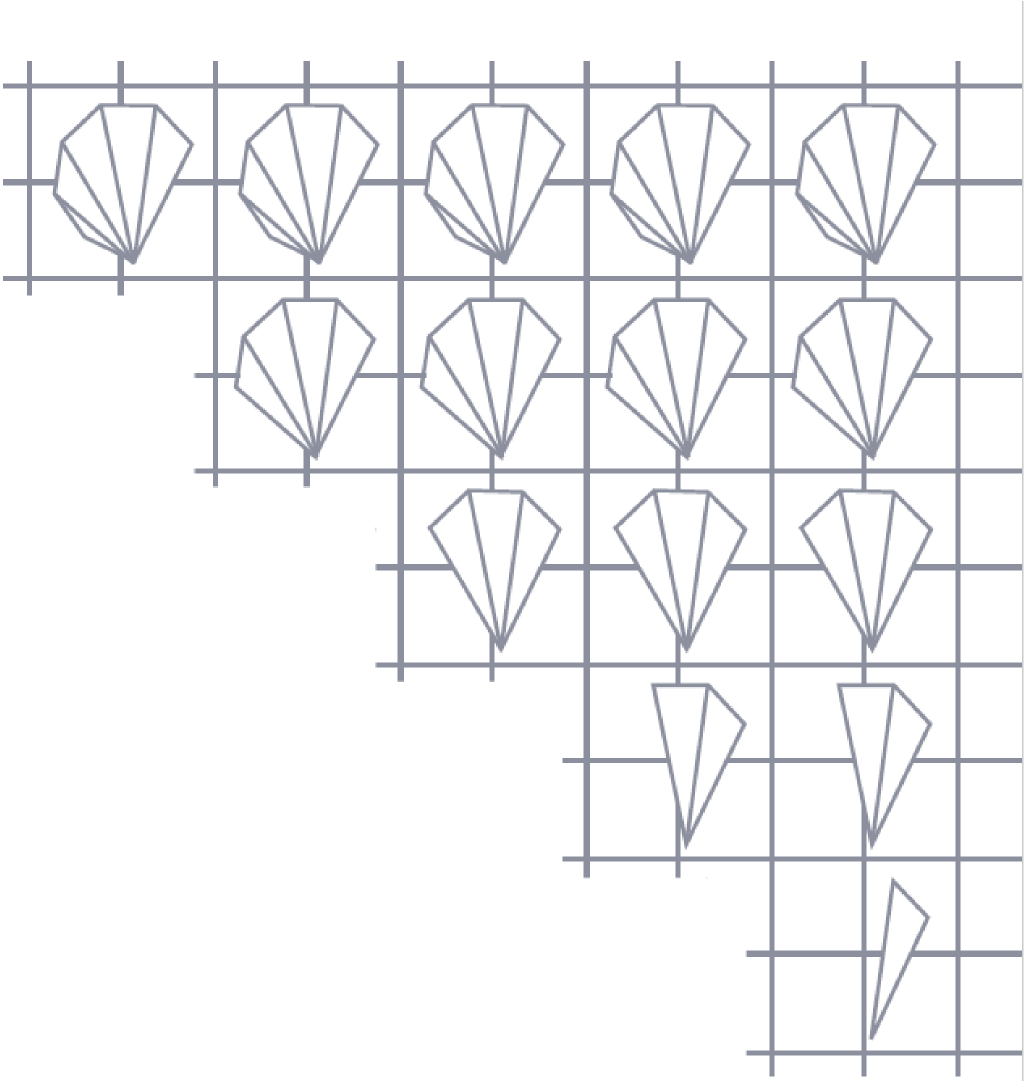
Stock Code: 2530

Delpha Construction



2023 Annual Report

Printed on: April 30, 2024

Taiwan Stock Exchange Market Observation Post System:

http:// mops.twse.com.tw

Annual Report is available at: https://www.delpha.com.tw/en/shareholders

1. Spokesperson and Deputy Spokesperson of the Company:

Spokesperson/Jeffery Lee
Title/VP
Tel/(02)2632-8877
Email/jeffery@delpha.com.tw
Deputy Spokesperson/Linchin Chien
Title/ Assistant manager of Finance Dept.
Tel/(02)2632-8877
Email/charlin@delpha.com.tw

2. Contact information of the headquarter:

Add/16F, No. 460, Sec. 5, Chenggong Rd., Neihu Dist., Taipei City
Tel/(02)2632-8877

3. Stock Transfer Agency:

Name/The Transfer Agency Department of CTBC Bank
Add/5F, No. 83, Sec. 1, Chongqing S. Rd., Taipei City
Tel/(02)6636-5566(PBX)
Website/ http://www.chinatrust.com.tw

4. CPA for the Latest Financial Report:

Name/ KyKy Lin, James Huang
Firm/ Ernst & Young Global Limited,Taiwan
Add/ 9F No. 333, Sec. 1, Keelung Rd., Xinyi Dist., Taipei City 110208, Taiwan (R.O.C.)
Tel/（+886）2757-8888
Website/ http://www.ey.com/zh_tw

5. Name and inquiry means of overseas trade places for listed negotiable securities: None

6. Website: http://www.delpha.com.tw

Table of Contents

#【Letter to Shareholders】

1. Preface:

Dear Shareholders,

In 2023, Delpha Construction achieved good operating results by actively engaging in land development projects in conveniently located areas in urban areas across Taiwan, focusing on first-time and second-time buyers, as well as having its own manufacturing plant to carry out construction projects.

As of the end of 2023, the Company had eight pending development projects, namely "Huaisheng Urban Renewal Project" and "Taiyuan Road Urban Renewal Project" in Taipei, "Sanzuowu Section," "Lejie Section B," "Lejie Section C," and "Fuxi Section" in Taoyuan, "Yixin Section" in Taichung, and "Qing'an Section" in Tainan; eight development projects, namely "Metro Building," "Delpha Jing," "Rising City," "Centre for the Future," "Delpha Fortune," "One and Only," "Gorgeous Mansion," and "Emerald Building" have started online sales.

Looking ahead to 2024, the rise in domestic economic indicators and consumer confidence is a positive sign for the real estate market. On the policy front, the government's "Preferential Mortgage Loan for Young Families" scheme has stimulated the desire of first-time buyers and non-investment real estate buyers to purchase homes. Delpha Construction continues to expand its business capacities with the goal of achieving year-on-year progress in project advancement and completion. Taking Taoyuan City, which has been actively developing in recent years, as an example, the pre-sale housing market showed an upward trend with a 20.5% increase in the number of filings by the end of 2023. This indicates that market demand is on the rise, which is a positive sign for the real estate market in the future.

In addition, Delpha Construction continues to pursue profit growth while moving forward with the three main objectives of "integration of corporate resources," "sound corporate governance," and "participation in social welfare," and actively faces the challenges brought upon by global climate changes. Delpha Construction incorporates sustainable operations into its long-term policies of corporate development, and through the promotion of ESG, integrates information security risks and climate change issues into its risk management. Further, the Company puts forward a carbon emission examination mechanism in compliance with laws and regulations, so as to implement sustainable development jointly with its peers in the supply chain. For more than sixty years, Delpha Construction has never forgotten its original intention to focus on every detail, and continues to create happy homes that carry memories for the people of Taiwan.

Thank you for your support.

Chairman ： Cheng, Ssu-Tsung

2. 2023 Operating Performance of Delpha Construction

(1) Implementation status of the operation plan in 2023:

Parent company **Unit: NT$1,000**

Item	2023	2022	Difference compared to the previous year	Remarks
Operating revenue	1,943,183	1,986,158	(42,975)	
Profit(Loss) before tax	648,058	404,537	243,521	

Consolidated **Unit: NT$1,000**

Item	2023	2022	Difference compared to the previous year	Remarks
Operating revenue	1,951,453	1,994,281	(42,828)	
Profit(Loss) before tax	649,822	404,243	245,579	

(2) 2023 Annual Operating Revenue

Parent company **Unit: NT$1,000**

Individual Case	Amount	Remarks
Delpha Living's Home case A	1,455	Housing Income
Xinbi Section case A(Metro Building)	1,939,897	Housing Income
Sanzuowu Section	1,391	Rental income
Reading the European Case	314	Rental income
Shulin Case	34	Rental income
Shitan Section case A (Tianqin)	92	Rental income
Total	1,943,183	

Consolidated **Unit: NTD $ 1,000**

Individual Case	Amount	Remarks
Delpha Living's Home case A	1,455	Housing Income
Xinbi Section case A(Metro Building)	1,939,897	Housing Income
Sanzuowu Section	1,391	Rental income
Shulin Case	34	Rental income
Shitan Section case A (Tianqin)	92	Rental income
Taiyuan Road Urban Renewal Project	8,437	Rental income
Total	1,951,453	

(3)Implementation of budget:

According to the Regulations Governing the Publication of Financial Forecasts of Public Companies, the Company doesn't need to publish its financial forecast.

(4) Financial revenue & expenditure, and profitability analysis

Parent company

Item		20 3	
Financial structure	Debt to assets ratio (%)		
	Long term funds to property, plant and equipment ratio (%)		18,941.21
Solvency %	Current ratio	194.07	221.67
	Quick ratio	18.70	31.36
	Times interest earned ratio (times)	2.96	2.65
Profitability	Return on Assets		2.54
	Return on equity	4.93	4.84
	Ratio of pre-tax net profit to paid-in capital(%)	7.72	4.82
	Net profit (loss) rate	26.30	22.74
	Earnings per share (NT$)	0.61	0.56

Consolidated

Item		2023	2022
Financial structure %	Debt to assets ratio (%)	55.00	48.23
	Long term funds to property, plant and equipment ratio (%)	10,729.43	10,031.02
Solvency %	Current ratio	208.25	237.81
	Quick ratio	19.29	
	Times interest earned ratio (times)	2.81	2.50
Profitability %	Return on Assets	2.36	2.42
	Return on equity	4.75	4.65
	Ratio of pre-tax net profit to paid-in capital(%)	7.74	4.81
	Net profit (loss) rate	25.81	22.34
	Earnings per share (NT$)	0.61	

(5) Research and development situation: Please refer to Page 112 of this Annual Report.

3. 2024 Business Plan

(1) Business Strategy

Delpha Construction is dedicated to achieving the following four goals with integrity and responsibility:

A. Enhance corporate governance by eradicating all dishonest acts such as illegal activities and breaches of fiduciary duties, and strengthen the Company's operational structure.

B. Focus project launches on meeting the needs for self-use and investment, and concentrate on developing industrial parks across Taiwan and along the HSR, MRT, and TR lines.

C. Actively respond to international environmental protection trends and social needs, and make sustainable management a long-term policy for corporate development.

D. Share resources and maintain corporate symbiosis with the Company's subsidiaries Huajian Construction Co., Ltd. (grade-A manufacturing plant) and Huachien Development Co., Ltd. (land development company) to establish a comprehensive and meticulous integration of construction resources and strengthen competitiveness.

(2) Business Goals

A. Stable profits and sustained growth:
Continue to maintain a stable level of profitability and focus on long-term development in order to further increase the Company's profits and driving sustainable growth in the shock prices.

B. Improved customer satisfaction:
Improve product quality and service level, actively respond to customer needs, improve customer satisfaction, and expand the customer base.

(3) Important Production and Sale Policies

A. Production policies are as follows:

a. Operating Areas:

i. Land in metropolitan areas with good transportation across Taiwan.

ii. High-quality and profitable locations in the Greater Taipei area.

b. Development approaches:

i. Development through buying, selling, and joint construction.

ii. In line with the government's strong push for urban renewal, actively participate in urban renewal projects in the Greater Taipei area with high investment potential, as well as the renovation of old and dangerous buildings.

c. Product types: High-tech commercial buildings and high-quality residential buildings.

B. Sales policies:

a. Product differentiation: Strive to develop products with competitive advantages, focusing on improving design, quality, and functionality to attract more customers.
b. Technological innovations: Introduce new technologies and materials to improve construction efficiency and quality, while continuously optimizing product structure and reducing production costs.
c. Market positioning: Further subdivide the target customer groups and formulate customized marketing and sales strategies for different customer groups to increase the market entry threshold and market share.

4. Company's Future Development Strategies, and the Impact of the External Competitive Circumstances, Regulatory Circumstances, and Overall Operation Circumstances:

(1) Analysis of the global and domestic economic situation:

A. Global economy: The international economic situation was relatively stable in 2023, with inflationary pressures easing in key economies such as the United States and the eurozone. However, due to the impact of geopolitical conflicts, inflation, and interest rate hikes, the global economy is expected to experience a slower growth in 2024.

B. Domestic economy: Despite the impact of the global economic downturn in 2023, the increasing applications of emerging technologies are driving export growth, particularly in areas such as artificial intelligence and high-performance computing. In addition, the consumer market is flourishing due to factors such as department store anniversaries, vacation shopping, and new car purchases. The retail and catering sectors are also performing well. As a result, the domestic economy is likely to remain on an upward trajectory in 2024.

(2) Economic indicators:

A. Organizations such as the IMF are forecasting an upturn in global trade volumes by 2024, which, together with emerging technology applications and a gradual return to normal supply chain inventories, will help boost export momentum and could have a positive impact on the domestic real estate market.

B. On the investment front, continued investment in the semiconductor industry, the gradual implementation of green energy policies, and the return of investors to Taiwan, coupled with the government's plans to expand investment in public infrastructure and technological development, will provide further investment opportunities for the real estate market.

C. In terms of consumption, the domestic stock market is vibrant, the labor market is stable, the unemployment rate remains at a low level, and the minimum wage is expected to be raised, which will increase people's disposable income and boost consumption. These are all positive signals for the real estate market.

(3) Based on the analysis of the economic situation and indicators, the real estate market in Taiwan is expected to develop positively in 2024. Delpha Construction will continue to adhere to the strategy of steady development, strengthen corporate governance, and focus on sustainable operations. The Company will actively seek development opportunities in all of Taiwan, focusing on areas near railroad lines and industrial parks, and promote development projects that meet the strong demand for non-investment housing and other real estate.

Chairman: General Manager: Comptroller:

【Company Profile】

1. Date of Incorporation: December, 1960

2. Company History:

(1) Delpha Construction Co., Ltd:

1960 Founded by Mr. Lin Deng, "Taiwan Shoelace Factory Corp." was established in Shezi St., Shilin Dist., Taipei City

1964 Moved to Beitou and changed its name to "Delpha Canvas Co., Ltd."

1978 Reorganized and renamed as "Delpha Industrial Co., Ltd.", officially engaged in real estate investment and construction business

1985 Capital increase and reorganization, changed its name to "Delpha Construction Co., Ltd."

1995 Company officially listed and traded on the Taiwan Stock Exchange on October 30 of the same year.

achievements listed as below in the past years:

Year		Milestone
1979 1980	"Rongxing Jiayuan"	▪Located in Wuchang St., Taipei City, with 1-storey underground/5-storey aboveground building holding 50 units, which was completed and delivered in 1981.
	"Jinhua Building"	▪Located in Sec. 5 of Nanjing E. Rd., with 1-storey underground/12-storey aboveground building holding 47units, which was completed and delivered in 1981.
1981	"Delpha Liyuan"	▪Located in Fuxing N. Rd, Taipei City, with 1-storey underground/7-storey aboveground residential-and commercial building holding 81 units, which was completed and delivered in 1983.
	"Chunhua Building"	▪Located in Fuxing N. Rd., Taipei City, with 1-storey underground/12-storey aboveground residential and commercial building holding 69 units, which was completed and delivered in 1983.
1982	"Luofu Palace"	▪Located in Songjiang Rd., Taipei City, with 1-storey underground/12-storey aboveground residential and commercial units holding 101units, which was completed and delivered in 1984.
	"Kanalin Garden Building"	▪Located in Anhe Rd., Taipei City, with 1-storey underground/12-storey aboveground residential units holding 62 units, which was completed and delivered in 1984.

Year		Milestone
1984	"Zhongxiao Yayuan"	▪Aside CTS in Guangfu S. Rd., Taipei City, with 1-storey underground/6-storey aboveground residential and commercial units holding 31 units, which was completed and delivered in 1985.
1985	"Luxury House of Art" "Delpha Mingsha"	▪Located in Longjiang Rd., Taipei City, with 1-storey underground/5-storey aboveground residential building holding 30 units, which was completed and delivered in 1986. ▪Located in the entrance of Wenchang Street and Guangku S. Rd., Taipei City, with 1-storey underground/12-storey aboveground residential and commercial building holding 60 units, which was completed and delivered in 1986.
1986	"Delpha Shanlinyuan"	▪Located in Huangxi Street, Shilin Dist., with 1-storey underground/5-storey aboveground residential building holding 121 units, which was completed and delivered in 1988.
1987	"Yangming Quanyuan Villa"	▪Located in Quanyuan Rd., Beitou Dist., Taipei City, with 19 Villas and 1-storey underground/11-storey aboveground residential building holding 90 units, which was completed and delivered in 1989.
1988	"Cuiti Shuangxing" "Delpha Yuanzhongyuan"	▪Located in Chenggong S. Rd., Zhonghe Dist., New Taipei City, with 1-storey underground/16-storey aboveground residential/commercial buildings, holding 104 units, which was completed and delivered in 1991. ▪Located aside Xianfu Rd, Taoyuan City, with 15 townhouse villas, 30 residential and commercial units of 5 blocks, and 189 units of five 14-store blocks. Which was completed and delivered in 1989 and 1990.
1989	"Athens Era"	▪Located in Kangning Street, Xizhi Dist., New Taipei City, with 1-storey underground/16 to 23-storey aboveground residential building holding 322 units, which was completed and delivered in 1992.
1990	"Delpha Shanshui" "Chienfu Building"	▪Located in Kangle Street, Neihu District, Taipei City with 2-storey underground/6-storey aboveground residential building, which was completed and delivered in 1991. ▪Located in Section 2, Jinshan S. Rd., Taipei City, with 3-storey underground/12-storey aboveground commeercial building holding 13 units, which was completed and delivered in 1992.
1991	"Mengdi Kaluo"	▪ located in Daoxiao Rd., Beitou Dist., with 4 villas and an 8-storey building holding 17 residential units, which was completed and delivered in 1995

Year		Milestone
1991	"Delpha Dream House A, B and C"	▪ Located in Dalong St., Taipei City, with 7 to 8-storey aboveground, 3-storey underground/14-storey aboveground, and 1-storey underground/6-storey aboveground residential/commercial buildings holding 154 units, which was completed and delivered in 1994.
1992	"Delpha Dream House D"	▪Located in Dalong St., Taipei City, with 3-storey underground/14-storey aboveground, 1-storey underground/6-storey aboveground residential/commercial buildings holding 109 units, which was completed and delivered in 1995.
	"Delpha Zunjue"	▪Located in Zhengyi S. Rd., Sanchong Dist., New Taipei City, with 3-storey underground/14-storey aboveground commercial/residential building holding 83 units, which was completed and delivered in 1995.
	"Delpha Living's Home"	▪Located in Xingguang Rd., Wenshan Dist., Taipei City, with 5-storey residential building, which was completed and delivered in 1994. Another 2-storey underground/12-storey aboveground residential building was completed and delivered in 1995.
1993	"Taiwan Shijia"	▪Located in Shuangshi Rd., Banqiao Dist., New Taipei City, with 5-storeyunderground/26-storey aboveground commercial/residential building holding 285 units, which was completed and delivered in 1997.
	"Fubishi Plaza"	▪Located in Songren Rd., Taipei City, with 3-storey underground/16-storey aboveground commercial-residential building holding 70 units, which was completed and delivered in 1996.
1994	"Meili Dahu A"	▪Located in Dahu Shanzhuang Street, Taipei City, with 2-storey underground/4-storey aboveground residential building holding 65 units, which was completed and delivered in 1996.
1995	"Meili Dahu B"	▪Located in Neihu Dist., Taipei City, with 1-storey underground/5-storey aboveground residential building holding 34 units, which was completed and delivered in 1997.
	"Delpha Villa A"	▪Located in Neihu Dist., Taipei City, with 1-storey underground/4-storey aboveground villas holding 49 units, which was completed and delivered in 1997.
	"Delpha Villa B"	▪Located in Neihu Dist., with 1-storey underground/4-storey aboveground villas holding 37 units, which was completed and delivered in 1996.
1997	"Gongyuanlu"	▪Located in Section 5, Chenggong Rd., Neihu Dist., with 2-storey underground/14-storey aboveground residential building holding 195 units, which was completed and delivered in 1999.
	"Xingguang Nanjing Technological Building"	▪Located in the entrance of Jianguo N. Rd. and Nanjing E. Rd., with 5-storey underground/11-storey aboveground office building holding 20 units, which was completed and delivered in 1999.

