term that are not paid at the commencement date:

(a) Fixed payments (including in-substance fixed payments), less any lease incentives receivable;
(b) Variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
(c) Amounts expected to be payable by the lessee under residual value guarantees;
(d) The exercise price of a purchase option if the Group is reasonably certain to exercise that option; and
(e) Payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease.

After the commencement date, the Group measures the lease liability on an amortized cost basis, which increases the carrying amount to reflect interest on the lease liability by using an effective interest method; and reduces the carrying amount to reflect the lease payments made.

At the commencement date, the Group measures the right-of-use asset at cost. The cost of the right-of-use asset comprises:

(a) The amount of the initial measurement of the lease liability;
(b) Any lease payments made at or before the commencement date, less any lease incentives received;
(c) Any initial direct costs incurred by the lessee; and
(d) An estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease.

For subsequent measurement of the right-of-use asset, the Group measures the right-of-use asset at cost less any accumulated depreciation and any accumulated impairment losses. That is, the Group measures the right-of-use by applying a cost model.

If the lease transfers ownership of the underlying asset to the Group by the end of the lease term or if the cost of the right-of-use asset reflects that the Group will exercise a purchase option, the Group depreciates the right-of-use asset from the commencement date to the end of the useful life of the underlying asset. Otherwise, the Group depreciates the right-of-use asset from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term.

The Group applies IAS 36 "Impairment of Assets" to determine whether the right-of-use asset is impaired and to account for any impairment loss identified.

Except for those leases that the Group accounted for as short-term leases or leases of low-value assets, the Group presents right-of-use assets and lease liabilities in the balance sheet and separately presents lease-related interest expense and depreciation expense in the statement of comprehensive income.

For short-term leases or leases of low-value assets, the Group elects to recognize the lease payments associated with those leases as an expense on either a straight-line basis over the lease term or another systematic basis.

Group as a lessor

At inception of a contract, the Group classifies each of its leases as either an operating lease or a finance lease. A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership of an underlying asset. A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership of an underlying asset. At the commencement date, the Group recognizes assets held under a finance lease in its the balance sheet and presents them as receivable at an amount equal to the net investment in the lease.

For a contract that contains lease components and non-lease components, the Group allocates the consideration in the contract applying IFRS 15.

The Group recognizes lease payments from operating leases as rental income on either a straight-line basis or another systematic basis. Variable lease payments for operating leases that do not depend on an index or a rate are recognized as rental income when incurred.

(14) Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is its fair value as of the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and accumulated impairment losses, if any. Internally generated intangible assets, excluding capitalized development costs, are not capitalized and expenditure is reflected in profit or loss for the year in which the expenditure is incurred.

The useful lives of intangible assets are assessed as either finite or indefinite.

Intangible assets with finite lives are amortized over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortization period and the amortization method for an intangible asset with a finite useful life is reviewed at least at the end of each financial year. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset is accounted for by changing the amortization period or method, as appropriate, and are treated as changes in accounting estimates.

Intangible assets with indefinite useful lives are not amortized, but are tested for impairment annually, either individually or at the cash-generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in profit or loss when the asset is derecognized.

<u>Goodwill</u>

The goodwill generated from combination and acquisitions within the Group is not amortized. In addition to regular impairment testing conducted each year, impairment testing should also be performed if there are indications that the carrying amount cannot be recovered. If economic facts or changes in the environment result in impairment of goodwill, a loss should be recognized for the impaired portion, and this impairment loss cannot be reversed thereafter.

The accounting policy information regarding intangible assets of the Group is as follows:

	Goodwill
Useful life	Not sure
Depreciation method used	Not amortized
Internally generated or externally acquired	externally acquired

(15) Impairment of non-financial assets

The Group assesses at the end of each reporting period whether there is any indication that all assets in the scope of IAS 36 “Impairment of Assets” may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset’s recoverable amount. An asset’s recoverable amount is the higher of an asset’s or cash-generating unit’s (“CGU”) fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired loss and is written down to its recoverable amount.

For assets excluding goodwill, an assessment is made at each reporting date as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, the Group estimates the asset's or cash-generating unit's recoverable amount. A previously recognized impairment loss is reversed only if there has been an increase in the estimated service potential of an asset which in turn increases the recoverable amount. However, the reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years.

A cash generating unit, or groups of cash-generating units, to which goodwill has been allocated is tested for impairment annually at the same time, irrespective of whether there is any indication of impairment. If an impairment loss is to be recognized, it is first allocated to reduce the carrying amount of any goodwill allocated to the cash generating unit (group of units), then to the other assets of the unit (group of units) pro rata on the basis of the carrying amount of each asset in the unit (group of units). Impairment losses relating to goodwill cannot be reversed in future periods for any reason.

An impairment loss of continuing operations or a reversal of such impairment loss is recognized in profit or loss.

(16) Provisions

Provisions are recognized when the Group has a present obligation (legal or constructive) as a result of a past event, it is probably that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Where the Group expects some or all of a provision to be reimbursed, the reimbursement is recognized as a separate asset but only when the reimbursement is virtually certain. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

(17) Revenue recognition

The Group's revenue arising from contracts with customers are primarily related to sale of land and buildings. The accounting policies are explained as follows:

The Group constructs and sells residential and commercial buildings by presales. Sales are recognized when control of the assets is transferred to the customers. The assets, subject to the restrictions prescribed in the presale contracts, are not under control of the Group. However, the Group has the legally enforceable right to payment only after the transfer of the ownership to the customers. Therefore, the Group recognizes revenue when the transfer of the ownership is completed and receive payments from customers based on the fixed consideration contract terms, for which the customers make fixed payments according to agreed schedules. Consideration received (or will be received) from customers prior to the Group having satisfied its performance obligations are accounted for as contract liabilities.

Where the contract explicitly or implicitly contains a financing component which provided a significant financial benefit to customs or the Group, the Group adjusts the transaction price to reflect the time value of money. For contracts where the period between the payment and the transfer of the promised goods or services is one year or less, the transaction price is not adjusted for the effects of a significant financing component.

The Group recognizes the incremental costs (mainly comprised of sales commissions) of obtaining a contract with a customer as an asset if the Group expects to recover those costs. The assets are amortized on a systematic basis that is consistent with the Group's revenue recognition. The Group recognizes an impairment loss to the extent that the carrying amount of the assets exceeds the remaining amount of consideration that the Group expects to receive less the cost that have not been recognized as expenses. The incremental costs of obtaining a contract are recognized as an expense when incurred if the amortization period of the assets is less than one year.

(18) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the respective assets. All other borrowing costs are expensed in the period they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

(19) Government grants

Government grants are recognized where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. Where the grant relates to an asset, it is recognized as deferred income and released to income in equal amounts over the expected useful life of the related asset. When the grant relates to an expense item, it is recognized as income over the period necessary to match the grant on a systematic basis to the costs that it is intended to compensate.

Where the Group receives non-monetary grants, the asset and the grant are recorded gross at nominal amounts and released to the statement of comprehensive income over the expected useful life and pattern of consumption of the benefit of the underlying asset by equal annual installments. Where loans or similar assistance are provided by governments or related institutions with an interest rate below the current applicable market rate, the effect of this favorable interest is regarded as additional government grant.

(20) Post-employment benefits

All regular employees of the Company and its domestic subsidiaries are entitled to a pension plan that is managed by an independently administered pension fund committee. Fund assets are deposited under the committee's name in the specific bank account and hence, not associated with the Company and its domestic subsidiaries. Therefore, fund assets are not included in the Group's consolidated financial statements.

For the defined contribution plan, the Company and its domestic subsidiaries will make a monthly contribution of no less than 6% of the monthly wages of the employees subject to the plan, and recognizes expenses in the period.

Post-employment benefit plan that is classified as a defined benefit plan uses the Projected Unit Credit Method to measure its costs based on actuarial assumptions report at the annual reporting date. Re-measurements for net defined benefit assets (liabilities), comprising of the effect of the actuarial gains and losses, the effect of the asset ceiling (excluding net interest) and the return on plan assets, excluding net interest, are recognized as other comprehensive income with a corresponding debit or credit to retained earnings in the period in which they occur. Past service costs are recognized in expense on the earlier of:

(a) The date of the plan amendment or curtailment, and
(b) The date that the Group recognizes restructuring-related costs or termination benefit.

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset, both as determined at the start of the annual reporting period, taking account of any changes in the net defined benefit liability (asset) during the period as a result of contribution and benefit payment.

Pension cost for an interim period is calculated on a year-to-date basis by using the actuarially determined pension cost rate at the end of the prior financial year, adjusted and disclosed for significant market fluctuations since that time and for significant curtailments, settlements, or other significant one-off events.

(21) Income taxes

Income tax expense (income) is the aggregate amount included in the determination of profit or loss for the period in respect of current income tax and deferred tax.

<u>Current income tax</u>

Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period. Current income tax relating to items recognized in other comprehensive income or directly in equity is recognized in other comprehensive income or equity and not in profit or loss.

The income tax for undistributed earnings is recognized as income tax expense in the subsequent year when the distribution proposal is approved by the Shareholders' Meeting.

<u>Deferred tax</u>

Deferred tax is provided on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts on the balance sheet for financial reporting purposes.

Deferred tax liabilities are recognized for all taxable temporary differences, except:

(a) Where the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.
(b) In respect of taxable temporary differences associated with investments in subsidiaries, associates, and interests in joint arrangements, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognized for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized, except:

(a) Where the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.
(b) In respect of deductible temporary differences associated with investments in subsidiaries, associates, and interests in joint arrangements, deferred tax assets are recognized only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilized.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted at the reporting date. The measurement of deferred tax assets and deferred tax liabilities reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities. Deferred tax relating to items recognized outside profit or loss is recognized outside profit or loss. Deferred tax items are recognized in correlation to the underlying transaction either in other comprehensive income or directly in equity. Deferred tax assets are reassessed at each reporting date and are recognized accordingly.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current income tax assets against current income tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Interim period income tax expense is accrued using the tax rate that would be applicable to expected total annual earnings, that is, the estimated average annual effective income tax rate applied to the pre-tax income of the interim period. The estimated average annual effective income tax rate only includes current income tax. The recognition and measurement of deferred tax follows annual financial reporting requirements in accordance with IAS 12. The Group recognizes the effect of change in tax rate for deferred taxes in full if the new tax rate is enacted by the end of the interim reporting period, by charging to profit or loss, other comprehensive income, or directly to equity.