Year	Case	Milestone
1997	"Xinji Building"	▪Located in Section 4, Xinyi Rd. near the entrance of Keelung Rd., with 5-storey underground/27-storey aboveground office building holding 129 units, which was completed and delivered in 1997.
1998	"Delpha Junzhi" "Reading Europe"	▪Located in Section 2, Neihu Rd., Neihu Dist., with 1-storey underground/11-storey aboveground residential building holding 17 units, which was completed and delivered in 2000. ▪Located in Section 5, Chenggong Rd., Neihu Dist., with 2-storey underground/14-storey aboveground commercial and residential building holding 237 units, which was completed and delivered in 2001.
1999	"Shijie Zhiding" (The Top of the World)	▪Located in Dehui St., with 6-storey underground/10-storey aboveground office building holding 69 units, which was completed and delivered in 2003.
2000	"Hangxia"	▪Located in the entrance of Dunhua N. Rd. and Minquan E. Rd., with 6-storey underground/15-storey aboveground office building holding 14 units, which was completed and delivered in 2002.
2001	"Shiji Luofu"	▪Located in the entrance of Bo'ai Rd. and Hengyang Rd., with 6-storey underground/14-storey aboveground office building holding 110 units, which was completed and delivered in 2003.
2003	"Meiyanjia"	▪Joint construction project located in Section 2, Zhongshan N. Rd., with 4-storey underground/12-storey aboveground holding 202 units which was completed and delivered in 2005.
2005	"Xinyi Xiangxie"	▪Joint construction project located in the entrance of Songde Rd. and Xinyi Rd., with 4-storey underground/19-storey aboveground residential building holding 285 units, which was completed and delivered in 2006.
2008	"Jiuyang" "Xinyi Jiuwu"	▪Located in Zhulun Street, Zhongshan Strict, Taipei City, with 4-storey underground/14-storey aboveground office building holding 12 units, which was completed and delivered in 2011. ▪Located in Fude Street, Xinyi District, Taipei City, with 3-storey underground/14-storey aboveground commercial-residential building holding 13 units, which was completed and delivered in 2012.
2010	"Jiuge"	▪Located in Section 1, Xingguang Rd., Wenshan Dist., Taipei City, with 2-storey underground/10-storey aboveground residential building holding 19 units, which was completed and delivered in 2012.

Year	Case	Milestone
2012	"Delpha Reading Green Life"	▪Located in Section 2, Chenggong Rd., Taipei City, with 4-storey underground/14-storey aboveground commercial-residential building holding 237 units, which was completed and delivered in 2015.
2019	"The urban green"	▪Located in Yunhe Street, Da'an Dist., Taipei City, with 3-storey underground/12-storey aboveground residential building holding 28 units, which was completed and delivered in 2022.
2020	"Central One"	▪Joint construction project located in Wuchang St., Zhongshan Dist., Taipei City, with 2-storey underground/7-storey aboveground residential building holding 25 units, which was completed and delivered in 2022.
2021	"Metro Building"	▪Joint construction project located in Luzhu District, Taoyuan City, with 3-storey underground/11-storey aboveground commercial-residential building holding 380 units, which was completed and delivered in 2023.
	"Rising City"	▪Joint construction project located in Guishan District, Taoyuan City, with 4-storey underground/15-storey aboveground commercial-residential building holding 190 units.
	"Delpha Jing"	▪Located in Zhongli District, Taoyuan City, with 3-storey underground/14-storey aboveground commercial-residential building holding 81 units.
	"One and Only"	▪Located in Zhongli District, Taoyuan City, with 3-storey underground/15-storey aboveground commercial-residential building holding 226 units.
2022	"Centre for the Future"	▪Located in Gaotie 3rd Rd., Wuri Dist., Taichung City, 4-storey underground/23 to 24-storey aboveground residential buildings holding 1,153 units.
	"Delpha Fortune"	▪Located in Shalu Dist., Taichung City, with 3-storey underground/15-storey aboveground residential building holding 86 units.
	"Emerald Building"	▪Joint construction of commercial and residential building project located in Shanjie Section, Guishan Dist., Taoyuan City, with 5-storey underground/15-storey aboveground residential building holding 207 units.
2023	"Gorgeous Mansion"	▪Located in Sec. 3, Nanshan Rd., Luzhu Dist., Taoyuan City, with 3-storey underground/10-storey aboveground residential building holding 228 units.
	"Qing'an Section"	▪Located in Yumin St., Shanhua Dist., Tainan City, with 3-storey underground/14-storey aboveground residential building holding 188 units.
	"Sanzuowu Section"	▪Located in No.199, Zhenguang St., Zhongli Dist., Taoyuan City, with 4-storey underground/15-storey aboveground residential building holding 99 units.

3. Events Showing Substantial Impact on the Shareholder's Equity or the Securities Price in the Current Year and As of the Annual Report Publication Date:

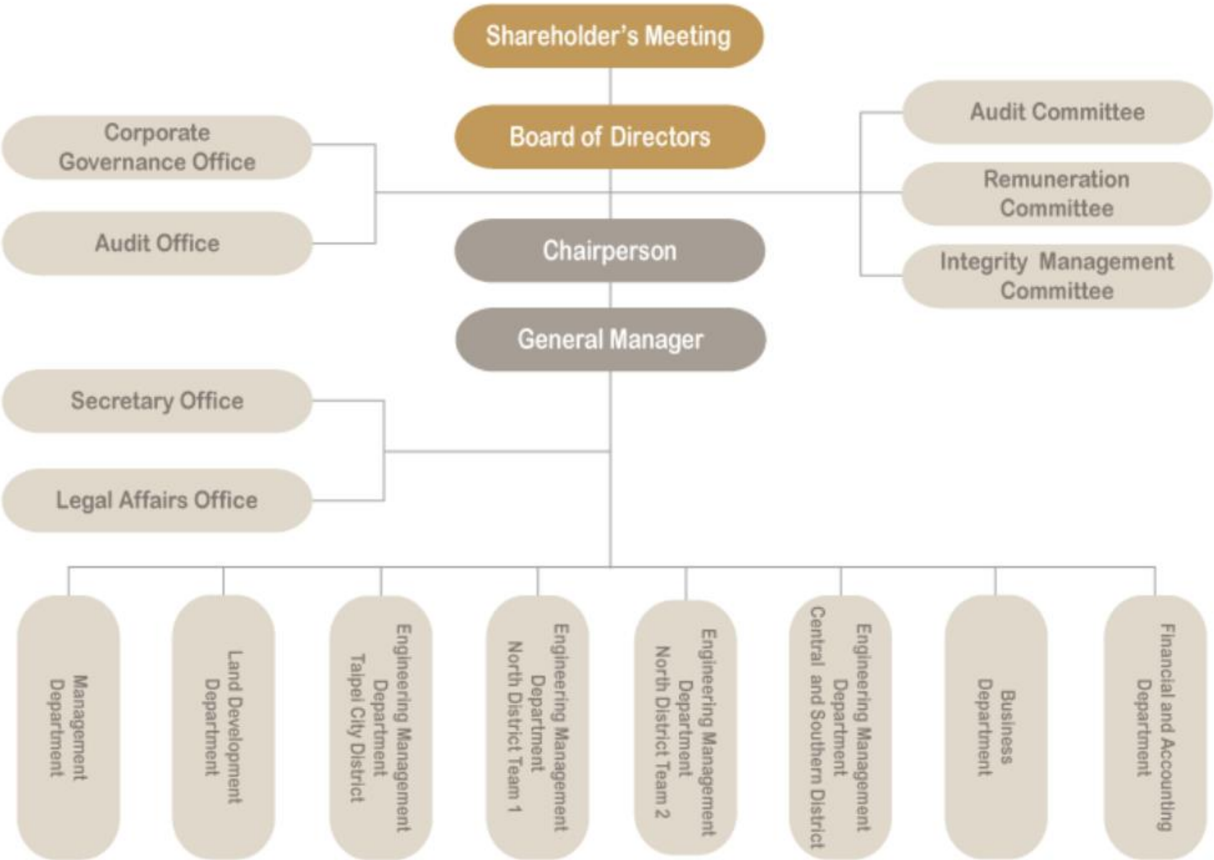
(1) Acquisition, re-investment into related parties, reconstruction, change of operation right, substantial change of operation means or businesses, and other important matters showing substantial impact on the shareholder's equity and the Company in the current year and as of the annual report publication date:
NA

(2) Large amount of equity transfer for the director or shareholder with the shareholding more than 10% in the current year and as of the annual report publication date:
NA

【Corporate Governance Report】

1. Organizational System

(1)Organizational Chart



(2)Department functions

Corporate Governance Office	Handles matters related to Board and shareholder meetings, supporting directors in their roles, training, compliance, and other legal obligations.
Audit Office	In charge of designing and integrating the company's internal control system, conducting annual audits, and reporting findings to the Board and Audit Committee.
Secretariat	Manages Board-related tasks and assignments from the Chairperson and General Manager.
Legal Office	Provides legal advice, drafts agreements, and collaborates with external legal professionals for legal matters.
General Manager’s	Oversees overall company operations, focusing on project cost control, quality management, and administrative tasks.
Management Department	Manages human resources, procurement, inventory, and information security. ◦
Land Development Department	Handles the investigation, analysis, evaluation, and development of land resources.
Engineering Management Department	Oversees planning, procurement, and project acceptance for construction projects in different zones.
Business Department	Responsible for business sales, advertising planning, and customer service.
Finance & Accounting Department	Manages financial, tax, and accounting affairs, budgeting, treasury operations, fundraising, and shareholder-related activities.

2. Information on the Directors, General Manager, Deputy General Manager, Department Heads and Branch Officers

(1) Information on the Directors

April 27th, 2024 Unit: Share

Title (Note 1)	Nationality/ Place of Incorporation	Name	Gender Age (Note2)	Date Elected	Term	Initial Elected Date	Holding at Election		Present Holding		Current Shares of Spouse and Minors		Holding Shares in Other Names		Education & Experience (Note 4)	Concurrent Positions at Other Companies	Managers, Directors or Supervisors who are spouses or within two degrees of			Remarks (Note5)
							Shares	%	Shares	%	Shares	%	Shares	%			Title	Name	Relatio	
Chairperson	R.O.C.	Hong-Yi Investment Limited Company	Male 41-50 age	2023. 06.28	3 years	2023. 06.28	12,000,000	1.43%	15,000,000	1.79%	-	-	-	-	Education: Department of Finance and International Business, Fu Jen Catholic University Experience: Director, China Bills Finance Corporation COTA Commercial Bank representative as a director	Director, China Bills Finance Corporation Chairperson, Huajian Construction Co., Ltd. Representative, Hung Yi Investment Co., Ltd. Chairperson, Yuan Tung Investment Co., Ltd. Chairperson, Jui Cheng Hong-Yi Investment Co., Ltd.	--	--	--	--
		Cheng, Ssu-Tsung					-	-	-	-	-	-	-	-						
ctor	R.O.C.	Lee, Chin-Yi	Male Over 71age	2023. 06.28	3 years	2006. 06.15	100,434	0.01%	100,434	0.01%	61,033	0.01%	--	--	Education: Architecture Department, Chinese Culture University Experience: General Manager, Delpha Construction Co., Ltd	-	--	--	--	--
	R.O.C.	Yan, Ming-Hung	Male 41-50 age	2023. 06.28	3 years	2020. 06.23	800,000	0.10%	800,000	0.10%	--	--	--	--	Education: M.A. in Finance, National Taiwan University Experience: Executive Vice President, Wealth Management Department, Taipei Branch, UBS Taiwan	Chairperson, Everbrite Technology Co., Ltd.	--	--	--	--
Representative of Director	R.O.C.	Dajie Investment Co., Ltd.	Male 61-70 age	2023. 06.28	3 years	2017. 05.31	16,888,773	2.01%	17,000,773	2.02%	--	--	--	--	Education: Master from Management Institute of National Taiwan University of Science and	-	--	--	--	--

		Representative: Tseng, Ping-Joung					--	--	80,000	0.01%	--	--	--	--	Technology Experience: General Manager, Radium Kagaya International Hotel					
Independent director	R.O.C.	Chen Shih-Yang	Male 61-70 age	2023. 06.28	3 years	2023. 06.28	--	--	380,000	0.05%	380,323	0.05%	--	--	Education: Bachelors' degree in Accounting, Soochow University Experience: Chief of Tax Affair Department, Acer Group Independent Director of Hitachi Yungtay Elevator Co., Ltd.	Certified public accountant at Chungsun Prime Certified Public Accountants and responsible person of Taipei Branch Chairman of Tax Regulation Committee, The National Federation of CPA Associations of the R.O.C. (NFCPAA) Director of Hkssteel Technology Corp. Director of Taiwan Chinsan Electronic Group Director of Wonderful technology Co., Ltd.	--	--	--	--
	R.O.C.	Yeh, Chien-Wei	Male 41-50 age	2023. 06.28	3 years	2020. 06.23	250,000	0.03%	250,000	0.03%	--	--	--	--	Education: Bachelor of Law, Ming Chuan University Experience: Integration Law Group Attorney, Y.R Lee & Partners Attorneys-at-Law	Attorney, Galaxy Attorneys-at-Law	--	--	--	--
	R.O.C.	Yu, Hung-Da	Male 51-60 age	2023. 06.28	3 years	2023. 06.28	-	--	--	--	-	-	--	--	Education: Department of Civil Engineering, Affiliated Institute of Continuing Education, National Kaohsiung University of Science and Technology Experience: President Director of Qingdao Baojia Real Estate Co., Ltd. Executive Vice-Chairman of Qingdaoshi Taiwan Investor and Enterprise Association Chairman of Heng Peng Construction Co., Ltd.	Chairman of Hefa International Investment Co., Ltd. Chairman of Kaicheng Construction Co., Ltd. Director of Crowell development Co.	--	--	--	--

Note 1: As for the institutional shareholders, it should list the name of shareholder and its representative (For the representative of institutional shareholder, it should list the name of institutional shareholder as well), and fill out Table 1 as below.

Note 2: Please list the actual age and express it in a range, such as 41~50 years old or 51~60 years old.

Note 3: It should fill out the first time when he was appointed as the director or supervisor of the Company. In case of interruption, it should add remarks.

Note 4: It refers to the experience related to the current position. If he worked in the accounting firm or its related party during the last disclosure period, it should specify his title and the responsibilities.

Note 5: If the general manager or the equivalent (top management) are the Chairperson are the same person or spouses or the relative within the first degree of kinship, it shall disclosure the related information such as the cause, rationality, necessity and measures taken (such as adding seats of independent directors or requiring more than half of the directors not working as the employee or managers concurrently).

1. Major shareholders of institutional shareholders

(1)Dajie Investment Co., Ltd.

Major shareholders of institutional shareholders	Shareholding ratio
Weng, Chu-Chih	17.86%
Lin, Hui-Chuan	16.52%
Lin, Hsing-Hsiung	14.56%
Lin, Chao-Hsiang	10.71%
Su, Pei-Ti	7.32%
Lin, Wen-Liang	7.15%
Lin, Chien-Liang	6.61%
Lin, Wan-Shan	6.10%
Lin, Wan-Hsin	6.10%
Lin, Wei-Pang	1.70%

(2) Hong-Yi Investment Limited Company

Major shareholders of institutional shareholders	Shareholding ratio
Cheng, Ssu-Tsung	100.00%

Note 1: If the director or supervisor is the representative of institutional shareholder, it should specify the name of the institutional shareholder.

Note 2: It should specify the major shareholders (with the top 10 shareholdings) of the institutional shareholder and the shareholding rate. If the major shareholder is a corporation, it should fill out Table 2 as below.

Note 3: For the institutional shareholder not a company, it shall disclose the name and shareholding rate, namely, the name of funder or contributor, and the funding rate of contributing rate.

2. Major Shareholders of the corporations listed as major shareholders: None.

Note 1: If the major shareholder listed in Table 1 is a corporation, it should specify the name of that corporation.

Note 2: It should specify the major shareholders (with the top 10 shareholdings) of the corporation and the shareholding rate.

Note 3: For the institutional shareholder not a company, it shall disclose the name and shareholding rate, namely, the name of funder or contributor, and the funding rate of contributing rate.

(2) Professional Qualifications of Directors and Independence of Independent Directors：

Criteria / Name	Professional Qualifications and Experience (Note 1)	Independence Attribute (Note 2)	Number of Holding Concurrent Independent Director Position in Other Public Companies
Hong Yi Investment Ltd. Representative: Cheng, Ssu-Tsung	Chairperson of the Board, Cheng, Ssu-Tsung, has more than five years of working experience in business, law, finance, accounting or corporate business, and is currently a director of China Bills Finance Corporation, and has not been subject to the provisions of Article 30 of the Company Act.	-	N/A
Lee, Chin-Yi	Director Lee, Chin-Yi has more than five years of experience in business, law, finance, accounting or corporate business. He is the former Chairperson of the Company and has served as the President of the Company for more than 19 years and is familiar with the operations of the Company and has not been subject to the provisions of Article 30 of the Company Act.	-	N/A
Yan, Ming-Hung	Director Yan, Ming-Hong has more than five years of experience in business, law, finance, accounting or corporate business, and is currently the Chairperson of the Board of Directors of. Everbrite Technology Co., Ltd., and has not been subject to the provisions of Article 30 of the Company Act.	-	N/A
Representative of Dajie Investment Co., Ltd.: Tseng, Ping-Joung	Director Tseng, Ping-Joung has more than five years of experience in business, law, finance, accounting or corporate business, and has served as an independent director and the convener of the Audit Committee and the Compensation Committee of the Company and has not been subject to the provisions of Article 30 of the Company Act.	-	N/A
Chen Shih-Yang	Independent Director Chen Shih-Yang has more than five years of working experience in business, law, finance, accounting or corporate business and is qualified as an accountant. Mr. Chen, is currently practicing at Chungsun Prime Certified Public Accountants and responsible person of Taipei Branch. Chairman of Tax Regulation Committee, and has not been subject to the provisions of Article 30 of the Company Act.	Fulfilled the independence qualification. Note3	N/A
Yeh, Chien-Wei	Independent Director Yeh, Chien-Wei has more than five years of working experience in business, law, finance, accounting or corporate business and is qualified as a lawyer, currently is the presiding attorney of Galaxy Attorneys-at-law and has not been subject to the provisions of Article 30 of the Company Law.	Fulfilled the independence qualification. Note3	N/A

Yu, Hung-Da	Independent Director Yu, Hung-Da has more than five years of experience in business, law, finance, and is currently the Chairperson of the Board of Directors of. Kaicheng Construction Co., Ltd., and has not been subject to the provisions of Article 30 of the	Fulfilled the independence qualification. Note3	N/A

Note 1: Professional Qualifications and Experience: The professional qualifications and experience of individual directors and supervisors shall be described, and if they are members of the Audit Committee and have accounting or financial expertise, their accounting or financial background and work experience shall be described, and whether they have not been subject to the provisions of Article 30 of the Company Act.

Note 2: The independent director shall state the circumstances of independence, including but not limited to whether he or she, his or her spouse or second degree relatives are directors, supervisors or employees of the Company or its affiliates; the number and proportion of shares held by him or her, his or her spouse or second degree relatives (or using the names of others); and whether he or she is an independent director of a company with specific ties to the Company (refer to Article 3-1 of the Rules Governing the Establishment and Compliance of Independent Directors of Public Companies). Note 3: Please refer to Article 3, Paragraph 1, Paragraphs 5~8 of the Rules Governing the Establishment of Independent Directors of Public Companies, and the amount of remuneration received for the provision of business, legal, financial and accounting services to the Company or its affiliates in the last two years.

Note 3: Independence Attributes are as follows.

(1) Not employees of the Company or its affiliates.

(2) Not a director or supervisor of the Company or its affiliated companies.

(3) Not a natural person shareholder who holds more than 1% of the total issued shares of the Company or the top ten shares in the name of himself/herself, his/her spouse, minor children or others.

(4) A person who is not a manager listed in (1) or a spouse, a relative within the second degree of consanguinity or a relative within the third degree of consanguinity of a person listed in (2) or (3).

(5) A director, supervisor or employee of a corporate shareholder who does not directly hold more than 5% of the total number of issued shares of the Company, or who is among the top five holders of shares, or who has designated a representative as a director or supervisor of the Company in accordance with Article 27(1) or (2) of the Company Act.

(6) A director, supervisor or employee of another company who is not controlled by the same person as the company's directorship or more than half of the voting shares.

(7) A director (director), supervisor (supervisor), or employee of another company or organization who is not the same person or spouse of the Chairperson, president, or equivalent of the Chairperson of the company.

(8) Not a director (director), supervisor (supervisor), manager, or shareholder holding more than 5% of the shares of a specific company or organization with which the Company has financial or business dealings.

(9) Professionals, sole proprietors, partners, directors, supervisors, managers, and their spouses who do not provide audit or remuneration to the Company or its affiliates for business, legal, financial, or accounting related services with an accumulated amount of less than NT$500,000 in the last two years.

(3) The Diversity and Independence of the Board of Directors：

1. Article 20 of the Company’s Corporate Governance Code of Conduct stipulates that diversity shall be considered in the composition of Board members. Directors who are also managers in the Company may not take up more than one-third of all seats. In addition, appropriate diversity policies that reflect the Company's operations, operational pattern, and developmental needs shall be stipulated. In addition to the overall abilities of the current Board members (including Independent Directors), such as professional background (e.g., law, accounting, industry, finance, marketing, or technology), professional skills, industry experience, operational judgment, accounting and financial analysis abilities, management ability, crisis handling capabilities, industry knowledge, international market perspective, leadership skills, and decision-making skills, at least one-third of its seats should be occupied by female Directors, and at least one seat should be occupied by a Director with a specific professional background (law, accounting, or construction).

   The Company’s Board of Directors is composed of seven Directors, including three Independent Directors. Four members have professional backgrounds in construction, law, and accounting, while the remaining members have extensive experience and knowledge in finance and management. Moreover, the Company is dedicated to fostering a culture of diversity and inclusivity. Our future plans involve increasing the percentage of female Directors, streamlining our business decision-making process, and aligning with global trends to enhance the Company's profitability, competitiveness in the global market, and brand image. Refer to the following table for the details of our progress.

Name	Basic Structure							Industrial Experience		Professional Skills				
	Gender	Background	Age			Years of Appointment as independent directors		Construction	Finance	Accounting	Law	Architecture	Operation Management	Risk Management
			Age 41-50	Age 51-60	Over Age 61	Less than 3 years	3-9 years							
Cheng, Ssu-Tsung	Male	Management / Finance	V					V	V				V	V
Lee, Chin-Yi	Male	Management / Construction			V			V					V	V
Yan, Ming-Hung	Male	Management / Finance	V						V				V	V
Tseng, Ping-Joung	Male	Management / Hotels			V			V					V	V
Chen Shih-Yang	Male	Accounting			V	V				V			V	V
Yeh, Chien-Wei	Male	Law	V				V	V			V		V	V
Yu, Hung-Da	Male	Construction		V		V		V				V	V	V

2. Independence of the Board of Directors：

The Board of Directors of the Company consists of seven directors (including three independent directors), with 43% of the Board members being independent. The Board of Directors is independent (please refer to the disclosure of the professional qualifications of directors and the independence of independent directors on page 19-20), and each director has been verified to be free from the requirements of Items 3 and 4 of Article 26-3 of the Securities and Exchange Act. No member of the Board of Directors is related to each other as spouses or relatives within the second degree of consanguinity.

(4) Information on the General Manager, Deputy General Manager, Department Heads and Branch Officers

April 27th, 2024 Unit: Share

Title	Nationality	Name	Gender	Date elected (employed)	Shareholding		Current Shares of Spouse and Minors		Holding Shares in Other Names		Experience (Education)	Concurrent Positions at Other Companies	Managers who are spouses or within two degrees of kinship			Note3
					Shares	%	Shares	%	Shares	%			Title	Name	Relation	
General Manager	R.O.C.	Huang, Jyh Jen	Male	2022.12.27	-	-	10,000	-	-	-	Education: Master's degree, Department of Water Resources and Environmental Engineering Tamkang University Experience: Director, Hong-Cheng Construction Co., Ltd.	Director, Hong-Cheng Construction Co., Ltd Huachien Construction Co., Ltd..	-	-	-	-
Vice president	R.O.C	Lee, Jun-Xian	Male	2016.08.09	203,136	0.02%	-	-	-	-	Education: Department of Land Economics, National Chung Hsing University Experience: Associate VP, Huyi Construction Co., Ltd	Supervisor, Huachien Construction Co., Ltd.	-	-	-	-
Section Chief of Finance & Accounting Dept. (Accounting Manager)	R.O.C.	Wu, Sing-Suei	Female	2007.03.15	505,862	0.06%	-	-	-	-	Education: Accounting Dept., Ming Chuan University Experience: Chief Accountant, Delpha Construction Co., Ltd	-	-	-	-	-
Deputy Manager, Finance and Accounting Department (Finance Manager)	R.O.C.	Chien, Lin-Chin	Female	2020.08.01	400,000	0.05%	-	-	-	-	Education: Department of Accounting, Soochow University Experience: Deputy Manager of Finance, Delpha Construction Co., Ltd.	Accounting Manager, Huachien Construction Co., Ltd.	-	-	-	-

Manager, Corporate Governance Officer and Legal Affair Dept.	R.O.C.	Wang, Chen Kang	Male	2021.03.30	606,000	0.07%	-	-	-	-	Education: Department of Law, Fu Jen Catholic University Experience: Qualified in the high-level Bar Examination	-	-	-	-	-

Note 1: It shall include the information of the General Manager, Deputy General Manager, Associates, Department Heads and Branch Officers, as well as those on the equivalent posits regardless of the titles, which shall be all disclosed.

Note 2: It refers to the experience related to the current position. If he worked in the accounting firm or its related party during the last disclosure period, it should specify his title and the responsibilities.

Note 3: If the general manager or the equivalent (top management) are the Chairperson are the same person or spouses or the relative within the first degree of kinship, it shall disclosure the related information such as the cause, rationality, necessity and measures taken (such as adding seats of independent directors, or requiring more than half of the directors not working as the employee or managers concurrently).

3. Remuneration Paid to Directors (Including the Independent Directors), General Manager and Deputy General Manager during the Most Recent Year

(1) Remuneration Paid to Directors and the Independent Directors (Name and Remuneration of Individual Personnel Disclosed):

Unit: NT1,000

Title	Name	Remuneration Paid to Directors								Ratio of Total Remuneration (A+B+C+D) to Net Income				Relevant Remuneration Received by Directors Who Are Also Employees								Ratio of Total Remuneration (A+B+C+D+E+F+G) to Net Income				Compensation Paid to Directors by Nonconsolidated Affiliates
		Base Compensation (A)		Severance Pay (B)		Directors Compensation(C)		Allowance (D)		The company		Consolidated		Salary, Bonuses and Allowance (E)		Severance Pay (F)		Employee Compensation (G)				The company		Consolidated		
		The company	Consolidated	The company y	Consolidated	The company	Consolidated	The company	Consolidated Entities	(A+B+C+D) Total Remuneration	Ratio of (A+B+C+D)	(A+B+C+D) Total Remuneration	Ratio of (A+B+C+D)	The company	Consolidated	The company	Consolidated	The comp any Cash	The comp any Stock	Cons olidat ed Cash	Cons olidat ed Stock	(A~G) Total Remuneration	The company	(A~G) Total Remuneration	Consolidated	
Chairman	Hong Yi Investment Ltd. Representative: Cheng, Ssu-Tsung	960	960	0	0	286	286	50	60	1,296	0.25%	1,306	0.26%	0	0	0	0	0	0	0	0	1,296	0.25%	1,306	0.26%	None
Director	Lee, Chin-Yi	1,268	1,268	0	0	286	286	50	50	1,604	0.31%	1,604	0.31%	0	0	0	0	0	0	0	0	1,604	0.31%	1,604	0.31%	None
Director	Yan, Ming-Hung	61	61	0	0	286	286	50	50	397	0.08%	397	0.08%	0	0	0	0	0	0	0	0	397	0.08%	397	0.08%	None
Director	Dajie Investment Co., Ltd. Representative: Tseng, Ping-Joung	61	61	0	0	286	286	50	50	397	0.08%	397	0.08%	0	0	0	0	0	0	0	0	397	0.08%	397	0.08%	None
Independent director	Chen Shih-Yang	153	153	0	0	286	286	65	65	503	0.10%	503	0.10%	0	0	0	0	0	0	0	0	503	0.10%	503	0.10%	None
	Yeh, Chien-Wei	300	300	0	0	286	286	125	125	711	0.14%	711	0.14%	0	0	0	0	0	0	0	0	711	0.14%	711	0.14%	None
	Yu, Hung-Da	153	153	0	0	286	286	65	65	503	0.10%	503	0.10%	0	0	0	0	0	0	0	0	503	0.10%	503	0.10%	None
	Wang, Mu-Fan (Note1)	148	148	0	0	0	0	60	60	208	0.04%	208	0.04%	0	0	0	0	0	0	0	0	208	0.04%	208	0.04%	None
	Chen, Rei-Li (Note1)	148	148	0	0	0	0	60	60	208	0.04%	208	0.04%	0	0	0	0	0	0	0	0	208	0.04%	208	0.04%	None

1. Please explain the policy, system, criteria and structure of remuneration paid to independent directors, and describe the correlation with the amount of remuneration based on the factors such as responsibilities, risks, and time spent:
   The Independent Directors' remuneration is composed of attendance fees, fixed monthly salary and Director remuneration, and the amounts are as resolved at the Remuneration Committee meetings. The aforementioned remuneration are based on the remuneration level in the industry while taking into consideration the Company's business operation, directors' contribution to the Company, future risks, and results of board performance evaluation.
2. Except the sheet disclosed above, the remuneration to all the directors served for all the companies within the consolidated financial statement (such as a consultant not an employee) in the most recent year: None.

Note 1: The names of directors should be listed respectively (For the institutional shareholder, it should list its name and representative respectively), and the general directors and independent directors should be listed separately. The total amount paid in each item should be disclosed. If the director concurrently holds the position of general manager or deputy general manager, it should fill out this table and the table below (3-1) or (3-2-1) and (3-2-2).

Note 2: It refers to the compensation of directors in the most recent year (including the salary, pay rise, severance allowance, various bonuses and dividends).
Note 3: It refers to the amount of remuneration distributed to the directors upon the resolution of the board meeting in the most recent year.
Note 4: It refers to the allowance related to business of the directors in the most recent year (including the transportation expense, special subsidiary, various allowances, dormitory, vehicle, and other materialistic provisions). If the director is provided with house, automobile or other vehicle or exclusive expenditures, it should disclose the nature and cost of the capital, rental paid actually or estimated based on the fair price in the market, fuel expense or other payments. If a driver is assigned, it should also specify the salary paid by the Company, which should be excluded from the remuneration.
Note 5: It refers to the amount received by the directors by holding the concurrent position in the most recent year (including general manager, deputy general manager, other managerial officer or employee), which includes the salary, pay rise, severance allowance, various bonuses and dividends, as well as transportation expense, special subsidiary, various allowances, dormitory, vehicle, and other materialistic provisions. If the director is provided with house, automobile or other vehicle or exclusive expenditures, it should disclose the nature and cost of the capital, rental paid actually or estimated based on the fair price in the market, fuel expense or other payments. If a driver is assigned, it should also specify the salary paid by the Company, which should be excluded from the remuneration. In addition, the remuneration expense recognized based on IFRS 2[Stock-based Payment], including the stock option certificate, the restricted new shares and the shares subscribed through capital increase by cash, should be included in the remuneration.
Note 6: It refers to the amount (including cash and stock) received by the directors by holding the concurrent position in the most recent year (including general manager, deputy general manager, other managerial officer or employee). It should disclose the amount distributed to the employees upon the resolution of the board meeting in the most recent year. If it can't be estimated, it should calculate the amount to be distributed based on the amount and percent actually distributed in the last year, and fill out the Table 1-3 in the Appendix.
Note 7: It should disclose the total amount of various compensations paid to the directors by all companies in the consolidated financial statement (including the Company).
Note 8: For the total amount of various remunerations paid to each director by the Company, it should disclose the director name under that range.
Note 9: It should disclose the total amount of various remunerations paid to each director by all companies in the consolidated financial statements (including the Company) and disclose the director's name under that range.
Note 10: The after-tax net profit refers to the amount of net profit after tax specified in the individual financial report in the most recent year.
Note 11: a. The field should list the amount received by the director from any re-invested company other than the subsidiaries or the parent company (If no such amount is received, please fill in "None").
b. If the director of the Company has received the payment from the re-invested company other than the subsidiaries or the parent company, it should include the said payment in Column I in the table of remuneration range. Moreover, the column name should be changed into "The Parent Company and All Re-investment Companies".
c. The remuneration refers to the compensations, remunerations (including the remuneration paid to the employees, directors and supervisors), and the allowances received by the director of the Company by serving as the director, supervisor or managerial officer of the re-invested company other than the subsidiaries or the parent company.

＊The remuneration disclosed in this table is different from the concept of income defined in the Income Tax Act. Thus, this table is for information disclosure only, which can't be used for tax collection.

Remuneration Paid to General Directors, Independent Directors, Supervisors, General Manager and Deputy General Manager

1. Under any of the following circumstances, it should disclose the name of each individual director or supervisor and the corresponding remuneration amount, or opt to disclose aggregate remuneration information, with the name(s) indicated for each remuneration range, or to disclose the name of each individual and the corresponding remuneration amount (If it adopts disclosure by individual, please fill in the title, name and amount without listing the remuneration range):
   (1) A company that has posted after-tax deficits in the financial reports for the recent three fiscal years, shall disclose the name and remuneration paid to individual directors and supervisors. However, it doesn't apply if there is any profit after-tax in the financial report of the most recent year that is sufficient to make up the accumulated loss.
   (2) A company that has had an insufficient director shareholding percentage for 3 consecutive months or longer during the most recent fiscal year shall disclose the remuneration of individual directors; one that has had an insufficient supervisor shareholding percentage for 3 consecutive months or longer during the most recent fiscal year shall disclose the remuneration of individual supervisors [Note 2].
   (3) A company that has had an average ratio of share pledging by directors or supervisors in excess of 50 percent in any 3 months during the most recent fiscal year shall disclose the remuneration paid to each individual director or supervisor having a ratio of pledged shares in excess of 50 percent for each such month [Note 3].
   (4) If the remuneration received by all directors and supervisors exceeds 2% of the after-tax net profit of the remuneration paid for the directors and supervisors of all companies in the financial statement, and the amount of remuneration paid for individual director or supervisor exceeds NT$15 million, it should disclose the remuneration of individual directors or supervisors. (Remarks: The remuneration of directors and supervisors is calculated based on the "director's remuneration" plus the "supervisor's remuneration" in the table attached, which doesn't include the related remuneration received by serving as employees concurrently.)
   (5) A listed company that is ranked in the last range according to the corporate governance assessment result in the most recent year, or is involved in changes in trading methods, suspension of trading, termination of listing on the counter in the most recent year and as of the date of publication of the annual report or is in other conditions that the corporate governance assessment committee approves exclusion from the assessment.
   (6) The average annual remuneration of a full-time employee of a listed company who doesn't hold a manager position has not reached NT $ 500,000 in the most recent year.
   (7) If the net profit after tax of a TWSE/TPEx-listed company increased by 10% or more the most recent year, but the average annual salary of full-time employees in non-managerial positions did not increase compared with the previous year. (Note 6)
   (8) If the after-tax profit of a TWSE/TPEx-listed company in the most recent year declined by 10% and exceeded NT$5 million, but the average remuneration of each director (excluding compensation as an employee) increased by 10% and exceeded NT$100,000. (Note 7)

2. Under the circumstance 1 or 5 listed above, the remuneration information of the top five paid remuneration executives (such as general manager, deputy general manager, CEO or CFO) should be disclosed individually.

[Note 1] For example: When preparing the 2019 Annual Report during the 2020 shareholders' meeting, it should disclose the information of individual ones if the Company was in after-tax loss as specified in Individual Financial Statement for any year between 2017~2019. However, disclosure of individual directors may not be adopted if the after-tax net profit specified in 2019 Individual Financial Statement was sufficient to make up the accumulated loss even if it was in after-tax loss as specified in 2017/2018 Individual Financial Statement.

[Note 2] For example: When preparing the 2009 Annual Report during the 2010 shareholders' meeting, it should disclose the information of individual ones if the Company has had an insufficient director/supervisor shareholding percentage for 3 consecutive months or longer during January, 2009~December, 2009. In addition, it should disclose the information of individual ones if the Company has had an insufficient director/supervisor shareholding percentage for 3 consecutive months or longer in January, 2009 (namely, November and December, 2008 and January, 2009).

[Note 3] For example: When preparing the 2009 Annual Report during the 2010 shareholders' meeting, it should disclose the remuneration paid to each individual director having a ratio of pledged shares in excess of 50 percent for each of the three months if the company has had an average ratio of share pledging by directors in excess of 50 percent in February, May and August, 2009. In addition, it should disclose remuneration paid to each individual supervisor having a ratio of pledged shares in excess of 50 percent for each of the three months if the company has had an average ratio of share pledging by supervisors in excess of 50 percent in three months.

※Monthly pledge ratio of all directors: Shares pledged by all directors/shares held by all directors (including the No. of shares under trust with discretion reserved); Monthly pledge ratio of all supervisors: Shares pledged by all supervisors/shares held by all supervisors (including the No. of shares under trust with discretion reserved).

【Note 4】For example, since the results of corporate governance evaluation mostly announced in April of each year, if the results of corporate governance evaluation are not yet announced for the most recent year (i.e., fiscal year 2021), the annual report of the shareholders' meeting for fiscal year 2022 should be based on the most recent results of corporate governance evaluation (e.g., fiscal year 2020). After the announcement of the results of the most recent annual corporate governance review, if it is the last level of the corporate governance review and the remuneration was originally disclosed by aggregating the names with the level of disclosure, the annual report of the shareholders' meeting shall be revised and uploaded to the Market Observation Post System in order to fulfill the integrity of information disclosure.

【Note 5】For example, if a listed company prepares its annual report for 2021 after the end of the most recent year (i.e., fiscal 2021), it should use the most recent year (fiscal 2021) to assess whether it has not reached NT$500,000 and should disclose the remuneration of individual directors and supervisors for the most recent year (fiscal 2021).

【Note 6】 For example: When preparing the 2023 annual report for the 2024 shareholders' meeting, if the net profit after tax in the 2023 financial statements of a TWSE/TPEx-listed company increased by 10% or more compared with 2022 (also applicable if the company has a loss in 2022 and a profit in 2023), but the average annual salary of full-time employees in non-managerial positions did not increase compared with 2022, the remuneration of individual directors must be disclosed. Net profit after tax refers to the net profit after tax in the most recent standalone financial statements. The definition and calculation method of full-time employees and their salaries are in accordance with the provisions on reporting "salary information of full-time employees in non-managerial positions" set forth in the "Taiwan Stock Exchange Corporation Principles for Handling Information Disclosure on the Key Financials and Transactional Information Section of the Market Observation Post System" and the "Taipei Exchange Rules Governing Information Reporting by Companies with TPEx Listed Securities."