(22) Business combinations and goodwill

Business combinations are accounted for using the acquisition method. The consideration transferred, the identifiable assets acquired and liabilities assumed are measured at acquisition date fair value. For each business combination, the acquirer measures any non-controlling interest in the acquiree either at fair value or at the non-controlling interest's proportionate share of the acquiree's identifiable net assets. Acquisition-related costs are accounted for as expenses in the periods in which the costs are incurred including administrative expenses.

When the Group acquires a business, it assesses the assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as of the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

If the business combination is achieved in stages, the acquisition date fair value of the acquirer's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date through profit or loss.

Any contingent consideration to be transferred by the acquirer will be recognized at the acquisition-date fair value. Subsequent changes to the fair value of the contingent consideration which is deemed to be an asset or liability, will be recognized in accordance with IFRS 9 "Financial Instruments" either in profit or loss or as a change to other comprehensive income. However, if the contingent consideration is classified as equity, it should not be remeasured until it is finally settled within equity.

Goodwill is initially measured as the amount of the excess of the aggregate of the consideration transferred and the non-controlling interest over the net fair value of the identifiable assets acquired and the liabilities assumed. If this aggregate is lower than the fair value of the net assets acquired, the difference is recognized in profit or loss.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. Goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units. Each unit or group of units to which the goodwill is so allocated represents the lowest level within the Group at which the goodwill is monitored for internal management purpose and is not larger than an operating segment before aggregation.

Where goodwill forms part of a cash-generating unit and part of the operation within that unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation. Goodwill disposed of in this circumstance is measured based on the relative recoverable amounts of the operation disposed of and the portion of the cash-generating unit retained.

5. Significant accounting judgements, estimates and assumptions

The preparation of the Group's consolidated financial statements require management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities, at the end of the reporting period. However, uncertainty about these significant assumptions and estimate could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in future periods.

(1) Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

(a) Valuation of inventory

Inventories are stated at the lower of cost or net realizable value, and the Group uses judgement and estimates to determine the net realizable value of inventory at the end of each reporting period. The Group estimates the net realizable value of inventory for obsolescence and unmarketable items at the end of reporting period and then writes down the cost of inventories to net realizable value. The net realizable value of the inventory is mainly determined based on assumption of future demand within a specific time horizon and therefore could result in significant changes. Please refer to Note 6 for more details.

(b) Fair value of financial instruments

Where the fair value of financial assets and financial liabilities recorded in the balance sheet cannot be derived from active markets, they are determined using valuation techniques including the income approach (for example the discounted cash flows model) or market approach. Changes in assumptions about these factors could affect the reported fair value of the financial instruments. Please refer to Note 12 for more details.

(c) Pension benefits

The cost of post-employment benefit and the present value of the pension obligation under defined benefit pension plans are determined using actuarial valuations. An actuarial valuation involves making various assumptions. These include changes in the determination of the discount rate and the future salary etc.

(d) Income tax

Uncertainties exist with respect to the interpretation of complex tax regulations and the amount and timing of future taxable income. Given the wide range of international business relationships and the long-term nature and complexity of existing contractual agreements, differences arising between the actual results and the assumptions made, or future changes to such assumptions, could necessitate future adjustments to tax income and expense already recorded. The Group establishes provisions, based on reasonable estimates, for possible consequences of audits by the tax authorities of the respective counties in which it operates. The amount of such provisions is based on various factors, such as experience of previous tax audits and differing interpretations of tax regulations by the taxable entity and the responsible tax authority. Such differences of interpretation may arise on a wide variety of issues depending on the conditions prevailing in the respective Group company's domicile.

Deferred tax assets are recognized for all carryforward of unused tax losses and unused tax credits and deductible temporary differences to the extent that it is probable that taxable profit will be available or there are sufficient taxable temporary differences against which the unused tax losses, unused tax credits or deductible temporary differences can be utilized. The amount of deferred tax assets determined to be recognized is based upon the likely timing and the level of future taxable profits and taxable temporary differences together with future tax planning strategies.

6. Description of Significant Account Titles

(1) Cash and cash equivalents

	As of		
	March 31, 2023	December 31, 2022	March 31, 2022
Cash on hand and working capital	$510	$480	$529
Check deposits and demand deposits	1,388,090	2,135,092	2,665,981
Total	$1,388,600	$2,135,572	$2,666,510

(2) Financial assets at fair value through other comprehensive income

	As of		
Item	March 31, 2023	December 31, 2022	March 31, 2022
Equity instrument investments measured at fair value through other comprehensive income – Non-current:			
Unlisted stocks	$2,970	$2,530	$3,525
Current	$-	$-	$-
Non-current	2,970	2,530	3,525
Total	$2,970	$2,530	$3,525

Financial assets at fair value through other comprehensive income were not pledged.

(3) Notes receivables

	As of		
Item	March 31, 2023	December 31, 2022	March 31, 2022
Notes receivables arising from operating activities	$11,636	$9,281	$3,214
Notes receivables arising from non-operating activities	-	-	-
Subtotal (total carrying amount)	$11,636	$9,281	$3,214
Less: loss allowance	-	-	-
Total	$11,636	$9,281	$3,214

Notes receivables were not pledged.

The Group follows the requirement of IFRS 9 to assess the impairment. Please refer to Note 6.(16) for more details on loss allowance and Note 12 for details on credit risk management.

(4) Accounts receivables and accounts receivables-related parties

	As of		
	March 31, 2023	December 31, 2022	March 31, 2022
Accounts receivables	$1,439	$306	$5,378
Less: loss allowance	-	-	-
Subtotal	$1,439	$306	$5,378
Accounts receivables from related parties	$-	$-	$-
Less: loss allowance	-	-	-
Subtotal	$-	$-	$-
Total	$1,439	$306	$5,378

Accounts receivables were not pledged.

Accounts receivables are generally on 60 day terms. The total carrying amount as of March 31, 2023, December 31, 2022 and March 31, 2022 were $1,439 thousand, $306 thousand and $5,378 thousand, respectively.

(5) Other receivables

	As of		
	March 31, 2023	December 31, 2022	March 31, 2022
Other receivables	$16,638	$16,245	$30,415
Less: loss allowance	(16,245)	(16,245)	(16,245)
Total	$393	$-	$14,170

Please refer to Note 6.(16) for more details on loss allowance of other receivables for the three months ended March 31, 2023 and 2022. Please refer to Note 12 for more details on credit risk management.

(6) Inventories

	As of		
	March 31, 2023	December 31, 2022	March 31, 2022
Land held for sale	$45,468	$46,636	$135,599
Buildings held for sale	25,166	26,177	94,673
Land held for construction site	13,642,452	13,005,628	12,388,507
Land held for floor-area-ratio transfer	261	261	261
Construction in progress	4,485,389	4,030,670	2,713,660
Prepayment for land purchases	-	29,993	194,974
Less: Allowance for inventory valuation loss	(378,470)	(378,470)	(389,396)
Total	$17,820,266	$16,760,895	$15,138,278

A. Details of Buildings and land held for sale were as follows:

	As of					
	March 31, 2023		December 31, 2022		March 31, 2022	
Project name	Land held for sale	Buildings held for sale	Land held for sale	Buildings held for sale	Land held for sale	Buildings held for sale
Delpha Dream House A	$511	$1,251	$511	$1,251	$511	$1,251
Delpha Living's Home A	1,697	1,471	2,864	2,482	2,864	2,482
Athens Era A	-	456	-	456	-	456
Athens Era B	-	1,722	-	1,722	-	1,722
Shitan Section Case A	43,260	20,266	43,261	20,266	43,261	20,266
Ronxing Section Case	-	-	-	-	88,963	68,496
Total	$45,468	$25,166	$46,636	$26,177	$135,599	$94,673

B. Details of Land held for construction site and Construction in progress:

	As of					
	March 31, 2023		December 31, 2022		March 31, 2022	
Project name	Land held for construction site	Construction in progress	Land held for construction site	Construction in progress	Land held for construction site	Construction in progress
Shulin Case	$112,371	$85,821	$112,371	$85,821	$112,371	$85,821
Delpha Living’s Home B	7,803	1,350	7,803	1,350	7,803	1,350
Xindian He Feng Case	483,764	148,391	483,764	148,391	483,764	148,391
Fu De Section Case B	423	-	423	-	423	-
Xinguang Road Case B	2,217	-	2,217	-	2,217	-
Huaisheng Urban Renewal Project	1,418,917	49,805	1,418,917	49,001	1,418,917	24,042
Yun He Jie Case A	-	-	-	-	621,454	294,534
Yun He Jie Case B	1,712	-	1,712	-	1,712	-
Wenlin N. Road Case	493,915	976	443,418	976	285,172	976
Xinbi Section Case A	801,292	729,846	801,292	656,349	801,292	332,918
Xinbi Section Case B	652,192	193,862	656,192	189,499	-	-
Lejie Section Case A	476,602	436,756	476,602	407,518	476,602	231,419
Lejie Section Case B	507,401	109,809	507,401	105,407	507,401	94,109
Lejie Section Case C	586,327	-	-	-	-	-
Qingxi Section Case A	303,381	245,555	303,381	228,769	303,381	126,718
Qingxi Section Case B	1,133,407	446,551	1,133,407	373,234	1,133,407	174,481
Shanjie Section	333,179	189,712	333,179	163,949	333,179	2,134
Xinzhan Section	175,962	197,787	175,962	154,818	175,962	46,081
Wuri New High-Speed Railway Section	3,895,809	1,539,507	3,895,809	1,364,161	3,895,809	1,115,730
Qing'an Section	656,423	43,312	656,423	39,595	616,374	-
Sanzuowu Section	388,088	25,646	388,088	24,344	-	-
Taiyuan Road Renewal project	1,211,267	40,703	1,211,267	37,488	1,211,267	34,956
Total	$13,642,452	$4,485,389	$13,005,628	$4,030,670	$12,388,507	$2,713,660

C. Details of land held for floor-area-ratio transfer are as follows:

	As of		
Project name	March 31, 2023	December 31, 2022	March 31, 2022
Zheng Ying Section, Taichung City	$261	$261	$261

D. Details of prepayment for land purchases are as follows:

	As of		
Project name	March 31, 2023	December 31, 2022	March 31, 2022
Wenlin N. Road Case	$-	$29,993	$-
Qing'an Section	-	-	13,540
Xinbi Section Case B	-	-	181,434
Total	$-	$29,993	$194,974

E. The capitalized amounts of interest on land held for construction site and construction in progress for the three months ended March 31, 2023 and 2022 were $46,647 thousand and $32,005 thousand, respectively, with capitalized interest rates of 2.375% and 1.724%, respectively.