【Note 7】 For example: When preparing the 2023 annual report for the 2024 shareholders' meeting, if the after-tax profit in the 2023 financial statements of a TWSE/TPEx-listed company declined by more than 10% compared with 2022, and the amount reaches NT$5 million and above (this is applicable regardless of whether the company has an after-tax net profit or loss), but the average remuneration of each director (excluding compensation as an employee) increased by 10% and exceeds NT$100,000, the remuneration of individual directors must be disclosed. Net profit after tax refers to the net profit after tax in the most recent standalone financial statements.

(2) Remuneration paid to the General Manager and the Deputy General Manager Name and Remuneration of Individual Ones Disclosed

Unit: NT$1,000

Title	Name	Base Remuneration (A) (Note 2)		Severance Pay (B)		Bonus and Allowance(C) (Note 3)		Employee Compensation (D) (Note 4)				Ratio of Total Remuneration (A+B+C+D) to Net Income (%) (Note 8)				Compensation paid to General Manager and Deputy General Manager from a reinvested company other than the subsidiary or the parent company (Note 9)
		The Company	All companies in the consolidated financial statement (Note 5)	The Company	All companies in the consolidated financial statement (Note 5)	The Company	All companies in the consolidated financial statement (Note 5)	The Company		All companies in the consolidated financial statement (Note 5)		The Company		All companies in the consolidated financial statement (Note 5)		
								Cash	Stock	Cash	Stock	A+B+C+D) al	Ratio of Total Remuneration (A+B+C+D) to Net Income (%)	(A+B+C+D)	Ratio of Total Remuneration (A+B+C+D) to Net Income (%)	
General Manager	Huang, Chih-Chen	1,064	1,064	0	0	420	430	119	0	119	0	1,603	0.31%	1,613	0.32%	
Vice President (VP)	Lee, Jun-Xian	2,036	2,036	0	0	880	880	215	0	215	0	3,130	0.61%	3,140	0.61%	

Note 1: The names of general managers and deputy general managers should be listed respectively. The total amount paid in each item should be disclosed. If the director concurrently holds the position of general manager or deputy general manager, it should fill out this table and the table above (1-1) or (1-2-1)(1-2-2).

Note 2: It refers to the salary, pay rise, and severance allowance of general manager and deputy general manager in the most recent year.

Note 3: It refers to the various bonuses and dividends, as well as transportation expense, special subsidiary, various allowances, dormitory, vehicle, other materialistic provisions, and other compensations received by the general manager and deputy general manager in the most recent year. If he is provided with house, automobile or other vehicle or exclusive expenditures, it should disclose the nature and cost of the capital, rental paid actually or estimated based on the fair price in the market, fuel expense or other payments. If a driver is assigned, it should also specify the salary paid by the Company, which should be excluded from the remuneration. In addition, the remuneration expense recognized based on IFRS 2[Stock-based Payment], including the stock option certificate, the restricted new shares and the shares subscribed through capital increase by cash, should be included in the remuneration.

Note 4: It refers to the amount (including cash and stock) distributed to the employees received by the general manager and the deputy general manager upon the resolution of the board meeting in the most recent year. If it can't be estimated, it should calculate the amount to be distributed based on the amount and percent actually distributed in the last year and fill out the Table 1-3 in the Appendix. The after-tax net profit refers to the amount of net profit after tax in the most recent year. For those that adopt IFRS, the after-tax net profit refers to the amount listed in the individual financial statement in the most recent year.

Note 5: It should disclose the total amount of various compensations paid to the general manager and the deputy general manager by all companies in the consolidated financial statement (including the Company).

Note 6: For the total amount of various remunerations paid to each general manager and deputy general manager by the Company, it should disclose the name of general manager and deputy general manager under that range.

Note 7: It should disclose the total amount of various remunerations paid to each general manager and deputy general manager by all companies in the consolidated financial statements (including the Company), and disclose the name of general manager and deputy general manager under that range.

Note 8: The after-tax net profit refers to the amount of net profit after tax in the most recent year. For those that adopt IFRS, the after-tax net profit refers to the amount listed in the individual financial statement in the most recent year.

Note 9: a. The field should list the amount received by the general manager and deputy general manager from any re-invested company other than the subsidiaries or the parent company (If no such amount is received, please fill in "None").

b. If the general manager and deputy general manager of the Company has received the payment from the re-invested company other than the subsidiaries or the parent company, it should include the said payment in Column E in the table of remuneration range. Moreover, the column name should be changed into "The Parent Company and All Re-investment Companies".

c. The remuneration refers to the compensations, remunerations (including the remuneration paid to the employees, directors and supervisors), and the allowances received by the general manager and deputy general manager of the Company by serving as the director, supervisor or managerial officer of the re-invested company other than the subsidiaries or the parent company.

*The remuneration disclosed in this table is different from the concept of income defined in the Income Tax Act. Thus, this table is for information disclosure only, which can't be used for tax collection.

(3)The remunerations of the top five paid executives (Name of individuals and remuneration methods disclosed)

(4) Name of Managerial officers Distributed with Employee Dividend and Distribution Situation:

Unit: NT$1,000; March 29th, 2024

	Title (Note 1)	Name (Note 1)	Amount of stock dividend	Amount of cash dividend	Total	Percent of sum in the after-tax net profit (%)
Managerial Officers	General Manager	Huang, Jyh Jen	-	654	654	0.13%
	Vice General Manger of Business Dept. & Engineering Management Dept.	Lee, Jun-Xian				
	Deputy Manager, Finance and Accounting Department (Finance Manager)	Chien, Lin-Chin				
	Section Chief of Finance & Accounting Dept. (Accounting Manager)	Wu, Sing-Suei				
	Manager, Corporate Governance Office and Legal Affair Dept.	Wang, Chen-Kang				

Note 1: It should disclose names and title of individuals, but it may disclose the profit distribution situation in summary.

Note 2: It refers to the amount (including cash and stock) distributed to the employees received by the managerial officers upon the resolution of the board meeting in the most recent year. If it can't be estimated, it should calculate the amount to be distributed based on the amount and percent actually distributed in the last year. The after-tax net profit refers to the amount of net profit after tax in the most recent year. For those that adopt IFRS, the after-tax net profit refers to the amount listed in the individual financial statement in the most recent year.

Note 3: If application scope of the managerial officers, according to the official document Tai Zheng III No. 0920001301 released by the Association on March 27th, 2003, includes the following:

(1) General Manager and the equivalents.
(2) Vice general manager and the equivalents.
(3) Associates and the equivalents.
(4) Manager of Finance Dept.
(5) Manager of Accounting Dept.
(6) Others authorized to manage the affairs of the Company and sign on behalf of the Company

Note 4: If the remuneration distributed to the employees is received by the directors, general manager and deputy general manager (including stock and cash), it should fill in this table in addition to the Table 1-2 in the appendix.

(5) Analysis of the proportion of the total remuneration of directors, supervisors, general managers, and vice general managers of the Company paid by the Company and all companies in the consolidated financial statement to the net profit after tax in individual financial statements of the recent two years. Explanation of remuneration policies, standards and packages, the procedure for determining remuneration, and its linkage to operating performance and future risk exposure:

1. Analysis of the proportion of the total remuneration paid to directors, supervisors, general manager and deputy general managers of the Company to the net profit after tax of the individual financial statement of the recent two fiscal years:

Year	**2023**				**2022**			
	Individual		**Consolidated**		**Individual**		**Consolidated**	
	Total amount (NT$1,000)	Percent (%) in the net profit after tax	Total amount (NT$1,000)	Percent (%) in the net profit after tax	Total amount (NT$1,000)	Percent (%) in the net profit after tax	Total amount (NT$1,000)	Percent (%) in the net profit after tax
Directors (including independent directors)	5,824	1.14%	5,834	1.14%	5,939	1.31%	5,959	1.32%
General Manager and Vice General Manager	4,733	0.93%	4,753	0.93%	14,983	3.32%	15,023	3.33%

2. Explanation of remuneration policies, standards and packages, the procedure for determining remuneration, and its linkage to operating performance:

(1) Directors

A. Pursuant to the Company's Articles of Incorporation, the remuneration of directors and independent directors shall be based on the recommendations of the Renumeration Committee, referring to the results of the Board of Directors' self-evaluation on the five key aspects set out in the Company's Board Performance Evaluation Procedures, namely the level of involvement in operations, improvement of the quality of decision-making, composition and structure, appointment and training, and internal control, and taking into account general industry standards, and shall be determined by the Board of Directors.

B. The Company's Articles of Incorporation also stipulate that no more than 2% of the Company's annual profits shall be paid as Directors' remuneration. Such remuneration shall also be based on the recommendation of the Renumeration Committee, referring to the results of the self-evaluation of the Board of Directors, and approved to be issued by the Board of Directors in accordance with the law.

C. The Company's Directors and Independent Directors shall also receive fixed business execution fees on a per-time basis according to their actual attendance at meetings of the Board of Directors, Audit Committee, and Special Committee.

(2) Managers

The remuneration paid to managers by the Company can be mainly divided into salary and bonuses, as explained below:

A. Salary is paid according to the Company's "Measures for Managing Employee Salaries/Positions" and references industry standards, job title, job level, education/experience, professional abilities, and responsibilities.

B. Bonuses are based on the following items while taking into account other special contributions, and are approved by the chairman and subject to a resolution by the Renumeration Committee and Board of Directors.

1) Bonus: Various bonuses are paid based on the performance and contribution of business items employees are responsible for (such as land development and sales completion).

2) Remuneration: The Company conducts performance evaluations regularly (middle and end of the year) to measure the degree of performance achievement. The evaluation results are used as the basis for promotion or bonuses. Evaluation contents include practice of the Company's core values and business management abilities, financial and business performance indicators and general management indicators, and participation in continuing education and in sustainable operation.

4. Implementation of Corporate Governance

(1) The operations of the Board of Directors:

The Board of Directors held 10 (A) meetings in the most recent year (2023). The attendance of the directors is as follows:

1. The previously Board of Directors (term of office from June 23rd, 2020 to June 22nd, 2023) convened 5 board meetings (A) in the current year (2023).

Title	Name (Note 1)	Attendance (Presence) in Person B	Attendance by Proxy	Attendance (Presence) Rate (%) 【B/A】(Note 2)	Remarks
Director	Cheng, Ssu-Tsung	5	0	100%	-
Director	Lee, Chin-Yi	5	0	100%	-
Director	Dajie Investment Co., Ltd. Representative: Tseng, Ping-Joung	5	0	100%	-
Director	Yan, Ming-Hung	5	0	100%	-
Independent Director	Yeh, Chien-Wei	5	0	100%	-
Independent Director	Wang, Mu-Fan	5	0	100%	-
Independent Director	Chen, Rei-Li	5	0	100%	

2. The current Board of Directors (term of office from June 28rd, 2023 to June 27nd, 2026) convened 5 board meetings (A) in the current year (2023).

The attendance of Directors was as follows:

Title	Name (Note 1)	Attendance (Presence) in Person B	Attendance by Proxy	Attendance (Presence) Rate (%) 【B/A】(Note 2)	Remarks
Director	Hong Yi Investment Ltd. Representative: Cheng, Ssu-Tsung	5	0	100%	-
Director	Lee, Chin-Yi	5	0	100%	-
Director	Yan, Ming-Hung	5	0	100%	-
Director	Dajie Investment Co., Ltd. Representative: Tseng, Ping-Joung	5	0	100%	-
Independent Director	Chen Shih-Yang	5	0	100%	-
Independent Director	Yeh, Chien-Wei	5	0	100%	-
Independent Director	Yu, Hung-Da	5	0	100%	-

Other Noticeable Particulars:

1.Should any of the following circumstances occur at the Board of Directors meeting, the date of the board meeting, term, proposal content, opinions of all independent directors and the Company's handling of such opinions, should be specified:

(1) Matters specified in Article 14-3 of the Taiwan Securities and Exchange Act:

Date of board meeting	Proposal content
2023/01/12 1st meeting in 2023	1. The signing of a contract between the Company and its subsidiary, Huajian Construction Co., Ltd., for the new congregate housing construction project (Falsework part) located in the Qing'an Section of Shanhua District, Tainan City. 2. The 2022 performance bonuses for the Company's managers and Chief Auditor. 3. Proposal to lift the non-compete clause for the new General Manager. 4. Proposal for the monthly salary of the new General Manager.
2023/03/15	1. The Company's 2022 business report and financial statements.

2nd meeting in 2023	2. The 2022 dividend distribution proposal. 3. Deliberation of the amount allocated to Director and employee compensation in 2022. 4. The distribution method of remuneration for Directors, managers, the Chief Auditor, and employees in 2022. 5. Amendments to the Company's Articles of Incorporation. 6. Re-election of the Company's Directors. 7. The acceptance period for the nomination of Director (including Independent Director) candidates, the number of Directors to be elected, and the place of acceptance. 8. The date of and reasons for convening the Company's annual shareholders' meeting in 2023. 9. Define the ex-dividend date for the distribution of the 2022 cash dividends. 10. Review of the effectiveness of the 2022 internal control system. 11. The signing of a contract between the Company and its subsidiary, Huajian Construction Co., Ltd., for the new congregate housing construction project (Geotechnical engineering part) located in the Qing'an Section of Shanhua District, Tainan City.
2023/4/11 3rd meeting in 2023	1. The hiring and remuneration of the Company's certified public accountants. 2. Review the shareholders' proposals and nominations. 3. Define the qualification criteria of recipients of employee remuneration of employees at affiliated companies.
2023/4/14 4th meeting in 2023	1. Nomination of Director (including Independent Director) candidates. 2. Resolution of the roster of Director (and Independent Director) candidates.
2023/05/12 5th meeting in 2023	1. The Company's 2023 Q1 consolidated financial statements. 2. The signing of a contract between the Company and its subsidiary, Huajian Construction Co., Ltd., for the new congregate housing construction project (the structural engineering part) located in the Qing'an Section. 3. The 2023 Dragon Boat Festival bonuses for the Company's managers and chief auditor.
2023/06/28 6th meeting in 2023	1. Election of the chairperson by the Company's seven new directors (including independent directors). 2. Appointment of 5th-term Remuneration Committee members. 3. Appointment of 2nd-term Integrity Management Committee members.
2023/07/21 7th meeting in 2023	1. The remuneration of the current term directors. 2. The attendance fee for new directors and members of the Audit Committee and Integrity Management Committee. 3. The proposed amendment to the Company's "Personal Data Protection Management Measures." 4. The signing of a contract between the Company and its subsidiary, Huajian Construction Co., Ltd., for the new congregate housing construction project (the decoration part) located in the Shingaotie Section. 5. The proposed sale of pre-sale houses of the Company's "One and Only" project to a related party. 6. Manager and chief auditor remuneration adjustments.
2023/08/11 8th meeting in 2023	1. The Company's 2023 Q2 consolidated financial report. 2. Proposal to not distribute dividends for 2023 Q2. 3. The signing of a contract between the Company and its subsidiary, Huajian Construction Co., Ltd., for the new congregate housing construction project (the falsework part) located in the Sanzuowu Subsection, Sanzuowu Section, Zhongli District, Taoyuan City. 4. The signing of a contract between the Company and its subsidiary, Huajian Construction Co., Ltd., for the new congregate housing construction project (the geothetical engineering part) located in Zone B of the Xinbi Section, Luzhu District, Taoyuan City. 5. The authorization of the chairperson to make decisions for the acquisition or disposal of property, equipment, or right-of-use assets thereof exceeding NT$500 million. 6. The 2023 Mid-Autumn Festival bonuses for the Company's managers and chief auditor.
2023/11/10 9th meeting in 2023	1. The Company's 2023 Q3 consolidated financial report. 2. Proposal to not distribute dividends for 2023 Q3. 3. Amendments to the Company's organizational chart. 4. Amendments to the Company's Measures for Managing Seals. 5. Amendments to the Company's Reporting of Illegal and Unethical Behavior and Workplace Sexual Harassment Prevention, Grievance, and Disciplinary Measures. 6. Amendments to the Company's Operation Procedures for Prevention of Insider Trading. 7. Amendments to the Company's Risk Management Principles. 8. The signing of an additional contract between the Company and its subsidiary, Huajian Construction Co., Ltd., for the new congregate housing construction project located in Zone A of the Qingxi Section. 9. The signing of a contract between the Company and its subsidiary, Huajian Construction Co., Ltd., for the new congregate housing construction project (the decoration part) located in the Shanjie Section. 10. The signing of a contract between the Company and its subsidiary, Huajian Construction Co., Ltd., for the new congregate housing construction project (the geothetical engineering part) located in the Sanzuowu Section. 11. Establishment of the Company's 2024 internal audit plan.
2023/12/26 10th	1. Amendments to the Company's Regulations for Managing Related-party Transactions. 2. Proposal for the Company to continue to provide endorsement and guarantee for its subsidiary, Huajian

meeting in 2023	Construction Co., Ltd., to apply for loans from Mega Bills Finance Co., Ltd. 3. Proposal for the Company to provide endorsement and guarantee for its subsidiary, Huajian Construction Co., Ltd., to apply for a loan from the Bank of Panhsin. 4. Deliberation of the 2023 year-end bonuses for the Company's managers and chief auditor. 5. The signing of an additional contract between the Company and its subsidiary, Huajian Construction Co., Ltd., for the new congregate housing construction project located in Zone B of the Lejie Section. 6. The signing of an additional contract between the Company and its subsidiary, Huajian Construction Co., Ltd., for the new congregate housing construction project located in Zone B of the Xinbi Section.
2024/1/25 1st meeting in 2024	1. The hiring and remuneration of the Company's certified public accountants. 2. The signing of an additional contract between the Company and its subsidiary, Huajian Construction Co., Ltd., for the new congregate housing construction project located in Zone A of the Lejie Section. 3. The signing of an additional contract between the Company and its subsidiary, Huajian Construction Co., Ltd., for the new congregate housing construction project located in the Sanzuowu Section.
2024/3/15 2nd meeting in 2024	1. The Company's 2023 financial statements. 2. The services provided by Ernst & Young and its affiliated enterprises. 3. The 2023 performance bonuses for the Company's managers and Chief Auditor.
2024/3/29 3rd meeting in 2024	1. The 2023 business report and financial statements. 2. The 2023 dividend distribution proposal. 3. The amounts allocated for director's remuneration and employee bonuses in 2023. 4. The distribution method of remuneration for directors, managers, the chief auditor, and employees in 2023. 5. The date of and reasons for convening the Company's annual shareholders' meeting in 2024. 6. Set the ex-dividend date for the distribution of the 2023 Q4 cash dividends. 7. Review of the effectiveness of the internal control system in 2023. 8. The signing of an additional contract between the Company and its subsidiary, Huajian Construction Co., Ltd., for the new congregate housing construction project located in the Sanzuowu Section. 9. Amendments to the Company's Rules of Procedure for Board of Directors Meetings. 10. Amendments to the Company's Audit Committee Charter.
Opinions of all independent directors and the Company's handling of opinions： Approved by all independent directors.	

(2) Unless otherwise stated, other independent directors who expressed dissenting or qualified opinions that were recorded or declared in writing: None

2. As for the execution situation that directors avoid the proposal for conflict of interest, items like director name, proposal content, reason for avoiding conflict of interest and participation in the voting process shall be detailed:

Date of Board of Directors' meeting	Name of Directors	Agenda	Reason for recusal	Participation in voting
2023/4/11 3th meeting in 2023	Wang, Mu-Fan	The hiring and remuneration of the Company's certified public accountants.	Independent Director Wang, Mu-Fan has a conflict of interest with this proposal because of his past employment with the firm of the CPAs. He should recuse himself to maintain the Company's highest standards of corporate governance.	After recusal, the chair consulted with the remaining six directors and approved the proposal as proposed without objection.
2023/4/14 4th meeting in 2023	Cheng, Ssu-Tsung; Yan, Ming-Hung; Lee, Chin-Yi; Tseng, Ping-Joung; Yeh, Chien-Wei	Nomination of Director (including Independent Director) candidates	A conflict of interest.	During the review of Director candidates' information, the five nominated directors did not participate in voting. After they recused themselves, the remaining Directors in attendance approved the proposal as proposed without objection.

Date of Board of Directors' meeting	Name of Directors	Agenda	Reason for recusal	Participation in voting
2024/3/29 3th meeting in 2024	Cheng, Ssu-Tsung; Yan, Ming-Hung; Lee, Chin-Yi; Tseng, Ping-Joung; Chen Shih-Yang Yeh, Chien-Wei Yu, Hung-Da	The distribution method of remuneration for directors, managers, the chief auditor, and employees in 2023.	A conflict of interest.	1. Chairperson Cheng, Ssu-Tsung recused himself during discussions and voting, and Independent Director Chen, Shih-Yang temporarily acted as chairperson of the meeting. After the chairperson consulted the remaining directors present to express their opinions on the director's remuneration of Chairperson Cheng, Ssu-Tsung, the proposal was approved as proposed by all directors without objection. 2. Director Lee, Chin-Yi, Director Tseng, Ping-Joung, Director Yan, Ming-Hung, Independent Director Chen, Shih-Yang, Independent Director Yeh, Chien-Wei, and Independent Director Yu, Hung-Da each recused themselves from discussion and voting one by one. After the chairperson consulted the remaining directors present to express their opinions on the remuneration of the director who recused him/herself, the proposal was approved as proposed by all directors without objection.

3.The public companies shall disclose the evaluation cycle, period, scope, method and content for the self (peer) evaluation of the directors and fill out Table 2 Board Evaluation Implementation Situation.

(1) The Company's Board of Directors passed the amendment of the "Regulations Governing the Evaluation of the Performance of the Board of Directors and Functional Committees" and related self-evaluation surveys on November 12th. The results of the evaluation for fiscal 2023 were reported to the Board of Directors on March 15, 2024 and reported on the Market Observation Post System.

(2) The contents of the evaluation report were as follows:

Evaluation cycle	Once every year (if an election is implemented in the same year, the performance of the previous term and the current term shall be completed before the election and at the end of the year)
Evaluation period	January 1st to December 31st, 2023
Evaluation scope and method	Scope of the evaluation: The performance evaluation of the board as a whole, individual Directors, and functional committees. Evaluation methods: Self-evaluation of the Board of Directors, self-evaluation of the Directors, appointment of external professional institutions or experts, or other appropriate methods for performance evaluation.
Evaluation procedures	The units responsible for the evaluation shall collect information about the activities of the Board of Directors and distribute the "Self-Evaluation Questionnaire on the Performance of the Board of Directors", "Self-Evaluation Questionnaire on the Performance of the Director", "Self-Evaluation Questionnaire on the Performance of the Audit Committee", "Self-Evaluation Questionnaire on the Performance of the Remuneration Committee", and "Self-Evaluation Questionnaire on the Performance of the Integrity Management Committee" for the performance evaluation of the Board of Directors. After the data are recovered, the Company records the evaluation results in accordance with the scoring standards for evaluation indicators in the Regulations, and reports to the Board of Directors for review and improvements.

●2023 evaluation indicators and options

Board performance	Self-evaluation of the	Performance evaluation of functional committees

evaluation	performance of Directors	Functional Committee	Audit	Remuneration	Integrity Management
Level of participation in the Company's operations Improvement of the quality of the Board of Directors' decision making Board composition and structure Election and continuing education of Directors Internal control	Familiarity with the goals and missions of the Company Awareness of the duties of Directors Level of participation in the Company's operations Management of internal relations and communication Directors' professional and continuing education and training Internal control	Level of participation in the Company's operations	V	V	V
		Understanding of duties of the functional Committee	V	V	V
		Improvement of the quality of the functional Committee' decision making	V	V	V
		Composition of the functional Committee and selection of committee members	V	V	V
		Internal control	V	V	V
25 evaluation indicators	20 evaluation indicators	20 evaluation indicators			

Excellent (5.00 to 4.01 points), good (4.00 to 3.01 points), and improvements required (less than 3 points)

●2023 evaluation results

Board performance evaluation	**Self-evaluation of the performance of Directors**	**Performance evaluation of functional committees**		
		Audit Committee	Remuneration Committee	Integrity Management Committee
Evaluation results: **Excellent**	Evaluation results: **Excellent**	Evaluation results: **Excellent**	Evaluation results: **Excellent**	Evaluation results: **Excellent**

4. Strengthening the functions of the Board in the current and recent years (such as setting up the Audit Committee, promoting information transparency, etc.) and conducting performance assessment:

(I) The Company established the Audit Committee on May 31st, 2017 to replace Supervisors. The Committee convened 8 meetings in 2023 to strengthen internal monitoring and control mechanisms and help the Board of Directors implement decisions.

(II) The Company strengthens the new Directors' awareness of laws and regulations and holds at least one meeting of the Board of Directors each quarter. The Company also rigorously abide by the recusal system for conflicts of interest involving Directors and related parties in the "Rules of Procedure for Board of Directors Meetings", "Related Party Transaction Management Regulations".

(III) The Company's Board of Directors approved the additions to the Regulations Governing the Evaluation of the Performance of the Board of Directors and Functional Committees and the related self-evaluation surveys on November 12, 2019. We have already filed the results of the 2023 evaluation and commissioned the Taiwan Corporate Governance Association to conduct an external performance evaluation of the Board of Directors in December 2022 and issue the Board performance evaluation report. Please visit the Company's website for more information regarding the report.

(IV) The Company's Board of Directors approved the establishment of a "Corporate Governance Officer" on March 30, 2021 to assist the Board in promoting corporate governance.

(V) The Company formed the Integrity Management Committee in May 2022. The committee convened one meeting in 2023.

(VII)The Company has set up a corporate website in English.

(VII)The 2023 directors' liability insurance was purchased on December 2nd, 2023.

Note 1: If the director or supervisor is a company, it should disclose the names of its shareholders and the name of its representative.

Note 2: (1) If any director/supervisor resigns before the end of the year, it shall specify the resignation date in the Remarks field. As for the attendance rate (%), it shall be calculated based on the board meetings held during his service period and the times that he attended such meeting in person.

(2) If any director/supervisor is re-elected before the end of the year, it shall specify both the old and the new director/supervisor and add comments in the Remarks field to distinguish the old and new ones and the re-election date. As for the attendance rate (%), it shall be calculated based on the board meetings held during his service period and the times that he attended such meeting in person.

(2) The operations of the Audit Committee:

A total of 8 (A) Audit Committee meetings were held in the previous period. The attendance of the independent directors was as follows:

1. The previously Board of Directors (term of office from June 23rd, 2020 to June 22nd, 2023) convened 4 meetings of the Audit Committee (A)

Title	Name	Attendance in Person (B)	Attendance by Proxy	Attendance ratio (%) (B/A)(Note)	Remarks
Independent director	Wang, Mu-Fan	4	0	100%	
Independent director	Yeh, Chien-Wei	4	0	100%	
Independent director	Chen, Ruei Li	4	0	100%	

2. The current Board of Directors (term of office from June 28rd, 2023 to June 27nd, 2026) convened 4 meetings of the Audit Committee (A)

Title	Name	Attendance in Person (B)	Attendance by Proxy	Attendance ratio (%) (B/A)(Note)	Remarks
Independent director	Chen Shih-Yang	4	0	100%	
Independent director	Yeh, Chien-Wei	4	0	100%	
Independent director	Yu, Hung-Da	4	0	100%	

● Summary of key work items of the year:

The Audit Committee assists the Board of Directors in its supervisory duties its responsibilities for tasks specified in the Company Act, Securities and Exchange Act, and other related regulations. The Company established the Audit Committee on May 31st, 2017. It consists of all three Independent Directors. Committee meetings are convened at least once each quarter, and a total of 8 meetings were convened in 2023. The Committee reviewed the following items:

1.Review of financial statements:

The Board of Directors has prepared the business report, financial statements, and earnings distribution proposal, of which the financial statements have been audited by Ernst & Young Global Limited which has submitted an audit report. The aforementioned business report, financial statements, and earnings distribution proposal have been reviewed by the Audit Committee and deemed as correctly portraying the Company's business activities.

2.Evaluation of the effectiveness of internal control system:

The Audit Committee evaluates the effectiveness of the policies and procedures of the Company's internal control system.

3.Major asset transactions

4.Private placement or issuance of securities

5.Related-party transactions

6.Assessment of independence of the CPAs

Other Noticeable Particulars:

1. Should any of the following circumstances occur at the operations of Audit Committee, the date of the Audit Committee meeting, term, proposal content, opinions of all independent directors and the Audit Committee’s handling of such opinions, should be specified:

(1) Matters specified in Article 14-5 of the Taiwan Securities and Exchange Act

The current Board of Directors (term of office from June 23rd, 2020 to June 22nd, 2023)

Date of board meeting	Proposal content
2023/01/12 1st meeting in 2023	1. The signing of a contract between the Company and its subsidiary, Huajian Construction Co., Ltd., for the new congregate housing construction project (Falsework part) located in the Qing'an Section of Shanhua District, Tainan City.
2023/03/15 2nd meeting in 2023	1. The Company's 2022 business report and financial statements. 2. The 2022 dividend distribution proposal. 3. Amendments to the Company's Articles of Incorporation. 4. Review of the effectiveness of the 2022 internal control system. 5. The signing of a contract between the Company and its subsidiary, Huajian Construction Co., Ltd., for the new congregate housing construction project (Geotechnical engineering part) located in the Qing'an Section.
2023/04/11 3rd meeting in 2023	The hiring and compensation of the Company’s certified public accountants.
2023/05/12 4th meeting in 2023	1. The Company’s 2023 Q1 consolidated financial statements. 2. The signing of a contract between the Company and its subsidiary, Huajian Construction Co., Ltd., for the new congregate housing construction project (the structural engineering part) located in the Qing'an Section.
2023/07/21 5th meeting in 2023	1. Election of the convener of the 3rd-term Audit Committee. 2. The attendance fee for new directors and members of the Audit Committee and Integrity Management Committee. 3. The proposed amendment to the Company's "Personal Data Protection Management Measures." 4. The signing of a contract between the Company and its subsidiary, Huajian Construction Co., Ltd., for the new congregate housing construction project (the decoration part) located in the Shingaotie Section. 5. The proposed sale of pre-sale houses of the Company’s "One and Only" project to a related party.
2023/08/11 6th meeting in 2023	1. The Company’s 2023 Q2 consolidated financial report. 2. Proposal to not distribute dividends for 2023 Q2. 3. The signing of a contract between the Company and its subsidiary, Huajian Construction Co., Ltd., for the new congregate housing construction project (the falsework part) located in the Sanzuowu Subsection, Sanzuowu Section, Zhongli District, Taoyuan City. 4. The signing of a contract between the Company and its subsidiary, Huajian Construction Co., Ltd., for the new congregate housing construction project (the geothetical engineering part) located in Zone B of the Xinbi Section, Luzhu District, Taoyuan City. 5. The authorization of the chairperson to make decisions for the acquisition or disposal of property, equipment, or right-of-use assets thereof exceeding NT$500 million.
2023/11/10 7th meeting in 2023	1. The Company’s 2023 Q3 consolidated financial report. 2. Proposal to not distribute dividends for 2023 Q3. 3. Amendments to the Company’s organizational chart. 4. Amendments to the Company's Measures for Managing Seals. 5. Amendments to the Company's Reporting of Illegal and Unethical Behavior and Workplace Sexual Harassment Prevention, Grievance, and Disciplinary Measures. 6. Amendments to the Company's Operation Procedures for Prevention of Insider Trading. 7. Amendments to the Company's Risk Management Principles. 8. The signing of an additional contract between the Company and its subsidiary, Huajian Construction Co., Ltd., for the new congregate housing construction project located in Zone A of the Qingxi Section. 9. The signing of a contract between the Company and its subsidiary, Huajian Construction Co., Ltd., for the new congregate housing construction project (the decoration part) located in the Shanjie Section. 10. The signing of a contract between the Company and its subsidiary, Huajian Construction Co., Ltd., for the new congregate housing construction project (the geothetical engineering part) located in the Sanzuowu Section. 11. Establishment of the Company's 2024 internal audit plan.
2023/12/26 8th meeting in 2023	1. Amendments to the Company's Regulations for Managing Related-party Transactions. 2. Proposal for the Company to continue to provide endorsement and guarantee for its subsidiary, Huajian Construction Co., Ltd., to apply for loans from Mega Bills Finance Co., Ltd. 3. Proposal for the Company to provide endorsement and guarantee for its subsidiary, Huajian Construction Co., Ltd., to apply for a loan from the Bank of Panhsin.

	4. The signing of an additional contract between the Company and its subsidiary, Huajian Construction Co., Ltd., for the new congregate housing construction project located in Zone B of the Lejie Section. 5. The signing of an additional contract between the Company and its subsidiary, Huajian Construction Co., Ltd., for the new congregate housing construction project located in Zone B of the Xinbi Section.
2024/1/25 1st meeting in 2024	1. The hiring and remuneration of the Company's certified public accountants. 2. The signing of an additional contract between the Company and its subsidiary, Huajian Construction Co., Ltd., for the new congregate housing construction project located in Zone A of the Lejie Section. 3. The signing of an additional contract between the Company and its subsidiary, Huajian Construction Co., Ltd., for the new congregate housing construction project located in the Sanzuowu Section.
2024/3/15 2nd meeting in 2024	The services provided by Ernst & Young and its affiliated enterprises.
2024/3/29 3rd meeting in 2024	1. The 2023 business report and financial statements. 2. The 2023 dividend distribution proposal. 3. Review of the effectiveness of the internal control system in 2023. 4. The signing of an additional contract between the Company and its subsidiary, Huajian Construction Co., Ltd., for the new congregate housing construction project located in the Sanzuowu Section. 5. Amendments to the Company's Rules of Procedure for Board of Directors Meetings. 6. Amendments to the Company's Audit Committee Charter.
Opinions of all independent directors and the Company's handling of opinions： Approved by all independent directors	

(2) Except for the matters stated above, any resolution rejected by the Audit Committee but approved by more than two thirds of the directors: None

2. As for execution, in the event of independent directors' avoidance of the proposal due to conflict of interest, the name of the director, proposal content, reason for conflict of interest and participation in the voting process shall be specified:

Date of Audit Committee meeting	Name of Independent Directors	Agenda	Reason for recusal	Participation in voting
2023/04/11 3rd meeting in 2023	Wang, Mu-Fan	The hiring and compensation of the Company's certified public accountants.	Independent Director Wang, Mu-Fan has a conflict of interest with this proposal because of his past employment with the firm of the CPAs. He should recuse himself to maintain the Company's highest standards of corporate governance.	Independent Director Wang, Mu-Fan designated Independent Director Yeh, Chien-Wei to serve as the chair temporarily. After Wang, Mu-Fan recused himself, the chair consulted with the two remaining Independent Directors and approved the proposal as proposed without objection.
2023/7/21 5rd meeting in 2023	Chen Shih-Yang Yeh, Chien-Wei Yu, Hung-Da	The attendance fee for new directors and members of the Audit Committee and Integrity Management Committee.	All members that have personal interests in the content of this case and should recuse themselves from discussion and voting.	1. After the interested parties recused themselves one by one, the remaining members discussed and voted on the matter. 2. The attendance fees for directors Chen, Shih-Yang, Yeh, Chien-Wei, and Yu, Hung-Da were approved as proposed by all remaining members without objection after each individual member recused him/herself. The attendance fees for other directors were also approved as proposed by all members without objection.

3. Communication between independent directors, Internal Chief Audit Executive and CPA

(which should include materials, methods and results pertaining to corporate finance and business conditions):

(1) Communication between independent directors and Internal Chief Audit Executive:

1. The Chief Auditor organizes at least one meeting of the Audit Committee or a seminar each year to independently communicate with the Independent Directors regarding the internal audit items and follow up on the implementation of the Audit Report.
2. The main communication items with the Chief Auditor in 2022 are summarized in the table below:

Date	Name	Communication content	Opinion of independent directors
2023/12/26 Internal audit report meeting	Independent director Chen Shih-Yang Independent director Yu, Hung-Da Independent director Yeh, Chien-Wei, Chief auditor Li, Mei-Chan	1. The internal audit was carried out until November 30, 2023, and implementation status was tracked in the internal audit report.	No opinions
		2. The Company's 2024 internal audit plan.	No opinions
		3. Description of the implementation method of the annual internal control system self-assessment of the Company and its subsidiaries.	No opinions
		4. The accountants reviewed the Company's improvement to internal controls for information and application control and testing.	No opinions

(2) Communication between independent directors and CPA:

The Independent Directors and the Company's CPAs meet at least once a year for face-to-face communication. Where necessary, they communicate and discuss in writing on issues including the review of the Company's financial statements or audit results, and related legal communications. The Independent Directors also review the independence for the selection of CPAs and the audit and non-audit services provided by the CPAs.

Date	Key communication points	Opinions of the Independent Directors
2023/11/10 Individual meeting	1. Scope of audit of annual financial statements and scheduling. 2. Update of securities regulations.	No opinions
2024/3/29 Individual meeting	1. Audit results of the 2023 financial statements. 2. Determination of important subsidiaries. 3. Update of securities regulations.	No opinions

Notes:

*If any independent director resigns before the end of the year, it shall specify the resignation date in the Remarks field. As for the attendance rate (%), it shall be calculated based on the audit committee meetings held during his service period and the times that he attended such meeting in person.

*If any independent director is re-elected before the end of the year, it shall specify both the old and the new independent director and add comments in the Remarks field to distinguish the old and new ones and the re-election date. As for the attendance rate (%), it shall be calculated based on the audit committee meetings held during his service period and the times that he attended such meeting in person.