F. Please refer to Note 8 for more details on inventories pledged as secured liabilities.

G. Description on major construction projects

(A) As of March 31, 2023, the total price of the Company's materials purchased and contracted construction projects of Shitan Section Case A, Yun He Jie Case A, Huaisheng Urban Renewal Project, Xinbi Section Case A, Lejie Section Case A, Lejie Section Case B, Qingxi Section Case A, Qingxi Section Case B, Xinzhan Section, Shanjie Section, and Wuri New High- Speed Railway Section was $3,636,914 thousand, and the price already paid was $1,890,180 thousand.

(B) As of March 31, 2023, except for the above-mentioned projects, the remaining projects have not yet been subcontracted.

H. Cost incurred on inventories for the three months ended March 31, 2023 and 2022 were as follows:

	Three months ended March 31,	
	2023	2022
Cost of selling land and buildings	$2,179	$177,739
Inventory valuation losses	-	-
Total	$2,179	$177,739

(7) Other current financial assets

	As of		
Item	March 31, 2023	December 31, 2022	March 31, 2022
Bank deposits	$942,930	$784,447	$181,964
Current	$942,930	$784,447	$181,964
Non-current	-	-	-
Total	$942,930	$784,447	$181,964

Please refer to Note 8 for more details on other current financial assets under pledge.

(8) Property, plant and equipment

	Land	Buildings	Transportation equipment	Office Equipment	Leasehold Improvements	Others	Total
Cost:							
As of January 1, 2023	$94,331	$39,174	$2,257	$10,174	$1,851	$257	$148,044
Additions	-	-	-	-	-	112	112
As of March 31, 2023	$94,331	$39,174	$2,257	$10,174	$1,851	$369	$148,156
As of January 1, 2022	$94,331	$38,958	$639	$8,847	$1,851	$257	$144,883
Additions	-	-	1,618	136	-	-	1,754
As of March 31, 2022	$94,331	$38,958	$2,257	$8,983	$1,851	$257	$146,637
Depreciation and impairment:							
As of January 1, 2023	$-	$20,564	$761	$7,196	$976	$229	$29,726
Depreciation	-	382	86	284	154	2	908
As of March 31, 2023	$-	$20,946	$847	$7,480	$1,130	$231	$30,634
As of January 1, 2022	$-	$19,003	$439	$6,290	$360	$229	$26,321
Depreciation	-	394	64	220	154	-	832
As of March 31, 2022	$-	$19,397	$503	$6,510	$514	$229	$27,153
Net carrying amount as at:							
March 31, 2023	$94,331	$18,228	$1,410	$2,694	$721	$138	$117,522
December 31, 2022	$94,331	$18,610	$1,496	$2,978	$875	$28	$118,318
March 31, 2022	$94,331	$19,561	$1,754	$2,473	$1,337	$28	$119,484

Please refer to Note 8 for more details on property, plant and equipment under pledge.

(9) Intangible assets

	Goodwill
Cost:	
As of January 1, 2023	$11,410
Acquisitions through business combinations	-
As of March 31, 2023	$11,410
As of January 1, 2022	$11,410
Acquisitions through business combinations	-
As of March 31, 2022	$11,410
Amortization and impairment:	
As of January 1, 2023	$-
Amortization	-
Impairment losses	-
As of March 31, 2023	$-
As of January 1, 2022	$-
Amortization	-
Impairment losses	-
As of March 31, 2022	$-
Net carrying amount as at:	
March 31, 2023	$11,410
December 31, 2022	$11,410
March 31, 2022	$11,410

Amortization expense of intangible assets under the statement of comprehensive income:

	Three months ended March 31,	
	2023	2022
Operating costs	$-	$-
Research and development costs	$-	$-

(10) Short-term borrowings

	As of		
	March 31, 2023	December 31, 2022	March 31, 2022
Unsecured bank borrowings	$444,000	$583,000	$1,142,000
Secured bank borrowings	3,328,000	3,026,000	2,944,600
Total	$3,772,000	$3,609,000	$4,086,600
Interest rate	2.23%~3.00%	2.10%~2.46%	1.60%~2.28%

Please refer to Note 8 for more details on part of inventories and property, plant and equipment pledged as security for short-term borrowings.

(11) Long-term borrowings

Details of long-term borrowings as at March 31, 2023, December 31, 2022 and March 31, 2022 are as follows:

Type	As of March 31, 2023	Interest Rate (%)	Maturity date and terms of repayment
The Company Long-term secured borrowings	$5,147,685	2.31%~2.86%	Effective May 2021 to December 2027, repayments on due day.
Less: current portion	(3,499,555)		
Total	$1,648,130		

Type	As of December 31, 2022	Interest Rate (%)	Maturity date and terms of repayment
The Company Long-term secured borrowings	$4,845,935	2.18%~2.73%	Effective May 2021 to December 2027, repayments on due day.
Less: current portion	(3,499,555)		
Total	$1,346,380		

Type	As of March 31, 2022	Interest Rate (%)	Maturity date and terms of repayment
The Company Long-term secured borrowings	$4,339,535	1.68%~2.16%	Effective May 2021 to December 2027, repayments on due day.
Less: current portion	(1,157,405)		
Total	$3,182,130		

The unused total borrowing limits of the Company as of March 31, 2023, December 31, 2022, and March 31, 2022 were approximately $13,070,000 thousand, $5,673,965 thousand, and $1,747,765 thousand, respectively.

Please refer to Note 8 for more details on the mortgage rights established on certain land and buildings pledged as security for long-term borrowings.

(12) Post-employment benefits

Defined contribution plan

Expenses under the defined contribution plan for the three months ended March 31, 2023 and 2022 amounted to $509 thousand and $395 thousand, respectively.

Defined benefits plan

Expenses under the defined benefits plan for the three months ended March 31, 2023 and 2022 amounted to $(22) thousand and $(5) thousand, respectively.

(13) Provisions

	Provisions for employee benefits
As of January 1, 2023	$1,242
Arising dining the period	-
Utilized	(1,242)
As of March 31, 2023	$-
Current－ March 31, 2023	$-
Non-current－ March 31, 2023	-
Current－ March 31, 2022	$-
Non-current－ March 31, 2022	-
As at 31 March 2022	$-

Provisions for employee benefits

The provision for the liability is calculated at year-end based on historical experience, management's judgement, and other known factors, and it represents the estimated amount for unused vacation bonuses owed to employees. These bonuses will be paid in the following fiscal year.

(14) Equities

A. Common stock

As of March 31, 2023, December 31, 2022 and March 31, 2022, the Company’s authorized capital was both NT$12,000,000 thousand and the issued capital was $8,399,880 thousand, $8,399,880 thousand, and $7,743,235 thousand and 839,988 thousand, 839,988 thousand, and 774,324 thousand shares, respectively, each at a par value of NT$10. Each share has one voting the right and right to receive dividends.

On February 10, 2022 and April 25, 2022, the Board of Directors passed a resolution for the private placement of 53,571 thousand ordinary shares and 65,664 thousand ordinary shares, with a par value of $10 per share at an issue price of $12 per share. The record date of capital increase was February 24, 2022 and May 9, 2022, and the registration of change has been completed with the Ministry of Economic Affairs.

The rights and obligations of this private placement of ordinary shares are the same as other ordinary shares issued, except that there are restrictions on circulation and transfer under the Securities and Exchange Act and the application for listing and trading shall not be filed until three years after the delivery date and public offering is completed.

B. Capital surplus

	As of		
	March 31, 2023	December 31, 2022	March 31, 2022
Additional paid-in capital	$1,247,904	$1,247,904	$1,116,575
Exercise disgorgement	1	1	1
Cash dividend unclaimed for over five years	948	592	592
Share of changes in net assets of associates and joint ventures accounted for using the equity method	8,587	8,587	8,587
Total	$1,257,440	$1,257,084	$1,125,755

According to the Company Act, the capital reserve shall not be used except for making good the deficit of the company. When a company incurs no loss, it may distribute the capital reserves related to the income derived from the issuance of new shares at a premium or income from endowments received by the company. The distribution could be made in cash or in the form of dividend shares to its shareholders in proportion to the number of shares being held by each of them.

C. Retained earnings and dividend policies

According to the Company's Articles of Incorporation, current year's earnings, if any, shall be distributed in the following order:

a. Payment of all taxes and dues;
b. Offset prior years' operation losses;
c. Set aside 10% of the remaining amount after deducting items (a) and (b) as legal reserve;
d. Set aside or reverse special reserve in accordance with law and regulations; and
e. The distribution of the remaining portion, if any, will be recommended by the Board of Directors and resolved in the shareholders' meeting.

If there is a surplus in the Company's fiscal year (after the first half-yearly adjustments), and after items a to d listed above, the Board of Directors will propose a distribution plan to the shareholders' meeting. The distribution plan allows for the allocation of shareholder dividends ranging from 0% to 100% of the distributable profits for the year. However, the cash dividend shall not be less than 10% of the total shareholder dividends. If the distributable profits are lower than 5% of the Company's paid-in capital, no distribution will be made.

According to the Company Act, the Company needs to set aside amount to legal reserve unless where such legal reserve amounts to the total paid-in capital. The legal reserve can be used to make good the deficit of the Company. When the Company incurs no loss, it may distribute the portion of legal serve which exceeds 25% of the paid-in capital by issuing new shares or by cash in proportion to the number of shares being held by each of the shareholders.

According to existing regulations, when the Company distributing distributable earnings, it shall set aside to special reserve, from the profit/loss of the current period and the undistributed earnings from the previous period, an amount equal to "other net deductions from shareholders' equity for the current fiscal year, provided that if the company has already set aside special reserve in the first-time adoption of the IFRS, it shall set aside supplemental special reserve based on the difference between the amount already set aside and other net deductions from shareholders' equity. For any subsequent reversal of other net deductions from shareholders' equity, the amount reversed may be distributed from the special reserve.

On March 31, 2021, the FSC issued Order No. Financial-Supervisory-Securities-Corporate-1090150022, which sets out the following provisions for compliance:

On a public company's first-time adoption of the IFRS, for any unrealized revaluation gains and cumulative translation adjustments (gains) recorded to shareholders' equity that the company elects to transfer to retained earnings by application of the exemption under IFRS 1, the company shall set aside special reserve. For any subsequent use, disposal or reclassification of related assets, the special reserve in the amount equal to the reversal may be released for earnings distribution.

Details of the second half of 2022 earnings distribution and dividends per share as approved and resolved by the board of directors' meeting and shareholders' meeting on March 15, 2023 are as follows:

	Appropriation of earnings	Dividend per share (NT$)
	The second half of 2022	The second half of 2022
Legal reserve	$38,337	$-
Common stock -cash dividend (Note)	345,035	0.41

The board meeting held on August 10, 2022 and the stockholders' meeting on June 30, 2022, resolved not to distribute any surplus for the first half of 2022 and for 2021 due to accumulated losses.

Please refer to Note 6.18 for details on employees' compensation and remuneration to directors and supervisors.

D. Non-controlling interests

	Three months ended March 31,	
	2023	2022
Beginning balance	$240,310	$246,492
Profit attributable to non-controlling interest (loss)	(1,466)	(997)
Ending balance	$238,844	$245,495

(15) Operating revenue

	Three months ended March 31,	
Revenue from contracts with customers	2023	2022
Construction of buildings	$464	$56,472
Construction of Land	263	179,844
Subtotal	727	236,316
Rental revenue	3,162	2,240
Total	$3,889	$238,556

Analysis of revenue from contracts in the Group's with customers during the three months ended March 31, 2023 and 2022 are as follows:

A. Disaggregation of revenue

For the three months ended March 31, 2023:

	The Company	Huachien	Huajian	Total
Sales of buildings	$464	$-	$-	$464
Sales of Land	263	-	-	263
Rental Revenue	998	2,164	-	3,162
Total	$1,725	$2,164	$-	$3,889
Timing of revenue recognition:				
At a point in time	$727	$-	$-	$727
Over time	998	2,164	-	3,162
Total	$1,725	$2,164	$-	$3,889

For the three months ended March 31, 2022:

	The Company	Huachien	Huajian	Total
Sales of buildings	$56,472	$-	$-	$56,472
Sales of Land	179,844	-	-	179,844
Rental Revenue	135	2,105	-	2,240
Total	$236,451	$2,105	$-	$238,556
Timing of revenue recognition:				
At a point in time	$236,316	$-	$-	$236,316
Over time	135	2,105	-	2,240
Total	$236,451	$2,105	$-	$238,556

B. Contract balances

Contract assets – current

	As of			
	March 31, 2023	December 31, 2022	March 31, 2022	January 1, 2022
Contract liability:				
Sales of land and buildings	$1,148,036	$948,965	$561,565	$532,459

The significant changes in the Group's balances of contract assets during the three months ended March 31, 2023 and 2022 are as follows:

	Three months ended March 31,	
	2023	2022
The opening balance transferred to revenue	$-	$(66,236)
Increase in receipts in advance during the period (excluding the amount incurred and transferred to revenue during the period)	225,381	95,342
Refund from contract cancellation	(26,310)	-
Total	$199,071	$29,106

(16) Expected credit losses/ (gains)

	Three months ended March 31,	
	2023	2022
Operating expenses – expected credit losses/(gains)		
Notes receivables	$-	$-
Accounts receivables	-	-
Subtotal	$-	$-
Non-operating income and expenses - expected credit losses/(gains)		
Other receivable	-	-
Total	$-	$-

Please refer to Note 12 for more details on credit risk.

The Group measures the loss allowance of its contract assets and accounts receivables (including note receivables and accounts receivables) at an amount equal to lifetime expected credit losses. The assessment of the Group's loss allowance is as follow:

i. the Group considers the grouping of accounts receivables by counterparties' credit rating, by geographical region and by industry sector and its loss allowance is measured by using a provision matrix. Due to the approximate equality of individual loss rates within the Group, we do not differentiate between subgroups. Details are as follows:

As of March 31, 2023

	Not yet due (note)	Overdue <=30 days	31-90 days	91-180 days	>=181 days	Total
Gross carrying amount	$13,075	$-	$-	$-	$-	$13,075
Loss rate	-%	-%	-%	-%	-%	
Lifetime expected credit losses	-	-	-	-	-	-
Subtotal	$13,075	$-	$-	$-	$-	$13,075

As of December 31, 2022

	Not yet due (note)	Overdue <=30 days	31-90 days	91-180 days	>=181 days	Total
Gross carrying amount	$9,587	$-	$-	$-	$-	$9,587
Loss rate	-%	-%	-%	-%	-%	
Lifetime expected credit losses	-	-	-	-	-	-
Subtotal	$9,587	$-	$-	$-	$-	$9,587

As of March 31, 2022

	Not yet due (note)	Overdue <=30 days	31-90 days	91-180 days	>=181 days	Total
Gross carrying amount	$8,592	$-	$-	$-	$-	$8,592
Loss rate	-%	-%	-%	-%	-%	
Lifetime expected credit losses	-	-	-	-	-	-
Subtotal	$8,592	$-	$-	$-	$-	$8,592

The movement in the provision for impairment of contract assets, note receivables, accounts receivables and other receivables during the three months ended March 31, 2023 and 2022 is as follows:

	Other receivables	Notes receivables	Accounts receivables
Bal. as of January 1, 2023	$16,245	$-	$-
Addition/(reversal) for the current period	-	-	-
Bal. as of March 31, 2023	$16,245	$-	$-
Bal. as of January 1, 2022	$16,245	$-	$-
Addition/(reversal) for the current period	-	-	-
Bal. as at March 31, 2022	$16,245	$-	$-

(17) Leases

A. Group as a lessee

The Group leases various properties, including real estate such as land and buildings. The lease terms range from 1 to 4 years. Except for certain leased assets that are not allowed to be subleased, lent, pledged, or used by others through other indirect methods, no additional restrictions have been imposed on.

The Group’s leases effect on the financial position, financial performance and cash flows are as follow:

(A) Amounts recognized in the balance sheet

a. Right-of-use assets

The carrying amount of right-of-use assets

	As of		
	March 31, 2023	December 31, 2022	March 31, 2022
Buildings	$2,463	$3,015	$4,743

During the three months ended March 31, 2023 and 2022, the Group’s additions to right-of-use assets amounting to $358 thousand and $0 thousand, respectively.

b. Lease liabilities

	As of		
	March 31, 2023	December 31, 2022	March 31, 2022
Lease liabilities	$2,515	$3,079	$4,812
Current	$2,515	$3,079	$4,812
Non-current	-	-	-

Please refer to Note 6.19(3) for the interest on lease liabilities recognized during the three months ended March 31, 2023 and 2022 and refer to Note 12.(5) Liquidity Risk Management for the maturity analysis for lease liabilities.

(B) Amounts recognized in the statement of profit or loss

Depreciation charge for right-of-use assets

	Three months ended March 31,	
	2023	2022
Buildings	$577	$577

(C) Income and costs relating to leasing activities

	Three months ended March 31,	
	2023	2022
The expenses relating to short-term leases	$102	$198
The expenses relating to leases of low-value assets (Not including the expenses relating to short-term leases of low-value assets)	172	110

(D) Cash outflow relating to leasing activities

During the three months ended March 31, 2023 and 2022, the Group's total cash outflows for leases amounting to $871 thousand and $903 thousand, respectively.

B. Group as a lessor

Please refer to Note 6.(8) for details on the Group's owned investment properties and investment properties held by the Group as right-of-use assets. Leases of owned investment properties are classified as operating leases as they do not transfer substantially all the risks and rewards incidental to ownership of underlying assets.

	Three months ended March 31,	
	2023	2022
Lease income for operating leases		
Income relating to lease payments	$3,162	$2,240

Please refer to Note 6.(8) for relevant disclosure of property, plant and equipment (buildings) for operating leases under IFRS 16. For operating leases entered by the Group, the undiscounted lease payments to be received and a total of the amounts for the remaining years as of March 31, 2023 are as follow:

	As of		
	March 31, 2023	December 31, 2022	March 31, 2022
Not later than one year	$7,787	$8,368	$5,275
Later than one year but not later than two years	4,805	4,941	1,898
Later than two years but not later than three years	2,321	3,359	645
Later than three years but not later than four years	-	-	262
Later than four years but not later than five years	-	-	-
Later than five years	-	-	-
Total	$14,913	$16,668	$8,080

(18) Summary statement of employee benefits, depreciation and amortization expenses by function during the three months ended March 31, 2023 and 2022:

	Three months ended March 31,					
	2023			2022		
	Operating costs	Operating expenses	Total amount	Operating costs	Operating expenses	Total amount
Employee benefits expense						
Salaries	$4,502	$7,019	$11,521	$2,307	$8,749	$11,056
Directors' remuneration	-	1,010	1,010	-	1,060	1,060
Labor and health insurance contribution	-	1,439	1,439	-	945	945
Pension costs	-	487	487	-	390	390
Other employee benefits expense	832	441	1,273	1,182	487	1,669
Depreciation expenses	65	1,420	1,485	15	1,394	1,409
Amortization expenses	-	56	56	4	56	60

According to the Articles of Incorporation, 0.5% of profit of the current year is distributable as employees' compensation and no higher than 2% of profit of the current year is distributable as remuneration to directors and supervisors. However, the Company's accumulated losses shall first have been covered. The Company may, by a resolution adopted by a majority vote at a board meeting attended by two-thirds of the total number of directors, have the profit distributable as employees' compensation in the form of shares or in cash; and in addition thereto a report of such distribution is submitted to the shareholders' meeting. Information on the Board of Directors' resolution regarding the employees' compensation and remuneration to directors and supervisors can be obtained from the "Market Observation Post System" on the website of the TWSE.