(3) The operations of corporate governance, its discrepancy with Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies, and the reasons:

Item	Implementation Status (Note 1)			Discrepancy with Corporate Governance Best Practice Principles for Listed Companies, and the reasons
	Yes	No	Summary	
I. Has the Company established and disclosed Corporate Governance Best Practice Principles in accordance with [Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies]?	V		The Company has formulated the "Corporate Governance Code", which is disclosed on the website of the Company.	In conformation to the regulations of Corporate Governance Best Practice Principles for Listed Companies
II. Corporate equity structure and shareholders' equity (1) Has the Company established internal operating procedures to handle shareholder proposals, questions, disputes and litigation, and acted accordingly? (2) Does the Company maintain a list of major shareholders and a final list of controlling shareholders? (3) Has the Company established and executed a risk control mechanism and firewall with its affiliates? (4) Has the Company established internal policies that prohibit corporate insiders from trading of securities using undisclosed information?	 V V V V		(1) The Company has established spokesperson and acting spokesperson system, and also entrusts professional stock transfer agency to handle the shareholder proposals and questions. Moreover, the investor's and stakeholder's window is set upon the website of the Company. (2) The Company is capable of maintaining the list of major shareholders and the final list of controlling shareholders. (3) The Company complies with the relevant laws and regulations, and has established the Operation Procedures for the supervision and management of the subsidiaries and the management of the transaction with related parties. (4) The Company has established the "Operation Procedures for the Processing of Material Information", and the "Operation Procedures for Prevention of Insider Trading" to prohibit corporate insiders from trading of securities using undisclosed information.	In conformation to the regulations of Corporate Governance Best Practice Principles for Listed Companies
III. Structure and duties of the Board of Directors. (1) Does the Board of Directors have a diversity policy, specific management objectives and implementation?	 V		(1) According to Article 20 of the Corporate Governance Best Practice Principles of the Company, the composition of the Board of Directors shall be determined by taking diversity into consideration. It is advisable that Directors concurrently serving as the Company's managers do not exceed one third of the total number of the Board members, and that an appropriate policy on diversity based on the Company's business operations, operating dynamics, and development must	In conformation to the regulations of Corporate Governance Best Practice Principles for Listed Companies

Item	Implementation Status (Note 1)			Discrepancy with Corporate Governance Best Practice Principles for Listed Companies, and the reasons
	Yes	No	Summary	
			be formulated. This Company's Board of Directors consists of seven Directors including three Independent Directors. Members have extensive experience and professional knowledge in finance, construction, management, law, and accounting. The Company is committed to creating and promoting a culture of diversity and inclusiveness, and in the future will optimize the management decision-making process by increasing the proportion of female directors and aligning it with international trends in order to contribute to the Company's own profitability, international competitiveness, and image. Please refer to page 21 for the relevant implementation.	
(2) Apart from the Remuneration Committee and Audit Committee, has the Company voluntarily set up other functional committees?	V		(2) The Company has set up the Remuneration Committee and the Audit Committee. The "Integrity Management Committee" was to be established in May 2022.	
(3) Has the Company established standards to assess the Board's performance annually, reported the result of performance evaluation to the Board as reference for remuneration paid to the directors and their nomination for succession?	V		(3) The Company's Board of Directors passed the Regulations Governing the Evaluation of the Performance of the Board of Directors on November 12th, 2019 and reported the evaluation results of the performance of the Board of Directors for 2023 to the Board of Directors on March 15, 2024. The results will be used as references for determining the remuneration for individual Directors, their nomination, and reappointment. (Refer to Page 34-35 for information on the operations of the Board of Directors)	In conformation to the regulations of Corporate Governance Best Practice Principles for Listed Companies
(4) Does the Company regularly evaluate the CPA's independence?			(4) 1.The Company regularly assesses the independence of the CPAs every year. The Board of Directors resolved to pass the independence evaluation of CPAs Chen, Kuang-Hui and Yau, Yu-Lin of Shine Wing CPAs (Taiwan) on March 30, 2022. (Note 2) 2.On March 15, 2023, the Audit Committee and Board of Directors approved to change the accounting firm to Ernst & Young and evaluated the independence and competence of CPAs James Huang and KyKy Lin (Note 2). They also obtained information on the 13 Audit Quality Indicators (AQI) and a declaration of independence from the accounting firm and evaluated the audit quality of the accounting firm and audit team using the guidelines provided by the	

Item	Implementation Status (Note 1)			Discrepancy with Corporate Governance Best Practice Principles for Listed Companies, and the reasons
	Yes	No	Summary	
			competent authority that explains how audit committees should interpret the AQIs.	
IV. As a TWSE/TPEx-listed company, has the Company established adequate and competent corporate governance personnel, and assigned a corporate governance manager in charge of corporate governance affairs (including but not limited to providing data required by directors and supervisors for business implementation, assisting directors and supervisors in regulatory compliance, dealing with matters relating to board meetings and shareholders' meetings, handling corporate registration and change in registration, preparing minutes of the board meetings and shareholders' meetings)?	V		The Company, following the resolution passed by the Board of Directors' meeting on March 30, 2021, appointed Wang, Chen-Kang to serve as the Company's Corporate Governance Officer and take charge of the Company's corporate governance affairs. The scope of duties includes: 1. Provide the data need by the directors when implementing business, and pay attention to the latest regulatory developments related to the operation of the Company to assist the directors in regulatory compliance and assistance to the Directors in taking office and continuing education. 2. Handle matters related to the Audit Committee, Remuneration Committee, Integrity Management Committee and the Board of Directors and the Shareholders' Shareholders' Meeting, and assist the Company in regulatory compliance. 3. Handle the shareholders' meeting related affairs, including pre-registration before the date of the Shareholders' Meeting, make a meeting notice and handbook before the deadline, meeting minutes, and handle the reporting and announcements as required by laws. 4. The Company organizes performance evaluations of the Board of Directors on a regular basis each year and reports the results to the Board of Directors. 5. Promote corporate governance matters such as the preparation of ESG reports, integrity management education and training, and the implementation of corporate governance evaluations. 6. The Corporate Governance Officer completed 12 hours of continuing education in 2023. Course content: (1) Taiwan Stock Exchange - Meeting on sustainable development action plans of TWSE/TPEx-listed companies/3 hours (2) Securities & Futures Institute - 2023 Seminar on Insider Trading/3 hours (3) Securities & Futures Institute - 2023 Seminar on Compliance of Equity Transactions by Insiders/3 hours (4) Securities & Futures Institute - How to increase the credibility of corporate sustainability reports/3 hours	In conformation to the regulations of Corporate Governance Best Practice Principles for Listed Companies

Item	Implementation Status (Note 1)			Discrepancy with Corporate Governance Best Practice Principles for Listed Companies, and the reasons
	Yes	No	Summary	
V. Has the Company established communication channels with interested parties (including but not limited to shareholders, employees, customers, and suppliers), set up a special zone on the website for stakeholders, and responded to critical CSR issues that concern interested parties?	V		The Company has established the spokesperson and acting spokesperson system. Moreover, the investor's and stakeholder's window is set up on the website of the Company to respond to the issues concerned by the stakeholders properly.	In conformation to the regulations of Corporate Governance Best Practice Principles for Listed Companies
VI. Has the Company appointed a professional transfer agent to handle affairs pertaining to the shareholders' meeting?	V		The Company entrusts the professional Transfer Agency Department of CTBC Bank to handle the stock affairs of the Company.	In conformation to the regulations of Corporate Governance Best Practice Principles for Listed Companies
VII. Information Disclosure (1) Has the Company set up a website to disclose information regarding the Company's finance and corporate governance? (2) Does the Company have other information disclosure channels (e.g. creating an English website, appointing designated personnel to handle information collection and disclosure, developing a spokesman system, webcasting investor conferences)?	V V		(1) The Company has constructed www.delpha.com.tw to disclose the information related to finance and corporate governance. (2) The Company has appointed designated personnel to handle information collection and finish the reporting operation as required by the competent authority. Moreover, it has practiced the spokesman system as required. The Company holds a corporate presentation at least once a year and discloses the relevant information on the Company's website and the Market Observation Post System.	In conformation to the regulations of Corporate Governance Best Practice Principles for Listed Companies
(3) Does the Company announce and file its annual financial reports within 2 months from the end of the fiscal year? Does the company announce and file the financial reports for Q1, Q2 and Q3, as well as the operation status of each month before the due date?		V	(3) The Company announces and files the annual financial report audited by the CPA within 3 months after the end of the fiscal year as required by the provisions of Article 36, Securities Exchange Act. The financial reports for Q1, Q2 and Q3, as well as the operation status of each month are announced within the required period. As for announcing before the due date, it depends on the board approval date and the operation time of the Company.	It will evaluate the operation time and the board operation for this issue.
VIII. Does the Company have any other important information to facilitate better understanding of the	V		(1) Rights, benefits and care for employees: The Company has set up a staff welfare committee, and set asides pensions under laws. Moreover, it purchases	In conformation to the regulations of

Item	Implementation Status (Note 1)			Discrepancy with Corporate Governance Best Practice Principles for Listed Companies, and the reasons
	Yes	No	Summary	
Company's corporate governance practices (e.g. including but not limited to employee rights and interests, employee care, investor relations, supplier relations, rights of stakeholders, directors' and supervisors' training records, implementation of risk measures, implementation of customer relations policies, and purchase of liability insurance for directors and supervisors)?			group insurance for employees, and conducts health check-ups regularly, so as to protect employee rights and get the employee's health status. (2) Investor's relations: The Company discloses the corporate information on the MOPS under laws, so as to provide transparent information for the investors in real time. Moreover, a spokesperson is set up to handle the advice made by the spokesperson. (3) Supplier's relations: The Company establishes long-term partnership with the suppliers, and keep good interaction. (4) Continuing education situation of directors: The Company provides the course information for directors randomly. The continuing education situation of directors is disclosed in the Annual Report and the MOPS. (5) Implementation of customer policies: The Company sets up a customer service line and Email to provide comprehensive after-sale service. (6) Purchase of liability insurance for directors: The Company purchases liability insurance for directors in accordance with the Articles of Association of the Company.	Corporate Governance Best Practice Principles for Listed Companies

IX. Based on the latest Corporate Governance Assessment System result from the Corporate Governance Center of the TWSE, describe the improvements and propose priority measures to strengthen unimproved aspects. (not applicable to companies that were not subject to evaluation)

*Improvements:

1. Added an Integrity Management Committee in 2022.
2. The Q1 and Q3 financial reports were approved by the Audit Committee and reported to the Board of Directors for resolution.
3. Added an English corporate website.
4. Conducted an external performance evaluation of the Board of Directors.
5. Provided regular reports to the Board of Directors on communication details with stakeholders.
6. Obtained third-party verification for the corporate sustainability report.
7. Disclosed information about the greenhouse gas emissions, water consumption, and total weight of waste in the last two years.
8. The continuous audio and video recordings of the Annual General Meeting on June 28, 2023 was uploaded to the Company's YouTube channel.

Note 1: The Summary should be specified regardless of a Yes or No selection under the Implementation Status.

Note 2: Criteria to evaluate the CPA independence:

Item	Evaluation item (during the two years before being elected and during the term of office)	Evaluation result
1	The tenure of the CPA did not exceed 7 years.	Yes
2	There are no direct or indirect material financial interests between the CPA and the Company.	Yes
3	The CPA firm does not rely excessively on a single customer (the Company) for its source of remuneration.	Yes
4	The CPA and the Company do not have significant or close business relations.	Yes
5	There are no potential employment relations between the CPA and the Company.	Yes
6	The CPA is unrelated to the audit cases or audit fees.	Yes
7	No CPA or member of the audit service team currently serves or had served as the Company's Director, manager, or other positions that could seriously affect the audit in the most recent two years.	Yes
8	The non-audit services provided by the CPA to the Company did not directly impact critical items in the audit.	Yes
9	The CPA does not promote or serve as the intermediary for the stocks or other securities issued by the Company.	Yes
10	The CPA does not represent the Company in defense against third-party legal cases or other disputes.	Yes
11	No CPA or member of the audit service team is related to the Company's Director, manager, or individuals in other positions that could seriously affect the audit.	Yes
12	The certifying accountant has not held any position as a director or manager of the Company or had any significant influence on the audit within one year of his or her retirement.	Yes
13	The certifying accountant receives no gifts or special privileges of significant value from the Company or its directors, officers, or substantial shareholders.	Yes

(4) If a Remuneration Committee is set up, it should disclose the composition, responsibilities and operations:

1. Information on the members of Remuneration Committee

Condition Identity (Note 1)	Name	Professional Qualifications and Experience (Note 2)	Independence Attributes (Note 3)	Number of members of compensation committees of other public companies
Independent director (Convener)	Chen Shih-Yang	Refer to the Disclosure of Professional Qualifications of Directors and Independence of Independent Directors on page17-18.		None

Independent director	Yeh, Chien-Wei		None
Independent director	Yu, Hung-Da		1

Note 1: Please specify the relevant years of service, professional qualifications and experience, and independence of each member of the Compensation Committee in the form. Please indicate the identity of an independent director or other (if you are a convener, please add a note).
Note 2: Professional qualifications and experience: Specify the professional qualifications and experience of each member of the Compensation Committee.
Note 3: Independence attributes: Specify the independence attributes of the members of the Compensation Committee, including but not limited to whether they are directors, supervisors or employees of the Company or its affiliates; the number and percentage of shares held by them (or in the name of others); and whether they hold positions in companies with specific relationships with the Company (refer to stock listings or stock exchanges). The amount of remuneration received from the Company or its affiliates for the provision of commercial, legal, financial and accounting services in the last two years.
Note 4: Please refer to the best practice reference examples on the website of the Corporate Governance Center of the Taiwan Stock Exchange for disclosure methods.

2. Information on the Operations of Remuneration Committee

The Remuneration Committee of the Company is composed of 3 persons.

(1) The previously Remuneration Committee (term of office from June 23rd, 2020 to June 22nd, 2023) convened 3 (A)meetings of the Remuneration Committee in the most recent year (2023).

The attendance of Directors was as follows:

Title	Name	Attendance in person (B)	Attendance by proxy	Attendance rate (%) (B/A) (Note)	Remarks
Committee Member	Wang, Mu-Fan	3	0	100%	
Committee Member	Yeh, Chien-Wei	3	0	100%	
Committee Member	Chen, Ruei-Li	3	0	100%	

(2) The current Remuneration Committee (term of office from June 28rd, 2023 to June 27nd, 2026) convened 3 (A)meetings of the Remuneration Committee in the most recent year (2023).

The attendance of Directors was as follows:

Title	Name	Attendance in person (B)	Attendance by proxy	Attendance rate (%) (B/A) (Note)	Remarks
Committee Member	Chen Shih-Yang	3	0	100%	
Committee Member	Yeh, Chien-Wei	3	0	100%	
Committee Member	Yu, Hung-Da	3	0	100%	

Power and duties of the Remuneration Committee:

The Company set up the Remuneration Committee in December, 2011. And the Committee should exercise the duty of care of a good faith manager to faithfully perform the following power and duties, and submit proposals to the Board meeting for discussion:

1. Establish and regularly review the policy, system, standards and structure of the salaries and remuneration for the Company's directors and managerial officers.
2. Evaluate on a regular basis the remuneration of the Company's directors and managerial officers.

The date of meeting, term, proposal content, resolution result in the most recent year, and the Company's handling of the opinion of the remuneration committee members:

Meeting date	Proposal content

(term)	
2023/01/12 1st meeting in 2023	1. The 2022 performance bonuses for the Company's managers and Chief Auditor. 2. Proposal for the monthly salary of the new General Manager.
2023/3/15 2nd meeting in 2023	1. Deliberation of the amount allocated to Director and employee compensation in 2022. 2. The distribution method of compensation for Directors and employees in 2022.
2023/05/12 3rd meeting in 2023	The 2023 Dragon Boat Festival bonuses for managers and chief auditor.
2023/07/21 4th meeting in 2023	1. Election of the convener of the 5th-term Remuneration Committee. 2. The remuneration of the current term directors. Manager and Chief Auditor remuneration adjustments.
2023/08/11 5th meeting in 2023	The 2023 Mid-Autumn Festival bonuses for managers and chief auditor.
2023/12/26 6th meeting in 2023	The 2023 performance bonuses for managers and chief auditor.
2024/03/15 1st meeting in 2024	The 2023 performance bonuses for the Company's managers and Chief Auditor.
2024/03/29 2nd meeting in 2024	1. The amounts allocated for director's remuneration and employee bonuses in 2023. 2. The distribution method for directors' remuneration and employee bonuses in 2023.
Opinion of all members and the Company's handling： Approved by all Independent Directors.	

Other Noticeable Particulars:

1.If the Board did not adopt or amend the recommendations of the Remuneration Committee, the date of the board meeting, term, proposal content, result of board resolution, and how the Company handled the proposal (If the remuneration approved by the board is higher than the proposal of the Remuneration Committee, the difference and reason should be specified.) should be specified: None

2.If members of the Remuneration Committee expressed opposition or qualified opinions that were recorded or declared inwriting, the date of the remuneration committee meeting, term, proposal content, opinions of all members and the Company's handling of those opinions should be specified: None

Notes: (1) If any member of the Remuneration Committee resigns before the end of the year, the resignation date should be specified in the Remarks field. The attendance rate (%) is calculated based on the number of remuneration committee meetings held during the period of service and the frequency of attendance in person.

(2) If any member of the Remuneration Committee is re-elected before the end of the year, both the old and new members should be specified, and comments should be indicated in the Remarks field to distinguish the old and new members and the re-election date. The attendance rate (%) is calculated based on the number remuneration committee meetings held during the period of service and the frequency of attendance in person.

(V) Organization, responsibilities, and operations of the Integrity Management Committee:

The Integrity Management Committee comprises three members, with a minimum of two members being Independent Directors. All members are appointed by the Board of Directors for the same term as their term for the Board.

1. The current term's Integrity Management Committee (the term runs from June 28, 2023 to June 27, 2026) convened 1 meeting (A) in 2023. The details of attendance are as follows:

Title	Name	Attendance in person (B)	Attendance by proxy	Attendance rate (%) (B/A) (Note)	Professional background
Independent Director (Convener)	Yeh, Chien-Wei	1	0	100%	Law
Independent Director	Chen Shih-Yang	1	0	100%	Accounting
Independent Director	Yu, Hung-Da	1	0	100%	Construction

2. Scope of authority of the Integrity Management Committee:

The Company formed the Integrity Management Committee in May 2022. The Integrity Management Committee is responsible for reviewing the ethical corporate management policies, supervising the implementation of the following matters, and reporting the compliance status to the Board regularly:

- Assisting in incorporating integrity and moral values into the Company's business strategy
- Adopting appropriate prevention measures against corruption and unethical behavior to ensure integrity management meets legal standards
- Reviewing the whistle-blowing system and ensuring its operating effectiveness
- Promoting and coordinating awareness and educational activities with respect to the integrity policy
- Other matters pertaining to the formulation of the integrity management policy and overseeing implementation

The date, term, agenda, and resolutions of the Integrity Management Committee meeting and actions taken by the Company in response to the opinions of the Integrity Management Committee in the past year:

Date of meeting (Term)	Agenda	Opinions of all members and the Company's handling of opinions
2023/11/10 1st meeting in 2023	1. Elect the convener of the Integrity Management Committee. 2. Operations and progress of the Company's promotion of integrity management. 3. Amendments to the Company's Reporting of Illegal and Unethical Behavior and Workplace	Approved by all Independent Directors, and on November 10, 2023, the operating and implementation status are reported to the board of directors.

	Sexual Harassment Prevention, Grievance, and Disciplinary Measures.	