The Company suffered pretax losses for the years ended March 31, 2023 and 2022 therefore no estimates were made for the employee's compensation and numeration to directors.

A resolution was passed at a board meeting held on March 15, 2023 to distribute $1,707 thousand and $1,999 thousand in cash as employees' compensation and remuneration to directors and supervisors of 2022, respectively. The difference between the amount resolved and the amount recorded as expenses in the financial statements for the year end 2022 resulted from the estimation changes of reduction of $1,415 thousand. This amount has been accounted for as a loss in 2023.

(19) Non-operating income and expenses

(a) Interest income

	Three months ended March 31,	
	2023	2022
Interest on bank deposits	$803	$349
Other interest income	6	3
Total	$809	$352

(b) Other gains and losses

	Three months ended March 31, 2023	2022
Foreign exchange losses (gains), net	$(10)	$2,859
Lease contract modification benefits	5	-
Increase in construction contract	(3,249)	-
Other non-operating losses	(60)	-
Total	$(3,314)	$2,859

(c) Financial costs

	Three months ended March 31, 2023	2022
Interest on borrowings from bank	$51,036	$35,794
Loss: Capitalized interests	(46,647)	(32,005)
Interest on lease liabilities	13	23
Total finance costs	$4,402	$3,812

(20) Components of other comprehensive income

Three months ended March 31, 2023 components of other comprehensive income

	Arising during the period	Reclassification adjustments during the period	Other comprehensive income, before tax	Income tax relating to components of other comprehensive income (expenses)	Other comprehensive income, net of tax
Not to be reclassified to profit or loss in subsequent periods:					
Unrealized gains (losses) from equity instruments investments measured at fair value through other comprehensive income	$440	$-	$440	$-	$440

Three months ended March 31, 2022 components of other comprehensive income

	Arising during the period	Reclassification adjustments during the period	Other comprehensive income, before tax	Income tax relating to components of other comprehensive income (expenses)	Other comprehensive income, net of tax
Not to be reclassified to profit or loss in subsequent periods:					
Unrealized gains (losses) from equity instruments investments measured at fair value through other comprehensive income	$338	$-	$338	$-	$338

(21) Income tax

The major components of income tax expense (income) for the three months ended March 31, 2023 and 2022 are as follows:

Income tax expense (income) recognized in profit or loss

	Three months ended March 31,	
	2023	2022
Current income tax expense (income):		
Current income tax charge	$1,660	$913
Land value increment tax	10	465
Deferred tax expense (income):		
Deferred tax expense (income) relating to origination and reversal of temporary differences	(796)	21
Total income tax expense	$874	$1,399

The assessment of income tax returns

As of March 31, 2023, the assessment of the income tax returns of the Company and its subsidiaries is as follows:

	The assessment of income tax returns
The Company	Assessed and approved up to 2021
Huachien Development Co., Ltd.	Assessed and approved up to 2021
Huachien Construction Co., Ltd.	Assessed and approved up to 2021

(22) Earnings per share

Basic earnings per share amounts are calculated by dividing net profit for the year attributable to ordinary equity holders of the parent entity by the weighted average number of ordinary shares outstanding during the year.

Diluted earnings per share amounts are calculated by dividing the net profit attributable to ordinary equity holders of the parent entity (after adjusting for interest on the convertible preference shares) by the weighted average number of ordinary shares outstanding during the year plus the weighted average number of ordinary shares that would be issued on conversion of all the dilutive potential ordinary shares into ordinary shares.

	Three months ended March 31, 2023	2022
(1) Basic earnings per share		
Profit attributable to ordinary equity holders of the Company (in thousand NT$)	$(9,968)	$28,082
Weighted average number of ordinary shares outstanding for basic earnings per share (in thousands)	839,988	742,181
Basic earnings per share (NT$)	$(0.01)	$0.04
(2) Diluted earnings per share		
Profit attributable to ordinary equity holders of the Company (in thousand NT$)	$(9,968)	$28,082
Weighted average number of ordinary shares outstanding for basic earnings per share (in thousands)	839,988	742,181
Effect of dilution:		
Employee stock options (in thousands)	-	-
Weighted average number of ordinary shares outstanding after dilution (in thousands)	-	-
Diluted earnings per share (NT$)	$(0.01)	$0.04

There have been no other transactions involving ordinary shares or potential ordinary shares between the reporting date and the date of completion of the financial statements.

(23) Subsidiaries that have material non-controlling interests

Financial information of subsidiaries that have material non-controlling interests are provided below:

Proportion of equity interest held by non-controlling interests:

Name	Country of Incorporation and operation	As of March 31, 2023	December 31, 2022	March 31, 2022
Huachien	Taiwan	41.64%	41.64%	41.64%

	As of March 31, 2023	December 31, 2022	March 31, 2022
Accumulated balances of material non-controlling interest:			
Huachien	$238,844	$240,310	$245,495

Profit/(loss) allocated to material non-controlling interest:

	Three months ended March 31, 2023	2022
Huachien	$(1,466)	$(997)

Dividends paid to material non-controlling interest:

	Three months ended March 31,	
	2023	2022
Huachien	$-	$-

The summarized financial information of these subsidiaries is provided below. This information is based on amounts before inter-company eliminations.

Summarized information of profit or loss for the three months ended March 31, 2023:

	Huachien
Operating revenue	$2,165
Net profit (loss) for the period from continuing operations	$(3,520)
Total comprehensive (loss) income for the period	$(3,520)

Summarized information of profit or loss for the three months ended March 31, 2022:

	Huachien
Operating revenue	$2,105
Net profit (loss) for the period from continuing operations	$(2,395)
Total comprehensive (loss) income for the period	$(2,395)

Summarized information of financial position as at March 31, 2023:

	Huachien
Current assets	$1,263,426
Non-current assets	62,296
Current liabilities	(31,738)
Non-current liabilities	(730,578)

Summarized information of financial position as at December 31, 2022:

	Huachien
Current assets	$1,267,305
Non-current assets	62,864
Current liabilities	(32,685)
Non-current liabilities	(730,557)

Summarized information of financial position as at March 31, 2022:

	Huachien
Current assets	$1,268,351
Non-current assets	65,269
Current liabilities	(37,584)
Non-current liabilities	(716,657)

Summarized cash flow information for the three months ended March 31, 2023:

	Huachien
Operating activities	$(6,712)
Investing activities	-
Financing activities	(1,490)
Net increase/(decrease) in cash and cash equivalents	(8,202)

Summarized cash flow information for the three months ended March 31, 2022:

	Huachien
Operating activities	$(2,475)
Investing activities	-
Financing activities	19,490
Net increase/(decrease) in cash and cash equivalents	17,015

7. Related-Party Transactions

Information of the related parties that had transactions with the Group during the financial reporting period is as follows:

(1) Name and nature of relationship of the related parties

Name	Relationship with the Company
Lin, Yuan-Yi	Second degree of kinship of the director in charge of the Company
Lin, Heng-Yi	Second degree of kinship of the director in charge of the Company
Pauguo Real Estate Management Co., Ltd.	Substantive related party

(2) Significant transactions with related parties

(a) The balance of debts and creditor's rights with related parties is as follows:

	As of		
	March 31, 2023	December 31, 2022	March 31, 2022
Guarantee deposits paid			
Other related parties	$-	$-	$2,442

(b) Cost of construction in progress

	Three months ended March 31,	
	2023	2022
Financial expenses		
Pauguo Real Estate Management Co., Ltd.	$533	$533

Key management personnel compensation

	Three months ended March 31,	
	2023	2022
Short-term employee benefits	$1,630	$1,939

8. Assets pledged as security

The following table lists assets of the Group pledged as security:

		Carrying amount		
Items	Secured liabilities	March 31, 2023	December 31, 2022	March 31, 2022
Inventories				
Land held for construction site	Current burrowing, non-current borrowings	11,781,985	11,781,985	11,324,821
Construction in progress	Current burrowing, non-current borrowings	2,275,071	2,013,960	328,153
Property, plant and equipment - land and buildings				
Land	Current borrowings	94,331	94,331	94,331
Buildings	Current borrowings	18,228	18,610	19,561
Other equipment	Current borrowings	28	28	28
Other current financial assets	Trust account	942,930	784,447	181,964
Total		$15,112,573	$14,693,361	$11,948,858

9. Significant contingencies and unrecognized contractual commitments

(1) As of March 31, 2023, the Group's guarantee notes received from the contractors and customers amounted to $122,558 thousand.

(2) As of March 31, 2023, the amount of guarantee notes issued by the Company to landlords amounted to $146,215 thousand.

(3) As of March 31, 2023, the contracts the Company signed for the pre-sale of properties with customers amounted to $8,815,030 thousand, and $1,126,176 thousand has been received according to the contract term and conditions.

(4) As of March 31, 2023, the total price of the contracts on the sale of the remaining housing units that the Company has signed with such units not handed over is $0 thousand, and the payments received as per the contracts amounted to $0 thousand.

(5) As of March 31, 2023, the Company signed material and construction contracts with contractors in the amount of $3,636,914 thousand, of which $1,746,734 thousand was unpaid.

(6) As of March 31, 2023, the total price of the land purchase contracts that the Company has signed with the ownership of the land not yet transferred is in the amount of $0 thousand, of which $0 thousand was unpaid.

10. Losses due to major disasters

None.

11. Significant subsequent events

The Company is currently facing a lawsuit filed by a defaulting buyer claiming a full refund of the default penalty due to a real estate sales contract breach. The legal case is currently being heard in the first instance by Taiwan Shahin District Court.

12. Others

(1) Capital management

The Group's capital management aims to ensure the ability as a going concern, so as to provide returns to shareholders and benefits to other stakeholders, and to maintain an optimal capital structure to reduce the cost of capital.

To maintain or adjust the capital structure, the Group may adjust the dividends paid to shareholders, reduce capital to refund shareholders, or issue new shares or sell assets to pay off liabilities.

In line with the approaches adopted by its competitors, the Group manages capital on the basis of its debt-to-capital ratio, which is calculated by dividing net liabilities by total capital. Net liabilities are the total liabilities presented in the balance sheetless cash and cash equivalents. Total capital is the total component of equity (i.e., share capital, capital surplus, retained earnings, other equity interest, and non- controlling interests) plus net liabilities.

The administrative authority uses appropriate net liabilities/(total equity plus net liabilities) or other financial ratios to determine the Group's optimal capital to ensure that financing is available at a reasonable cost.

The debt-to-capital ratio is as follows:

	As of		
	March 31, 2023	December 31, 2022	March 31, 2022
Total liabilities	$10,672,451	$9,799,367	$9,180,950
Less: Cash and cash equivalents	(1,388,600)	(2,135,572)	(2,666,510)
Net liabilities	9,283,851	7,663,795	6,514,440
Total equity	10,162,860	10,518,533	9,310,429
Capital after adjustment	$19,446,711	$18,182,328	$15,824,869
Debt-to-capital ratio	47.74%	42.15%	41.17%

(2) Financial instruments

A. Categories of financial instruments

Financial assets

	As of		
	March 31, 2023	December 31, 2022	March 31, 2022
Financial assets at fair value through other comprehensive income			
Investments in designated equity instrument	$2,970	$2,530	$3,525
Financial assets reassured at amortized cost			
Cash and equivalents (excluding cash on hand)	$1,388,600	$2,135,572	$2,666,510
Notes receivable	11,636	9,281	3,214
Accounts receivables	1,439	306	5,378
Other receivables	393	-	14,170
Other financial assets	942,930	784,447	181,964
Guarantee deposits paid	23,702	28,633	26,791
Total	$2,368,700	$2,958,239	$2,898,027

Financial liabilities

	As of		
	March 31, 2023	December 31, 2022	March 31, 2022
Financial liabilities at amortized cost			
Short-term borrowings	$3,772,000	$3,609,000	$4,086,600
Short-term notes and bills payable	-	49,960	-
Notes payable	140,114	137,825	68,737
Accounts payable	81,196	98,919	68,704
Other payables	367,197	86,058	13,959
Long-term borrowings (including current portion)	5,147,685	4,845,935	4,339,535
Guarantee deposits received	2,712	3,592	1,061
Total	$9,510,904	$8,831,289	$8,578,596
Lease liabilities	$2,515	$3,079	$4,812

B. Financial risk management objectives and policies

The Group’s principal financial risk management objective is to manage the market risk, credit risk and liquidity risk related to its operating activities. The Group identifies measures and manages the aforementioned risks based on the Group’s policy and risk appetite.

The Group has established appropriate policies, procedures and internal controls for financial risk management. Before entering into significant transactions, due approval process by the Board of Directors and Audit Committee must be carried out based on related protocols and internal control procedures. The Group complies with its financial risk management policies at all times.

(3) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market prices comprise currency risk, interest rate risk and other price risk (such as equity risk).

In practice, it is rarely the case that a single risk variable will change independently from other risk variable, there is usually interdependencies between risk variables. However, the sensitivity analysis disclosed below does not take into account the interdependencies between risk variables.

Foreign currency risk

The Group's exposure to the risk of changes in foreign exchange rates relates primarily to the Group's operating activities (when revenue or expense are denominated in a different currency from the Group's functional currency) and the Group's net investments in foreign subsidiaries.

The Group has certain foreign currency receivables to be denominated in the same foreign currency with certain foreign currency payables, therefore natural hedge is received. The Group also uses forward contracts to hedge the foreign currency risk on certain items denominated in foreign currencies. Hedge accounting is not applied as they did not qualify for hedge accounting criteria. Furthermore, as net investments in foreign subsidiaries are for strategic purposes, they are not hedged by the Group.

The foreign currency sensitivity analysis of the possible change in foreign exchange rates on the Group's profit is performed on significant monetary items denominated in foreign currencies as at the end of the reporting period. The Group's foreign currency risk is mainly related to the volatility in the exchange rates for foreign currency USD. The information of the sensitivity analysis is as follows:

(a) When NTD strengthens/weakens against foreign currency USD by 5%, the profit for the three months ended March 31, 2023 and 2022 is increased/decreased by $58 thousand and $4,272 thousand, respectively, the equity is increased/decreased by $58 thousand and $4,272 thousand, respectively.

Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's debt instrument investments at variable interest rates, bank borrowings with fixed interest rates and variable interest rates.

The Group manages its interest rate risk by having a balanced portfolio of fixed and variable loans and borrowings and entering into interest rate swaps. Hedge accounting does not apply to these swaps as they do not qualify for it.

The interest rate sensitivity analysis is performed on items exposed to interest rate risk as at the end of the reporting period, including investments and borrowings with variable interest rates and interest rate swaps. At the reporting date, a change of 1% of interest rate in a reporting period could cause the profit for the three months ended March 31, 2023 and 2022 to increase/decrease by $89,197 thousand and $84,261 thousand, respectively.

Equity price risk

The fair value of the Group's listed and unlisted equity securities and conversion rights are susceptible to market price risk arising from uncertainties about future values of the investment securities. The Group's listed and unlisted equity securities are classified under financial assets measured at fair value through profit or loss and financial assets measured at fair value through other comprehensive income, while conversion rights of the Euro-convertible bonds issued are classified as financial liabilities at fair value through profit or loss as it does not satisfy the definition of an equity component. The Group manages the equity price risk through diversification and placing limits on individual and total equity instruments. Reports on the equity portfolio are submitted to the Group's senior management on a regular basis. The Group's Board of Directors reviews and approves all equity investment decisions.

At the reporting date, a change of 10% in the price of the listed equity securities measured at fair value through profit or loss could increase/decrease the Group's profit for the three months ended March 31, 2023 and 2022 by $297 thousand and $353 thousand, respectively.

Please refer to Note 12.(9) for sensitivity analysis information of other equity instruments or derivatives that are linked to such equity instruments whose fair value measurement is categorized under Level 3.

(4) Credit risk management

Credit risk is the risk that a counterparty will not meet its obligations under a contract, leading to a financial loss. The Group is exposed to credit risk from operating activities (primarily for accounts and notes receivables) and from its financing activities, including bank deposits and other financial instruments.

Credit risk is managed by each business unit subject to the Group's established policy, procedures and control relating to credit risk management. Credit limits are established for all counter parties based on their financial position, rating from credit rating agencies, historical experience, prevailing economic condition and the Group's internal rating criteria etc. Certain counter parties' credit risk will also be managed by taking credit enhancing procedures, such as requesting for prepayment and insurance.

The main account receivables of the Group consist of installment payments to be collected from customers for the sale of real estate. Based on the customer's past payment history and an assessment by the management, no significant credit risks were identified.

Credit risk from balances with banks, income securities and other financial instruments is managed by the Group's treasury in accordance with the Group's policy. The Group only transacts with counterparties approved by the internal control procedures, which are banks and financial institutions, companies and government entities with good credit rating. Consequently, there is no significant credit risk for these counter parties.

(5) Liquidity risk management

The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of cash and cash equivalents, highly liquid equity investments, bank borrowings, convertible bonds and finance leases. The table below summarizes the maturity profile of the Group's financial liabilities based on the contractual undiscounted payments and contractual maturity. The payment amount includes the contractual interest. The undiscounted payment relating to borrowings with variable interest rates is extrapolated based on the estimated interest rate yield curve as of the end of the reporting period.

Non-derivative financial liabilities

	Less than 1 year	2 to 3 years	4 to 5 years	over 5 years	Total
As of March 31, 2023					
Short-term borrowings	$2,678,389	$1,195,049	$-	$-	$3,873,438
Accounts and other payables	588,507	-	-	-	588,507
Long-term borrowings (including current portion)	153,646	3,653,424	1,687,720	-	5,494,790
Lease liabilities	2,345	170	-	-	2,515
Guarantee deposits paid	1,570	1,142	-	-	2,712
As of December 31, 2022					
Short-term borrowings	$2,566,491	$1,113,302	$-	$-	$3,679,793
Short-term notes and bills payable	50,000	-	-	-	50,000
Accounts and other payables	322,802	-	-	-	322,802
Long-term borrowings (including current portion)	139,357	3,648,279	1,385,747	-	5,173,383
Guarantee deposits paid	2,345	734	-	-	3,079
Short-term borrowings	2,509	1,083	-	-	3,592
As of March 1, 2022					
Short-term borrowings	$2,156,182	$2,002,875	$-	$-	$4,159,057
Accounts and other payables	151,400	-	-	-	151,400
Long-term borrowings (including current portion)	88,927	1,314,385	2,507,488	723,989	4,634,789
Lease liabilities	2,316	2,496	-	-	4,812
Guarantee deposits paid	662	272	127	-	1,061

(6) Reconciliation of liabilities arising from financing activities

Reconciliation of liabilities for the three months ended March 31, 2023:

	Short-term borrowings	Short-term notes and bills payable	Long-term borrowings	Leases liabilities	Guarantee deposits paid	Total liabilities from financing activities
As of January 1, 2023	$3,609,000	$49,960	$4,845,935	$3,079	$3,592	$8,511,566
Cash flows	163,000	(49,960)	301,750	(564)	(880)	413,346
Non-cash changes	-	-	-	-	-	-
As of March 31, 2023	$3,772,000	$-	$5,147,685	$2,515	$2,712	$8,924,912

Reconciliation of liabilities for the three months ended March 31, 2022:

	Short-term borrowings	Short-term notes and bills payable	Long-term borrowings	Leases liabilities	Guarantee deposits paid	Total liabilities from financing activities
As of January 1, 2022	$3,990,721	$49,998	$4,107,084	$5,384	$1,167	$8,154,354
Cash flows	95,879	(49,998)	232,451	(595)	(106)	277,631
Non-cash changes	-	-	-	23	-	23
As of March 31, 2022	$4,086,600	$-	$4,339,535	$4,812	$1,061	$8,432,008

(7) Fair values of financial instruments

(a) The methods and assumptions applied in determining the fair value of financial instruments:

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The following methods and assumptions were used by the Group to measure or disclose the fair values of financial assets and financial liabilities:

a. The carrying amount of cash and cash equivalents, accounts receivables, accounts payable and other current liabilities approximate their fair value due to their short maturities.

b. Fair value of equity instruments without market quotations (including private placement of listed equity securities, unquoted public company and private company equity securities) are estimated using the market method valuation techniques based on parameters such as prices based on market transactions of equity instruments of identical or comparable entities and other relevant information (for example, inputs such as discount for lack of marketability, P/E ratio of similar entities and Price-Book ratio of similar entities).

c. Fair value of debt instruments without market quotations, bank loans, bonds payable and other non-current liabilities are determined based on the counterparty prices or valuation method. The valuation method uses DCF method as a basis, and the assumptions such as the interest rate and discount rate are primarily based on relevant information of similar instrument (such as yield curves published by the GreTai Securities Market, average prices for Fixed Rate Commercial Paper published by Reuters and credit risk, etc.)