(6) **Implementation of sustainable development and differences from the Code of Practice for Sustainable Development of Listed and OTC Companies and the reasons for such differences**

<table>
<tr><th rowspan="2">Item</th><th colspan="3">Implementation Status (Note 1)</th><th rowspan="2">Discrepancy with Corporate Governance Best Practice Principles for Listed Companies, and the reasons</th></tr>
<tr><th>Yes</th><th>No</th><th>Summary (Note 2)</th></tr>
<tr><td>1. Has the company established a governance structure to promote sustainable development and set up a special (part-time) unit to promote sustainable development, which is authorized by the board of directors to be handled by senior management, and is supervised by the board of directors?</td><td>V</td><td></td><td>1. The Company's Corporate Governance Office is dedicated to developing corporate sustainability. The unit works across departments to evaluate, plan, implement, confirm, and report corporate sustainable development policies, systems, and management guidelines on a project basis. They provide regular progress reports to the Board of Directors on the operations and implementation.
2. On November 10, 2023, the Company submitted a report on the implementation status and plans for cybersecurity, integrity management, and intellectual property management involving sustainable development to the Board of Directors according to instructions. The Board of Directors provided issues that require attention in each plan to the dedicated unit, and required dedicated units to make adjustments.</td><td>None</td></tr>
<tr><td>II. Does the Company have a special (concurrent) unit to promote ESG initiatives, supervised by a Board-appointed member of the management team, who reports to the Board? (Note2)</td><td>V</td><td></td><td>1. This disclosure covers January 1, 2022, to December 31, 2022, and mainly addresses the Company's offices and construction sites.
2. The Sustainable Development Team is responsible for the planning, and in accordance with the GRI standards, and with reference to the results of previous sustainability issue assessments, domestic and international industry benchmarks, international ESG trends, industry focus issues, value chains and related indicators, an online questionnaire was used to conduct a stakeholder survey under three major sustainability dimensions, including environmental, social and governance, and a total of 11 key risk issues were identified. The Company's strategies for addressing these 11 risk issues are as follows.
(For details, please refer to the Company’s ESG report)
<table><tr><th>Major Topics</th><th>Risk evaluation item</th><th>Description</th></tr><tr><td>Environment</td><td>Climate change</td><td>1. Facilities for lowering the temperature are provided in the summer, while measures for keeping warm are provided in the winter.
2. Building materials with green building marks or meet low-</td></tr></table></td><td>None</td></tr>
</table>

<table>
<tr><th rowspan="2">Item</th><th colspan="3">Implementation Status (Note 1)</th><th rowspan="2">Discrepancy with Corporate Governance Best Practice Principles for Listed Companies, and the reasons</th></tr>
<tr><th>Yes</th><th>No</th><th>Summary (Note 2)</th></tr>
<tr><td></td><td></td><td></td><td>
<table>
<tr><td rowspan="2"></td><td></td><td>power consumption and low carbon emission standards are chosen.</td></tr>
<tr><td>Green buildings and materials</td><td>1. Green building materials and the building life cycle are thoroughly considered during the planning and design process.
2. Establish and implement supplier selection mechanisms.</td></tr>
<tr><td rowspan="5">Social</td><td>Business performance</td><td>1. A significant increase in land procurement capacity and increase in sales volume since 2020 to boost revenue.</td></tr>
<tr><td>Employee compensation and benefits</td><td>1. Benefits, promotion mechanisms, compensation structure, and diverse development opportunities that are better than that of the industry are offered.
2. The implementation of a level-based performance appraisal system.</td></tr>
<tr><td>Integrity management and legal compliance</td><td>1. Conduct education and training.
2. Formulate integrity management policies and prevention plans, and report to the Board of Directors regularly.
3. The signing of integrity management declarations by insiders.</td></tr>
<tr><td>Cybersecurity and customer privacy</td><td>1. Amend and review the implementation of operating procedures.
2. Conduct education and training.</td></tr>
<tr><td>Sustainable customer service</td><td>1. Create an immediate response mechanism for customer feedback.
2. Service the neighborhoods.</td></tr>
<tr><td rowspan="2">Economy</td><td>Handling of labor rights and work-related incidents</td><td>1. Establish work rules for occupational safety and health.
2. Conduct education and training and fire drills.</td></tr>
<tr><td>Risk and crisis management</td><td>1. Establish and implement the Risk Management Principles.</td></tr>
</table>
</td><td></td></tr>
</table>

<table>
<tr><td rowspan="2">Item</td><td colspan="3">Implementation Status (Note 1)</td><td rowspan="2">Discrepancy with Corporate Governance Best Practice Principles for Listed Companies, and the reasons</td></tr>
<tr><td>Yes</td><td>No</td><td>Summary (Note 2)</td></tr>
<tr><td></td><td></td><td></td><td><table>
<tr><td></td><td></td><td>2. Create standard operating procedures (SOPs) for handling various risks.</td></tr>
<tr><td></td><td>Building quality and safety</td><td>1. Improve the construction system and thoroughly examine the workflow.</td></tr>
<tr><td></td><td>Occupational health and safety</td><td>1. Build occupational health and safety equipment.
2. Provide all employees with regular medical check-ups.</td></tr>
</table></td><td></td></tr>
<tr><td>III. Environment issues
(1) Does the Company establish proper environmental management systems based on the characteristics of its businesses?</td><td>V</td><td></td><td>(1) The waste generated in each construction site is handled by a professional and qualified environmental protection company. Moreover, supervision personnel are assigned in the construction site to supervise the management and maintenance of the environment of the contract during the construction period.</td><td>None</td></tr>
<tr><td>(2) Does the Company endeavor to utilize all resources more efficiently and use renewable materials which have low impact on the environment?</td><td>V</td><td></td><td>(2) The Company complies with environment-related laws and regulations and relevant international standards to appropriately protect the natural environment, and in the execution of its operational activities and internal management, it strives to improve the efficiency of the utilization of various resources and use recycled materials with low impact on the environment, so that the earth's resources can be used sustainably, and strives to achieve the goal of environmental sustainability.</td><td>None</td></tr>
<tr><td>(3) Does the Company evaluate the current and future potential risks and opportunities brought by the climate change, and take measure to respond to the climate related issues?</td><td>V</td><td></td><td>(3) In addition to referring to relevant climate change information, TCFD disclosure recommendations, and reports and information released by other domestic and foreign related institutions, the Company also identifies short-, medium-, and long-term climate change risks by considering industry characteristics, market trends, laws and policies, and accordingly lists relevant climate risk factors. Relevant departments are then asked to assess the potential impacts and effects of climate related transformation risks and physical risks, and the results of the risk analysis are used to formulate corresponding adaptation action plans to enhance the ability to adapt and mitigate the impacts of climate change.
The Company has identified feasible opportunities and developed measures to address them as follows：
Transition Risks<table><tr><td>Category</td><td>Risk Items</td></tr></table></td><td>None</td></tr>
</table>

<table>
<tr><th rowspan="2">Item</th><th colspan="3">Implementation Status (Note 1)</th><th rowspan="2">Discrepancy with Corporate Governance Best Practice Principles for Listed Companies, and the reasons</th></tr>
<tr><th>Yes</th><th>No</th><th>Summary (Note 2)</th></tr>
<tr><td>(4) Does the company calculate the greenhouse gases (GHG) emission, water consumption and total weight of wastes for the past two years, and formulated the strategies for energy conservation, carbon reduction, GHG emission reduction, water saving and management of other wastes?</td><td>V</td><td></td><td>
<table>
<tr><td>Policy and Regulatory Risks</td><td>Increased costs of greenhouse gas emissions, increased sustainability-related demand and regulations, and increased costs of electric vehicle parking space construction</td></tr>
<tr><td>Technical Risk</td><td>Costs of Low Carbon Transition</td></tr>
<tr><td>Market Risk</td><td>Increase in raw material costs, change in customer preferences</td></tr>
<tr><td>Reputation Risk</td><td>Increased negative stakeholder feedback</td></tr>
</table>

Physical Risk
<table>
<tr><th>Category</th><th>Risk Items</th></tr>
<tr><td>Immediate Risk</td><td>Increase in extreme weather events</td></tr>
<tr><td>Long-term risk</td><td>Average temperature rise, sea level rise</td></tr>
</table>
A detailed description of the Company's analysis of climate change risks and opportunities is expected to be disclosed in the Company's 2022 ESG Report (to be uploaded at the end of June 2023).

(4) The Company's greenhouse gas emissions, water consumption and total weight of waste for the past two years are as follows：
1. GHG emission
<table>
<tr><th></th><th>2022</th><th>2023</th></tr>
<tr><td>Scope 1(kg)</td><td>8,324.5</td><td>10,699</td></tr>
<tr><td>Scope 2(kg)</td><td>818,891.06</td><td>1,645,641.64</td></tr>
</table>
2. Water consumption
<table>
<tr><th>2022</th><th>2023</th></tr>
<tr><td>1288 m3</td><td>2,933m3</td></tr>
</table>
The Company added energy data statistics and greenhouse gas inventory for its construction sites due to the reporting boundaries changes since 2022. As a result, there has been a significant increase in greenhouse gas
</td><td>None</td></tr>
</table>

<table>
<tr><th rowspan="2">Item</th><th colspan="3">Implementation Status (Note 1)</th><th rowspan="2">Discrepancy with Corporate Governance Best Practice Principles for Listed Companies, and the reasons</th></tr>
<tr><th>Yes</th><th>No</th><th>Summary (Note 2)</th></tr>
<tr><td></td><td></td><td></td><td>emissions and water consumption. The Company continues to review greenhouse gas emissions and water management based on data such as water consumption and sets short-, medium-, and long-term goals to reduce greenhouse gas emissions and water consumption gradually.

3.Total weight of construction waste
<table><tr><th>2022</th><th>2023</th></tr><tr><td>4,050 m3</td><td>19,358m3</td></tr></table>
The Company has hired a professional and legally compliant environmental protection company to manage the waste from all of the Company's construction projects. The Company also stations dedicated personnel to oversee and manage the environmental upkeep of each construction site throughout the construction process. The Company recycles resources, classifies waste, and reuses resources to extend the life cycle of products and minimize resource waste.
The Company did not export waste to foreign countries in 2023, nor were there any litigations related to environmental concerns.</td><td></td></tr>
<tr><td>IV. Social issues
(1) Does the Company formulate appropriate management policies and procedures according to relevant regulations and the International Bill of Human Rights?
(2) Does the Company formulate and implement reasonable policies of staff welfare (including compensation, vacation and other</td><td>V

V</td><td></td><td>(1) The Company adheres to international human rights conventions universal such as the UN Universal Declaration of Human Rights, the UN Guiding Principles on Business and Human Rights, the UN Global Compact, and the UN International Labor Organization, and appoints the Corporate Governance Office as the responsible unit. The Company values and strictly adheres to important human rights issues.

(2) Staff welfare:
1. Compensation.
a. The Compensation is compose of basic salary, fringe benefits, bonus and so on. The basic salary is based</td><td>None

None</td></tr>
</table>

Item	Implementation Status (Note 1)			Discrepancy with Corporate Governance Best Practice Principles for Listed Companies, and the reasons
	Yes	No	Summary (Note 2)	
welfares), and reflect the operating performance or achievement in the compensation of the employees properly?			on grade and duties, and is in line with the local minimum salary requirements, and emphasizes that the standard starting salary is equal pay for equal work, without any difference according to gender or age. The Company attaches great importance to female employees and has long been committed to promoting female supervisors and senior managers. Currently, 40% of managers are female. b. Pursuant to Article 28 of the Articles of Incorporation: "If the Company has profit for the year, no less than 0.5% shall be allocated as employee bonuses and no more than 2% as directors' remuneration. The Company conducts performance evaluations regularly (middle and end of the year) to measure the degree of performance achievement. The evaluation results are used as the basis for promotion or bonuses. Evaluation contents include practice of the Company's core values and business management abilities, financial and business performance indicators and general management indicators, and participation in continuing education and in sustainable operation. c. In 2022, the average salary of "full-time employees in non-managerial positions" among peers in the industry was NT$908,000, while the Company's average salary was NT$1,104,000. We will continue to use the evaluation mechanism to effectively motivate employees and share business results. 2. Welfare measures. In addition to labor insurance, national health insurance, and group insurance, the Company also pay performance bonuses, year-end bonuses, and employee bonuses every year depending on the results of the operations, so that the interests of employees and the company are integrated, and the belief of co-prosperity and coexistence is created. Any new or revised measures regarding labor relations are fully agreed upon and communicated between employers and employees, so that no disputes arise. 3. Operating results may be reflected in employee compensation: Article 28 of the Company's Articles of Incorporation provides that no less than 0.5% of the annual profit shall be allocated to employee compensation and no more than 2% to director compensation. However, if the Company has accumulated	

Item	Implementation Status (Note 1)			Discrepancy with Corporate Governance Best Practice Principles for Listed Companies, and the reasons
	Yes	No	Summary (Note 2)	
			losses, it shall reserve the amount of compensation in advance. The aforementioned employee compensation, the rate of distribution of directors' compensation and employee compensation may be made in cash or in shares and shall be made by a resolution of the Board of Directors, with two-thirds of the directors present and a majority of the directors present, and reported to the shareholders' meeting.	
(3) Does the Company create a safe and healthy working environment and provide safety and health education for employees regularly?	V		(3) The Company provides a safe and healthy workplace for the employees: (A)Door access security: The company has a door access monitoring system and signs contract with the security company. (B)Fire safety: The building management committee checks the fire security from time to time. (C)Drinking water safety: The Company regularly replaces the drinking water filter. (D)Ambient air cleaning: The company regularly (once every six months) replaces the air cleaning machine filters and maintains the machine. (E)Safety in construction site: (a)When accessing the construction site, it is required to put on helmet, and follow the construction site safety regulations. The construction project follows the labor safety and health laws and regulations promulgated by the government. (b)The company attaches great importance to the occupational safety of employees. In accordance with the provisions of Paragraph 1 of Article 34 of the Occupational Safety and Health Act, the company has formulated the "Code of Practice for Safety and Health" and reported it to the competent authority for approval. All employees of the company must abide by the code, operate according to the sub-items, management plans and standard operating procedures formulated by the code, and continue to conduct occupational safety and health training, including fire drills, daily occupational safety publicity, etc., so that employees can maintain a high level of crisis awareness. Through monthly meetings of the engineering management department, regular education and training, strict supervision, meeting review, site inspection and other measures before, during and after construction are implemented to reach occupational safety at construction sites in the construction industry. Strengthen the professional knowledge and education training of colleagues, hold professional training every year, and require site directors to obtain an "occupational safety card" and receive at least 6	None

Item	Implementation Status (Note 1)			Discrepancy with Corporate Governance Best Practice Principles for Listed Companies, and the reasons
	Yes	No	Summary (Note 2)	
			hours of occupational safety and health related courses and professional license training. (c)The company's construction site arranges various occupational safety and health educational training, meetings and notices for all employees and contractor construction personnel. (F)Physiological health: The Company regularly conducts health checkups for employees. (G)Insurance: The Company purchases group insurance for employees. (H)There were no fires in 2023. Fire extinguishers and sprinkler systems are installed in offices to respond to fires.	
(4) Does the Company provide employees with opportunities for career development and training?	V		(4) The Company encourages employees to participate in trainings and provide subsidy for such trainings in accordance with the “Regulations Governing the Employee Education and Training”. The total number of training hours in FY 2022 is 215.5 hours. The total number of training hours per capita is 14.77 hours and the total cost of training is $55,100.	None
(5)Does the Company follow regulations and international standards in the customer health, safety, customer privacy, marketing and labeling of its products and services, and set polices and appeal procedures for protection of consumer’s rights and interests?	V		(5) The Company encourages continuing education for employees and subsidizes the education according to the Regulations Governing Employee Education and Training. A total of 268 hours of external education and training was conducted in 2022. Each person received an average of 16.75 hours of training. Total expenses: $59,560. A total of 274 hours of internal education and training was conducted in 2022.	None
(6) Does the Company formulate the supplier management policies and require suppliers to follow relevant norms on environmental protection, occupational safety and health, or labor’s human rights,	V		(6) In accordance with the "Code of Practice on Sustainable Development" and the "Rules for Procurement and Subcontracting " and with reference to ESG (Environmental, Social, Governance, and Economy), the Company strictly requires suppliers to comply with local laws and regulations and follow internationally recognized labor rights, make sure the human resources utilization policy does not differentiate between gender, race, socio-economic class, age, marriage, and family status. The Company also uphold the principle	None

Item	Implementation Status (Note 1)			Discrepancy with Corporate Governance Best Practice Principles for Listed Companies, and the reasons
	Yes	No	Summary (Note 2)	
and disclose the implementation?			of local development, local supply, actively develop local suppliers and implement local procurement in order to reduce carbon emissions caused by long-haul transportation and create local employment opportunities. The Company constantly optimize green procurement and supplier management mechanisms so that upstream and downstream suppliers can jointly practice environmental protection and adhere to human rights protection policies in the course of business to create a sustainable business chain. In the screening of new suppliers, the Company will visit the supplier's company or factory, and visit the construction sites which are under construction or completed as needed. By visiting the supplier, the Company can evaluate suppliers' quality, the enthusiasm to cooperation with the company, and identify the possibility of establishing a solid relationship. After the evaluation, the Company will fill out the results in the "Vendor Evaluation Form" as the reference for selecting suppliers. The Company requires all suppliers to promise by regularly issuing declarations that they will not offer any term contracts, bribes, commissions, brokerage fees, post-gratuities, rebates, gifts, hospitality to the Company's affiliates, related parties or designees. In addition to other improper interests, the above commitments are included in the contract terms with suppliers. The Company also requires its suppliers to immediately report any of the above-mentioned acts to the Company in order to prevent dishonest acts. In order to ensure that the cooperating suppliers comply with internationally recognized labor rights, the Company stipulates in the contract that no illegal foreign migrant workers shall be used and compliance with this principle is a prerequisite to cooperate with the Company. If a supplier has a zero-tolerance deficiency, the Company will immediately cease cooperation with the supplier and place the supplier on the blacklist for no further cooperation. In case of non-zero tolerance, the Company will ask the supplier to provide improvement plans and measures according to the level of defects, and review the defective items regularly. If improvements are not made within the deadline, the supplier will be listed as an inferior supplier and will not be included in the priority list when selecting suppliers for future cooperation, or the payment schedule will be adjusted.	
V. Does the Company, following internationally recognized guidelines, prepare and publish reports such as its	V		The Company prepares its sustainability report per the core options of the GRI standards issued by the Global Reporting Initiative (GRI) and its reporting principles. The Company uploaded its English and Chinese sustainability reports to the Market Observation Post System and the Company's website on June 30, 2023. Ernst	None

Item	Implementation Status (Note 1)			Discrepancy with Corporate Governance Best Practice Principles for Listed Companies, and the reasons
	Yes	No	Summary (Note 2)	
corporate Sustainability report to disclose non-financial information of the Company? Does the Company obtain a third-party verification or assurance for such reports?			& Young provided third-party assurance.	

VI. If the Company has its own code of conduct for sustainable development in accordance with the "Code of Conduct for Sustainable Development of Listed Companies", please describe the differences between its operation and the code.

On April 15, 2021, the Company established the "Code of Conduct for Corporate Social Responsibility of Listed Companies" (the Code was renamed as "Code of Conduct for Sustainable Development" by resolution of the Board of Directors on May 12, 2022) and incorporated the principles and spirit of honest management into the relevant rules and regulations, which follows the Code of Conduct for Corporate Social Responsibility of Listed Companies.

VII. Other important information for understanding the implementation of sustainable development:

Social Welfare

1. The Company donated NT$400,000 to support the children's drama charity campus tour organized by Taoyuan City Taoyuan District Association of Presidents of Parents Associations in 2023. The performances were held at 19 elementary schools in Taoyuan City, in hopes of guiding children to understand society through the drama and interactions between characters, so that they will learn tolerance and respect.
2. Our company is dedicated to supporting social welfare initiatives. In 2023, we donated a batch of goods valued at approximately NT$14,219 to the Hsin-Wang-Ai Intellectual Development Center in Shalu District, Taichung City. This contribution supports early intervention services for children with developmental delays and aids in the independent living training for youths with intellectual disabilities.
3. We donated goods worth NT$25,780 to the Hong Yu Social Welfare Foundation, assisting the foundation in providing services for children with developmental delays, women, new immigrants, and disadvantaged families in the mountain and coastal areas of Taichung as well as in remote areas. This demonstrates our commitment to and practice of corporate social responsibility.
4. Participate in "The Second Life for Computers" of ASUS, and donated digital equipment to promote environmental protection and social welfare.

Corporate Governance

1. Selected among the top 6%-20% excellent companies in the 10th Corporate Governance Evaluation.
2. Included as a constituent in the MSCI Global Small Cap Index.

<table>
<tr><th rowspan="2">Item</th><th colspan="3">Implementation Status (Note 1)</th><th rowspan="2">Discrepancy with Corporate Governance Best Practice Principles for Listed Companies, and the reasons</th></tr>
<tr><th>Yes</th><th>No</th><th>Summary (Note 2)</th></tr>
<tr><td colspan="5">3. In July 2023, our company was included in the Corporate Governance 100 Index, earning further recognition in corporate governance.
4. Awarded the Bronze Award in the 16th TCSA Taiwan Corporate Sustainability Awards for our Sustainability Report in 2023.
Please see the Company’s sustainability report for more information.</td></tr>
</table>

Note 1: If Yes is selected under Implementation Status, it shall explain the key policies, strategies, measures and implementation situation. If No is selected under Implementation Status, it shall explain the reason and the plan to implement related policies, strategies and measures to be taken in the future.

Note 2: If a CSR Report is compiled by the Company, inquiry and index page about the CSR Report should be specified under Summary.

Note 3: The materiality principle refers to those related to environmental, social and corporate governance issues that have significant influence on the Company's investors and other interested parties.