(b) Fair value of financial instruments measured at amortized cost.

The Group measures the carrying amount of financial instruments at amortized cost, which reasonably approximate their fair value.

(c) Fair value measurement hierarchy for financial instruments

Please refer to Note 12.9 for fair value measurement hierarchy for financial instruments of the Group.

(9) Fair value measurement hierarchy

(a) Fair value measurement hierarchy

All asset and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, based on the lowest level input that is significant to the fair value measurement as a whole. Level 1, 2 and 3 inputs are described as follows:

Level 1 – Quoted (unadjusted) market prices in active markets for identical assets or liabilities that the entity can access at the measurement date
Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly
Level 3 – Unobservable inputs for the asset or liability

For assets and liabilities that are recognized in the financial statements on a recurring basis, the Group determines whether transfers have occurred between Levels in the hierarchy by re-assessing categorization at the end of each reporting period.

(b) Fair value measurement hierarchy of the Group's assets and liabilities

The Group does not have assets that are measured at fair value on a non-recurring basis. Fair value measurement hierarchy of the Group's assets and liabilities measured at fair value on a recurring basis is as follows:

As of March 31, 2023

	Level 1	Level 2	Level 3	Total
Financial assets:				
Financial assets at fair value through other comprehensive income				
Unlisted stocks	$-	$-	$2,970	$2,970

As of December 31, 2022

	Level 1	Level 2	Level 3	Total
Financial assets:				
Financial assets at fair value through other comprehensive income				
Unlisted stocks	$-	$-	$2,530	$2,530

As of March 31, 2022

	Level 1	Level 2	Level 3	Total
Financial assets:				
Financial assets at fair value through other comprehensive income				
Unlisted stocks	$-	$-	$3,525	$3,525

Transfers between Level 1 and Level 2 during the period

During the three months ended March 31, 2023 and 2022, the Group's assets and liabilities measured at repetitive fair value did not experience any transfer between fair value Level I and II.

Reconciliation for fair value measurements in Level 3 of the fair value hierarchy

Adjustments to the balance of assets and liabilities for fair value measurements in Level 3 of the fair value hierarchy for movements during the period is as follows:

	Assets
	At fair value through other comprehensive income
	Stocks
Beginning balances as of January 1, 2023	$2,530
Total gains and losses recognized for the three months ended March 31, 2023:	
Amount recognized in OCI (presented in “Unrealized gains (losses) from equity instruments investments measured at fair value through other comprehensive income)	440
Acquisition/issues for the three months ended March 31, 2023	-
Disposal/settlements for the three months ended March 31, 2023	-
Transfer in/(out) of Level 3	-
Ending balances as of March 31, 2023	$2,970

	Assets
	At fair value through other comprehensive income
	Stocks
Beginning balances as of January 1, 2022	$3,187
Total gains and losses recognized for the three months ended March 31, 2022:	
Amount recognized in OCI (presented in “Unrealized gains (losses) from equity instruments investments measured at fair value through other comprehensive income)	338
Acquisition/issues for the three months ended March 31, 2022	-
Disposal/settlements for the three months ended March 31, 2022	-
Transfer in/(out) of Level 3	-
Ending balances as of March 31, 2022	$3,525

Total gains and losses recognized in profit or loss for the three months ended March 31, 2023 and 2022 in the Table above confine gains and losses related to assets on hands as of March 31, 2023 and 2022 in the amount of $440 thousand and $338 thousand, respectively.

Information on significant unobservable inputs to valuation

Description of significant unobservable inputs to valuation of recurring fair value measurements categorized within Level 3 of the fair value hierarchy is as follows:

As of March 31, 2023

	Valuation techniques	Significant unobservable inputs	Quantitative information	Relationship between inputs and fair value	Sensitivity of the input to fair value
Financial assets:					
Financial assets at fair value through other comprehensive income					
Venture capital company stocks	Net asset value method	discount for lack of marketability	-%	The higher the discount for lack of marketability, the lower the fair value of the stocks	10% increase (decrease) in the discount for lack of marketability would result in increase (decrease) in the Group’s equity by $495 thousand

As of December 31, 2022

	Valuation techniques	Significant unobservable inputs	Quantitative information	Relationship between inputs and fair value	Sensitivity of the input to fair value
Financial assets:					
Financial assets at fair value through other comprehensive income					
Venture capital company stocks	Net asset value method	discount for lack of marketability	-%	The higher the discount for lack of marketability, the lower the fair value of the stocks	10% increase (decrease) in the discount for lack of marketability would result in increase (decrease) in the Group’s equity by $421 thousand

As of March 31, 2022

	Valuation techniques	Significant unobservable inputs	Quantitative information	Relationship between inputs and fair value	Sensitivity of the input to fair value
Financial assets:					
Financial assets at fair value through other comprehensive income					
Venture capital company stocks	Net asset value method	discount for lack of marketability	-%	The higher the discount for lack of marketability, the lower the fair value of the stocks	10% increase (decrease) in the discount for lack of marketability would result in increase (decrease) in the Group’s equity by $587 thousand

Valuation process used for fair value measurements categorized within Level 3 of the fair value hierarchy

The Group’s Financial & Accounting Department is responsible for validating the fair value measurements and ensuring that the results of the valuation are in line with market conditions, based on independent and reliable inputs which are consistent with other information, and represent exercisable prices. The Department analyses the movements in the values of assets and liabilities which are required to be re-measured or re-assessed as per the Group’s accounting policies at each reporting date.

(c) Fair value measurement hierarchy not measured at fair value but for which the fair value is disclosed.

As of March 31, 2023:

None

As of December 31, 2022:

None

As of March 31, 2022:

None

(10) Significant assets and liabilities denominated in foreign currencies

Information regarding the significant assets and liabilities denominated in foreign currencies is listed below:

	As of March 31, 2023		
	Foreign currency	Foreign exchange rate	NTD
Financial assets			
Monetary items:			
USD	$38	30.450	$1,157
CNY	-	4.431	-
HKD	-	3.879	-
Non-monetary items:			
USD	64	30.450	1,939

	As of December 31, 2022		
	Foreign currency	Foreign exchange rate	NTD
Financial assets			
Monetary items:			
USD	$38	30.710	$1,166
CNY	-	4.408	-
HKD	-	3.938	-
Non-monetary items:			
USD	55	30.710	1,675

	As of March 31, 2022		
	Foreign currency	Foreign exchange rate	NTD
Financial assets			
Monetary items:			
USD	$2,985	28.625	$85,434
CNY	202	4.506	909
HKD	53	3.656	193
Non-monetary items:			
USD	83	28.625	2,365

The above information is disclosed based on the carrying amount of foreign currency (after conversion to functional currency).

(11) Capital management

The primary objective of the Group's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximize shareholder value. The Group manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust dividend payment to shareholders, return capital to shareholders or issue new shares.

13. Additional Disclosure

(1) Information on significant transactions (certain transactions were eliminated upon consolidation)

No.	Item	Footnote
1	Financial provided to others.	None
2	Endorsements/guarantees provided to others.	Table 1
3	Marketable securities held (not including subsidiaries, assonates and joint ventures).	Table 2
4	Individual securities acquired or disposed of with accumulated amount exceeding NTD 300 million or 20 percent of capital stock.	None
5	Acquisition of individual real estate properties at costs of at least NTD 300 million or 20 percent of capital stock.	Table 3
6	Disposable of individual real estate properties at costs of at least NTD 300 million or 20 percent of capital stock.	None
7	Total purchases from or sales to related parties of at least NTD 100 million or 20 percent of capital stock.	Table 4
8	Receivables due from related parties amounting to at least NTD 100 million or 20 percent of capital stock.	None
9	Derivatives instruments transactions.	None
10	Significant intercompany transactions between consolidated entities.	Table 5

(2) Information on investees: Please refer to Table 6 for more details.

(3) Information on investments in mainland China: No such circumstances.

(4) Information on major shareholders: Please refer to Table 7 for more details.

14. Segment information

(1) General information

The Group operates in a single industry. The Board of Directors determined the operating segments based on the overall assessment of Group's performance and allocation of resources. The Group's corporate organization, basis of department segmentation and principles for measuring segment information for the period were not significantly changed.

(2) Segment information

The segment information provided to the strategic business unit for the reportable segments is as follows:

The Group's reportable segments are the strategic business unit which provides different types of products and services. The accounting policies of the segments are in agreement with the significant accounting policies summarized in Note 4.

	Three months ended March 31, 2023				
	The Company	Huachien	Huajian	Adjustment and elimination	Total
Revenue					
Revenue from external customer	$1,725	$2,164	$-	$-	$3,889
Inter-segment revenue	78	-	306,840	(306,918)	-
Total revenue	$1,803	$2,164	$306,840	(306,918)	$3,889
Segment profit/loss	$(10,755)	$(3,520)	$7,914	$(4,199)	$(10,560)
Segment assets	$19,855,547	$1,325,722	$516,587	$(862,545)	$20,835,311
Segment liabilities	$9,931,531	$762,316	$159,575	$(180,971)	$10,672,451

Reconciliation and elimination are to eliminate the inter-segment revenue, profit or loss, assets, and liabilities.

	Three months ended March 31, 2022				
	The Company	Huachien	Huajian	Adjustment and elimination	Total
Revenue					
Revenue from external customer	$236,451	$2,105	$-	$-	$238,556
Inter-segment revenue	78	-	178,294	(178,372)	-
Total revenue	$236,529	$2,105	$178,294	$(178,372)	$238,556
Segment profit/loss	$28,547	$(2,395)	$4,677	$(2,345)	$28,484
Segment assets	$17,432,979	$1,333,620	$473,316	$(748,536)	$18,491,379
Segment liabilities	$8,368,045	$754,241	$135,149	$(76,485)	$9,180,950

Reconciliation and elimination are to eliminate the inter-segment revenue, profit or loss, assets, and liabilities.

Delpha Construction Co., Ltd. and Subsidiaries

Notes to unaudited consolidated financial statements (continued)

Table 1: Endorsements/guarantees provided to others

(In Thousands of New Taiwan Dollars)

No. <Note 1>	Endorsement/ Guarantee Provider	Guaranteed Party		Limits on Endorsement/ Guarantee Amount Provided to Each Guaranteed Party <Note3>	Maximum Balance for the period	Ending Balance	Amount Actually Drawn	Amounts of Endorsement/ Guarantee Collateralized by Properties	Ratio of Accumulated Endorsement/ Guarantee to Net Equity per Latest Financial Statements	Maximum Endorsement/ Guarantee Amount Allowable <Note4>	Guarantee Provided by Parent Company	Guarantee Provided by A Subsidiary	Guarantee Provided to Subsidiaries in Mainland China
		Company name	Nature of relationship <Note2>										
0	The Company	Huajian	2	1,984,803	100,000	100,000	$-	$-	1.01%	4,962,008	Y	N	N

<Note 1> The numbers filled in for the endorsements/guarantees provided by the group or subsidiaries are as follows:

(1) The Company is "0".

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

<Note 2> The following code represents the relationship with the company:

(1) A company with which it does business.

(2) A company in which the public company directly and indirectly holds more than 50% of the voting shares.

(3) A company that directly and indirectly holds more than 50% of the voting shares in the public company.

(4) A company in which the public company holds, directly or indirectly, 90% or more of the voting shares.

(5) A company that fulfills its contractual obligations by providing mutual endorsements/guarantees for another company in the same industry or for joint builders for purposes of undertaking a construction project.

(6) A company that all capital contributing shareholders make endorsements/ guarantees for their jointly invested company in proportion to their shareholding percentages.

(7) Companies in the same industry provide among themselves joint and several security for a performance guarantee of a sales contract for pre-construction homes pursuant to the Consumer Protection Act for each other.

<Note 3> (1) The amount of endorsement/guarantee shall not exceed 50% of net worth per latest financial statements of the Company; the limits on endorsement/guarantee amount provided to each guaranteed party shall not exceed 20% of the net worth per latest financial statements of the Company.

(2) Provision of endorsement and guarantee provided for a single entity which is having business dealings shall keep the amount no more than 20% of net assets recorded in the latest financial statements of the Company.

(3) The amount of the Company's and its subsidiaries' endorsement/guarantee shall not exceed 50% of net worth per latest financial statements of the Company; the limits on endorsement/guarantee amount provided to each guaranteed party shall not exceed 20% of the net worth per latest financial statements of the Company.

<Note 4> The highest balance during the year for the provision of endorsement and guarantee to others.

<Note 5> The amount approved by the board of directors, however, if the board of directors authorizes the chairman of the board of directors to make a decision in accordance with paragraph 8, Article 12 of the Regulations Governing Loaning of Funds and Making of Endorsements/Guarantees by Public Companies, it refers to the amount decided by the chairman of the board.

<Note 6> The actual amount drawn down within the range of the endorsement and guarantee to others by the Company.

<Note 7> Fill in "Y" for endorsement/guarantee provided by listed parent companies to subsidiaries and vice versa, and for ones provided to subsidiaries in Mainland China.

Delpha Construction Co., Ltd. and Subsidiaries

Notes to unaudited consolidated financial statements (continued)

Table 2: Marketable securities held (not including subsidiaries, associates and joint ventures)

(In Thousands of New Taiwan Dollars)

Held Company Name	Marketable Securities Type	Marketable Securities Name	Relationship with the Company	Financial Statement Account	March 31, 2023				Remarks
					Share/ Units	Carrying Value	Percentage of ownership (%)	Fair value	
The Company	Stock	Vincera Growth Capital Ⅱ Limited	—	Non-current financial assets at fair value through other comprehensive income	60,000	$1,939	5.24%	$1,939	
The Company	Stock	Hwa Chi Venture Capital Co., Ltd.	—	Non-current financial assets at fair value through other comprehensive income	7,816	1,031	1.56%	1,031	
						$2,970		$2,970	

Table 3: Acquisition of property with the amount exceeding NT$300 million or 20% of the paid-in capital

(In Thousands of New Taiwan Dollars)

Company	Property Name	Transaction Date	Transaction Amount	Status of Payment	Counterparty	Relationship with the Company	Disclosure of Information on Previous Transfer of Property is Required for Related Parties who are also the Counterparty				References for Determining Price	Purpose of Acquisition and Current Condition	Others
							Owner	Relationship with the Company	Date of Transfer	Amount			
The Company	Land serial No. 165, Lejie Section, Guishan District, Taoyuan City.	2023.02.17 (Signing date)	$577,857 (Note 1)	Installment by agreement	Individual surnamed Chen	Non-related party	-	-	-	$-	1. Refer to the report of a professional real estate appraiser. 2. Negotiation by two parties.	Construction & Building	None

<Note 1> If the acquired assets are required to be appraised according to regulations, the appraisal result should be indicated in the "References for Determining Price" column.

<Note 2> The paid-in capital refers to the paid-in capital of the parent company. If the issuer's shares have no par value or the per share par value is not NT$10, the transaction amount subject to the requirement of 20% of the paid-in capital is calculated at 10% of the equity attributed to the owners of the parent company on the balance sheet.

<Note 3> The transaction date refers to the earlier of the transaction execution date, payment date, date of transaction by commission, date of transfer, date of board resolution, or any other date sufficient to determine the transaction parties and transaction amount.

Table 4: Total purchases from or sales to related parties of at least NTD 100 million or 20% of the paid-in capital

(In Thousands of New Taiwan Dollars)

Company Name	Related Party	Nature of Relationship	Transaction Details				Abnormal Transaction Terms Different From Regular Transactions		Notes/Accounts Receivable (Payable)		Remark
			Purchase /Sales	Amount	% to Total	Payment Term	Unit price	Credit period	Ending Balance	% to Total	
The Company	Huajian	Subsidiary	Purchases	$333,893	68.37% (Individual financial statements)	Installment payment in accordance with the contract	-	-	$172,942	69.17%	Note 1
Huajian	The Company	Parent company	Sales	(306,840)	100% (Individual financial statements)	Payment collected as per the schedule in contracts	-	-	(172,942)	100%	Note 2

Note 1: If terms of related party transactions are different from general transactions, explain the differences and reasons in the 'Unit price' and 'Credit period' columns.

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

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

Note 4: The amounts of purchases are calculated based on the estimate for each period.

Note 5: It is the construction revenue recognized in sales using the percentage of completion method.

Table 5: Significant intercompany transactions between consolidated entities

(In Thousands of New Taiwan Dollars)

No. (Note 1)	Company Name	Counter-party	Nature of Relationship <Note2>	Intercompany Transactions			
				Financial Statement Account	Amount	Terms	Percentage of Consolidated Net Revenue or Total
1	Huajian	The Company	2	Contract assets	$128,866	Note 4	0.62%
1	Huajian	The Company	2	Notes receivable	172,942	Note 4	0.83%
1	Huajian	The Company	2	Operating revenue	306,840	Note 4	7889.95%

Note 1: The numbers filled in represent:

(1) The company is "0".

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

Note 2: The following lists the three types of intercompany transactions (one transaction between parent company and subsidiary or between subsidiaries could be disclosed only once.)

(1) Transactions from parent company to subsidiary is "1".

(2) Transactions from subsidiary to parent company is "2".

(3) Transactions between subsidiaries is "3".

Note 3: The percentage of transaction amount over consolidated total revenue or total asset is calculated based on:

(1) Account balance at end of period over consolidated total assets if the transaction account belongs to balance sheet.

(2) Accumulated interim amount over consolidated net revenue if the transaction account belongs to comprehensive income statement.

Note 4: The price of the construction works entrusted by the Company to the related parties is agreed upon by both parties, and the amount is paid in installments as per the contract.

Table 6: Information on investees

Information on investees over which the Company has control or significant influence: (In Thousands of New Taiwan Dollars)

Investor Company	Investee Company	Region	Main business	Original Investment Amount		Balance at The End of Period			Net Income (Loss) of The Investee	Share of Profits (Loss) of Investee	Remark
				March 31, 2023	December 31, 2022	Shares In Thousands	Percentage of Ownership	Carrying Value			
The Company	Huachien	16F, No. 460, Section 5, Chenggong Road, Neihu District, Taipei City	Development, sales, and rental business	$704,993	$704,993	18,208	58.36%	$328,804	$(3,520)	$(2,054)	
The Company	Huajian	16F, No. 460, Section 5, Chenggong Road, Neihu District, Taipei City	Construction business	339,000	339,000	35,000	100.00%	310,579	6,253	(3,527)	

Table 7: Information on major shareholders

Shareholdings of major shareholders of the Company as of March 31, 2023: Unit: Thousand shares

Shares / Major shareholders	Total shares owned	Ownership percent
Chia Chun Investment Co., Ltd.	264,733	31.51%
Da Shuo Investment Co., Ltd.	50,470	6.00%

Description: (1) The major shareholders information was from the date that the Company issued common shares (including treasury shares) and preference shares in dematerialized form which were registered and held by the shareholders above 5% on the last operating date of each quarter and was calculated by the Taiwan Depository & Clearing Corporation. The share capital which was recorded in the financial statements may differ from the actual number of shares issued in dematerialized form because of a different calculation basis.

(2) If the aforementioned data contains shares which were kept in trust by the shareholders, the data disclosed was the settlor’s separate account for the fund set by the trustee. As for the shareholder who reports share equity as an insider whose shareholding ratio is greater than 10% in accordance with Securities and Exchange Act, the shareholding ratio includes the self-owned shares and trusted shares, at the same time, persons who have power to decide how to allocate the trust assets. For the information of reported share equity of insider, please refer to the Market Observation Post System.