(VII) Implementation status of climate related information

Evaluation item	Implementation status
I. Explain how the Board of Directors and management oversee and manage climate-related risks and opportunities.	I. The Board of Directors is the highest oversight body for climate policies and risk management at the Company. They aim to adhere to laws and regulations while promoting and implementing risk management measures across the organization. A risk management team is set up under the Board of Directors. The team is comprised of the highest-level managers from each department and office and is led by the General Manager. The team is responsible for identifying and managing economic, environmental, and social topics and their risks and opportunities and regularly reports to the Board of directors.
II. State the impact of the identified climate risks and opportunities on the Company's business, strategy, and finances (short, medium, and long term).	II. (Please refer to the Company’s sustainability report for more information)

<table>
<tr><th>Evaluation item</th><th>Implementation status</th></tr>
<tr><td>III. State the financial implications of extreme weather events and transformation actions.</td><td>III. (1) Extreme weather conditions in the areas where materials and products are produced can disrupt the supply chain, which can delay construction and increase safety risks. High temperatures, droughts, and heavy rainfall during construction might damage the existing construction products. Rising average temperatures may lead to higher electricity consumption. These events will lead to higher operating costs and directly affect the Company's finances.
(2) Low-carbon technology transformation requires developing new products and technologies or replacing existing products and services with low-carbon products, directly increasing R&D and service costs.</td></tr>
<tr><td>IV. State how climate risk identification, evaluation and management processes are integrated into the overall risk management system.</td><td>IV. The Company's risk management team is responsible for analyzing climate-related risks and opportunities and identifying the possibility of climate-change risks occurring in the short, medium, and long term, their impact, time of occurrence, and financial impact. The team will also report to the Board of Directors regularly.</td></tr>
<tr><td>V. For the scenario analysis used to assess the climate change risks and resilience, please describe the scenarios, parameters, assumptions, analysis factors and major financial impacts.</td><td>V. Based on the Fifth Assessment Report (AR5) published by the Intergovernmental Panel on Climate Change (IPCC), when Delpha Construction conducts risk assessment, it shall select, from the following items, the appropriate climate scenarios on impact analysis on the construction projects which are under development or already commenced operations:
<table>
<tr><th>Risk Type</th><th>Scenario instruments</th><th>Scenario selection</th><th>Evaluation content</th></tr>
<tr><td>Flood risk</td><td>Climate change disaster risk and adaptation platform</td><td>IPCC PCR8.5</td><td>Identify the construction projects at level 5 on the flood disaster risk scale in the future (2036 to 2065).</td></tr>
<tr><td rowspan="2">Risk of changes in temperature and rainfall</td><td rowspan="2">Taiwan Climate Change Projection Information and Adaptation Knowledge Platform (TCCIP)</td><td>IPCC PCR2.6</td><td rowspan="2">If temperature rise could not be effectively controlled amid intense heat waves, evaluate the impact on the construction project caused by extreme climate, annual average temperature and rainfall.</td></tr>
<tr><td>IPCC PCR8.5</td></tr>
</table>
Note: IPCC fifth assessment report (AR5) covers four climate change scenarios: RCP 2.6, RCP 4.5, RCP 6.0 and RCP 8.5, which are labeled after a possible range of radiative forcing values in the year 2100 (2.6, 4.5, 6, and 8.5 watts respectively). RCP 2.6 is a global warming mitigation scenario which require active carbon reduction measures, whereas RCP 8.5 is the Business-as-usual (BAU) climate scenario which may lead to high degree of global warming.</td></tr>
</table>

<table>
<tr><th>Evaluation item</th><th>Implementation status</th></tr>
<tr><td>VI. Corresponding to the transition plan for climate-related risk management, please describe the plan, and indicators and targets related to the identification and management of physical risks and transition risks.</td><td>VI.
<table>
<tr><th colspan="4">Climate change risks and opportunities matrix Transition risks/opportunities</th></tr>
<tr><th>○ Risks</th><th>● Opportunities</th><th>Potential financial risks</th><th>Countermeasures</th></tr>
<tr><td>○ Increased cost of greenhouse gas emission</td><td>● Participate in renewable energy projects and adopt energy-conservation measures
● Obtain incentives from public sectors through carbon offsetting mechanisms
● Use low-carbon energy</td><td>1. Carbon fee expenditures
2. Installation of carbon reduction equipment.
3. Implementation of a carbon inventory mechanism.</td><td>1. Develop low-carbon operation strategies, such as office paperless and smart and energy-efficient equipment.
2. Improve energy efficiency and optimize resource management processes.
3. Actively pursuing low-carbon incentives to offset incentive costs.</td></tr>
<tr><td>○ Increased oversight by regulatory authorities on energy efficiency (short-term risk)</td><td>● Use energy-efficient graded raw materials</td><td>1. Operating costs increased due to using specific raw materials to comply with the latest regulations.
2. Government penalties for not meeting the competent authority's requirements.</td><td>1. Proactively understand policy trends and global regulations and formulate strategies in advance.
2. Obtain various environmental certifications for construction project designs; strive to meet legal requirements and exceed standards</td></tr>
<tr><td>○ Change of customer preference (long term risk)</td><td>● Create brand value
● Diversification of business activities
● Raise customer loyalty</td><td>1. Failure to keep track of market trends, which affect sales and lower profits.
2. Slow handover, while the schedule for crediting to the account is postponed.</td><td>1. Deepen the brand value of “Sunshine, Air, Water”, introducing more elements of sustainable architecture.
2. Gain insight into market trends and investigate in customer needs.</td></tr>
<tr><td>○ Low-carbon technology transformation costs
○ Replacing existing products and services with</td><td>● Use of green buildings
● Develop new products and technologies</td><td>1. Increased costs for research, development, and services.
2. Increase in costs from the</td><td>1. The construction project involves the introduction of green building equipment, and</td></tr>
</table></td></tr>
</table>

<table>
<tr><th>Evaluation item</th><th>Implementation status</th></tr>
<tr><td></td><td>
<table>
<tr><td>low-carbon products</td><td></td><td>use of low-carbon materials and strategies.</td><td>certification of the green building label.
2. Develop low-carbon service model to increase operating income.</td></tr>
<tr><td>○ Rising raw material costs</td><td>● Reuse construction resources
● Use high-performance products</td><td>1. Increase in costs due to rising raw material costs.
2. The scarcity of low-carbon raw materials and technologies delays projects and increases costs.</td><td>1. Identify suppliers that prioritize environmental protection and are mindful of climate risks.
2. Improve energy efficiency and reduce production costs.</td></tr>
<tr><td colspan="4">Actual risks/opportunities</td></tr>
<tr><td>○ Increase in extreme weather events
○ Rise in sea level</td><td>● Improve climate resilience
● Diversified energy sources</td><td>1. Change in status of material resources and supply chain disruption
2. Delay construction and increase safety risks
3. Damage the existing construction products</td><td>1. Strengthen occupational safety and health training
2. Reduce risks decentralizing raw material sources.
3. When buying land, evaluate whether the land is located in a high-risk area.</td></tr>
<tr><td>○ Rising average temperatures</td><td>● Promote green operation and Intelligent Building</td><td>1. Operating costs increased due to higher electricity consumption.</td><td>1. Promote smart buildings, energy saving and carbon reduction measures to improve energy efficiency.</td></tr>
</table>
</td></tr>
<tr><td>VII. Please state the basis for the internal pricing on carbon that is used for planning.</td><td>VII. The Company has not yet set an internal price on carbon.</td></tr>
<tr><td>VIII. If climate-related goals are set, please state the activities, scope of greenhouse gas emissions, planning schedule, annual progress and other relevant</td><td>VIII.
A. The Company has set the following short-, medium-, and long-term goals. The goals cover the Company's offices and construction sites. We expect to disclose the progress of each goal from next year.
<table>
<tr><td>2024 goals</td><td>2025 goals
(1) Category 1 GHG emission intensity: less than 0.25 kg/m^2.</td></tr>
</table>
</td></tr>
</table>

<table>
<tr><th>Evaluation item</th><th>Implementation status</th></tr>
<tr><td>information. If carbon offsets or renewable energy credits (RECs) are used to achieve relevant goals, please state the source and quantity of carbon offsets or renewable energy credits (RECs).</td><td>
<table>
<tr><td>(1) Category 1 GHG emission intensity: less than 0.25 kg/m^2.
(2) Category 2 GHG emission intensity: less than 25 kg/m^2.
(3) Construction waste intensity: less than 0.30 tons/m^2.
(4) Energy use intensity: less than 0.18 GJ/m^2.
(5) Water resource intensity: less than 0.6 m^3/m^2.
(6) Strengthen decision-making mechanisms and integrate climate-related financial information.
(7) Start research by utilizing important global environmental sustainability questionnaires such as CDP and DJSI.</td><td>(2) Category 2 GHG emission intensity: less than 25 kg/m^2.
(3) Construction waste intensity: less than 0.30 tons/m^2.
(4) Energy use intensity: less than 0.18 GJ/m^2.
(5) Water resource intensity: less than 0.6 m^3/m^2.
(6) Strengthen decision-making mechanisms and integrate climate-related financial information.
(7) Gradually introduce ISO 14001 and ISO 14064-1 third party certifications.
(8) Gradually respond to and examine important global environmental sustainability questionnaires such as CDP and DJSI.</td></tr>
<tr><td colspan="2">2030 goals</td></tr>
<tr><td colspan="2">(1) Category 1 GHG emission intensity: less than 0.25 kg/m^2.
(2) Category 2 GHG emission intensity: less than 25 kg/m^2.
(3) Construction waste intensity: less than 0.30 tons/m^2.
(4) Energy use intensity: less than 0.18 GJ/m^2.
(5) Water resource intensity: less than 0.6 m^3/m^2.
(6) Strengthen decision-making mechanisms and integrate climate-related financial information.
(7) Implement ISO 14001 and ISO 14064-1 third party certifications.
(8) Regularly respond to and examine important global environmental sustainability questionnaires such as CDP and DJSI.</td></tr>
<tr><td colspan="2">(2) The progress and implementation status in 2023 are as follows:
<table>
<tr><th>Targets in 2023</th><th>Implementation status in 2023</th><th>Reasons for differences and action plans</th></tr>
<tr><td>1. Category 1 GHG emission intensity: less than 0.25 kg/m^2.</td><td>This year was 0.26 kg/m^2</td><td>-</td></tr>
<tr><td>2. Category 2 GHG emission</td><td>This year was 40.32</td><td>Mainly due to the Qingxi Section Zone B project</td></tr>
</table></td></tr>
</table>
</td></tr>
</table>

<table>
<tr><th>Evaluation item</th><th colspan="3">Implementation status</th></tr>
<tr><td></td><td>intensity: less than 25 kg/m^2.</td><td>kg/m^2</td><td>(One and Only), Xinbi Section Zone A project (Metro Building), Lejie Section Zone A project (Rising City), and Xinzhan Section project (Delpha Fortune) entering the renovation stage, and the Shingaotie Section project (Centre for the Future has entering the intensive engineering stage of the main structure)</td></tr>
<tr><td></td><td>3. Construction waste intensity less than 0.30 tons/m^2.</td><td>This year it was 0.49 tons</td><td>This is mainly due to the Xinbi Section Zone A project (Metro Building), the Lejie Section Zone A project (Rising City), the Xinzhan Section project (Delpha Fortune), and the Qingxi Section Zone A project (Delpha Jing) entering the renovation stage, and the addition of construction waste information for the Lejie Section Zone B project (One and Only), Shanjie Section project, and Shingaotie Section project (Centre for the Future) this year)</td></tr>
<tr><td>X. Greenhouse gas inventory and assurance (fill in 1-1).
The Company's basic information</td><td colspan="3">1. GHG inventory and assurance:
The Company began disclosing GHG inventory information in sustainability reports in 2020. Pursuant to the sustainable development roadmap of TWSE/TPEx-listed companies, the parent company is required to compl assurance in 2027. Subsidiaries in the consolidated financial statements must complete assurance in 2028.
2. GHG emission reduction goals: Please refer to VII.
3. Strategies and specific action plans: Please refer to ESG report..</td></tr>
</table>

【1-1-1 Information on GHG inventory】

Describe the emission volume (tons CO2e), intensity (tons CO2e/million NTD), and data coverage of greenhouse gases in the past two years.

Year	2022	2023
Total emissions (kgs of CO2e)		

Evaluation item	Implementation status

Direct GHG emission	8,324.5	10,699
Total emissions (kgs of CO2e)		
Office areas	56,868.64	48,684.45
Construction site	762,022.42	1,596,957.19
Total **emission volume**	818,891.06	1,645,641.64
Intensity kg/m2		
Scope 1	0.22	0.26
Scope 2	23.12	40.32

Note 1: Since the scope of calculation is different from the ESG report, so the total emissions are different.

Note 2: Direct emissions (Scope 1, i.e., directly from emission sources owned or controlled by the Company), energy indirect emissions (Scope 2, i.e., indirect GHG emissions from electricity, heat or steam), and other indirect emissions (Scope 3, i.e., emissions generated by company activities that are not indirect energy emissions, but are from emission sources owned or controlled by other companies).

Note 3: The coverage of direct emissions and energy indirect emissions data shall be handled in accordance with the timetable specified in Paragraph 2 of Article 10 of the Guidelines. Information on other indirect emissions may be disclosed voluntarily.

Note 4: GHG inventory standard: The Greenhouse Gas Protocol (GHG Protocol) or ISO 14064-1 published by the International Organization for Standardization (ISO).

Note 5: The intensity of GHG emissions may be calculated per unit product/service or revenue. However, at a minimum, data calculated using revenue (NT$ million) must be disclosed.

[1-1-2 GHG Assurance Information]

Describe the greenhouse gas reduction baseline year and its data, reduction targets, strategies, specific action plans, and achievement of reduction targets.
We appropriately adjusted our energy conservation and carbon reduction strategies and plans in response to the GHG inventory results in recent years, and hope to further achieve the short, medium and long-term goals set by the Company through the following specific actions. The Company encourages

employees to save water, electricity, and paper in daily life, and also replaces energy efficient flat dome lamps and air conditioners in terms of hardware equipment. In terms of construction, we order the accurate number of materials, properly store materials, use recycled building materials, and construction automation measures, mitigating the environmental impact of GHG through the green actions above, and gradually achieving the Company's medium and long-term goals.

Please refer to the previous pages for the **reduction targets, strategies, specific action plans, and achievement of reduction targets**.

Note 1: It should be handled in accordance with the timetable specified in Article 10, Paragraph 2 of these Guidelines.

Note 2: The baseline year should be the year in which the inventory is completed based on the boundaries of the consolidated financial statements. For example, according to Article 10, Paragraph 2 of the Guidelines, companies with a capital of NT$10 billion or more must complete the inventory for the 2024 consolidated financial statements in 2025. Therefore, the baseline year is 2024. If the Company has completed the inventory for the consolidated financial statements in advance, then the earlier year may be used as the baseline year. In addition, data for the baseline year may be for a single year or the average of multiple years.

Note 3: Please refer to the sample template for best practices on the TWSE Corporate Governance Center Website for the contents of disclosure.

VII. Implementation of business integrity, Discrepancy with Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies, and the reasons:

Item	Implementation Status (Note 1)			Discrepancy with Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies, and the reasons
	Yes	No	Summary	
I. Establishment of business integrity policies and programs				
(1) Does the Company have bylaws and external documents approved by the Board that uphold its policy and business integrity, and are the Board and top management team committed to implementing such policy?	V		(1) The Company has established the Integrity Management Principles, Reporting of Illegal and Unethical Behavior, and Integrity Management Operating Procedure and Guideline to guide the Company's Board members and management and align their behavior with the integrity management principles. The Company has incorporated integrity management terms into supplier contracts to ensure suppliers abide by the integrity management policy and keep employees from directly or indirectly offering, promising, demanding, or accepting improper benefits during business transactions or committing unethical acts such as illegal acts or breach of fiduciary duty. The Integrity Management Committee that was formed in May 2022 is responsible for reviewing and supervising the ethical corporate management policies and reporting the compliance status to the Board regularly.	None
(2) Does the company establish the evaluation mechanism for the risk of unethical conducts, so as to regularly analyze and evaluate the operating activities associated with high risk of unethical conduct, and establish appropriate preventive measures at least for the business activities prescribed in Paragraph 2, Article 7 of the "Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies"?	V		(2) The Company has established the "Ethical Corporate Management Best Practice Principles", "Rules for Handling Cases of Reporting Illegal, Unethical or Dishonest Conduct" and the "Reporting of Illegal and Unethical Behavior "to regularly analyze and evaluate business activities within the scope of business that have a higher risk of dishonest conduct, to formulate prevention plans and to regularly review the appropriateness and effectiveness of the prevention plans.	None
(3) Has the Company established relevant programs which are duly enforced to prevent unethical conduct and provide implementation procedures, guidelines, penalties and grievance channels? Does the Company implement and regularly review to revise them?	V		(3) The Company has a "Ethical Corporate Management Best Practice Principles" and "Procedures for Handling Reports of Illegal, Unethical or Dishonest Conduct" and is expected to adopt " Operating Procedures and Conduct Guidelines for Ethical Corporate Management " in May 2022, which prohibit bribery and accepting bribes, making illegal political contributions, improper charitable donations or sponsorships, offering or accepting improper benefits, infringement of intellectual property rights, products or services to the detriment of stakeholders, and other dishonest conduct by the	None

Item	Implementation Status (Note 1)			Discrepancy with Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies, and the reasons
	Yes	No	Summary	
			Company, its directors, officers, employees, appointees and persons under the Company's substantive control. The Company will review and amend the relevant regulations on a regular basis.	
II. Ethical Management Practice (1) Does the company check whether the counterparty has any record of ethical misconduct and if the contract terms require compliance of ethical corporate management policy?	V		(1) For important contracts, the Company requires vendors to issue a Declaration of Conflict of Interest. The Company has also incorporated integrity management terms into supplier contracts to ensure suppliers abide by the integrity management policy and keep employees from directly or indirectly offering, promising, demanding, or accepting improper benefits during business transactions or committing unethical acts such as illegal acts or breach of fiduciary duty. .	None
(2) Has the company set up a special (concurrent) unit under the direct supervision of the Board, to handle the implementation of the Company's ethical standards and report the ethical policies and unethical conduct prevention program to the Board periodically (at least annually)?	V		(2) The Company expects to establish an Integrity Management Committee in May 2022, which will be part of the Board of Directors and consist of three members. The Corporate Governance Office will serve as the meeting service unit and will be responsible for assisting the Committee in agenda planning, convening notices, conducting business, taking minutes and other related matters, and reporting to the Board of Directors at least once a year on the integrity management policy and the prevention of misconduct and monitoring the implementation thereof.	None
(3) Has the Company established policies to prevent conflict of interest, provide appropriate reporting channels, and implement policies properly?	V		(3) The Company has established the “Ethical Corporate Management Best Practice Principles”, “Organizational Procedures of the Integrity Management Committee” and “Operating Procedures and Conduct Guidelines for Ethical Corporate Management” to facilitate the effective operation and compliance of the members of the Integrity Management Committee. In addition, the Company has established various internal regulations, such as the “Regulations for Prevention of Insider Trading,” “Regulations for Reward and Punishment of Employees,” “Regulations for Complaint and Disciplinary Measures against Sexual Harassment in the Workplace,” “Policies and Principles for the Implementation of Employee Opinion Boxes,” “Regulations for Handling Reports of Illegal, Unethical or Dishonest Conduct,” and “Operating Procedures for Handling Internal Material Information,” in order to appropriately handle various risks arising from honest management.	None
(4) To implement relevant policies on ethical conduct, does the Company establish effective accounting and	V		(4)The Company established the "Ethical Corporate Management Best Practice Principles" on April 15th, 2021. The principles are effectively implemented along with the Company's existing	None

Item	Implementation Status (Note 1)			Discrepancy with Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies, and the reasons
	Yes	No	Summary	
internal control systems? Does the internal audit unit make related audit plans based on the evaluation results of the unethical conduct prevention program, so as to audit the compliance with unethical conduct prevention program by the internal auditors or the entrusted CPA?			accounting system and internal control system, and the internal auditors implement audits in accordance with the annual audit plan.	
(5) Does the Company provide internal and external ethical conduct training programs on a regular basis?	V		(5) The Company held on November 10, 2023, to give a lecture on Corporate Ethics Seminar - Legal Responsibilities for Employee Misconduct - Liabilities for Commercial Breach of Trust and Bribery, to the managers and employees of the parent company and subsidiaries.	None
III. Complaint Procedures (1) Has the Company established specific grievance and reward management procedures, as well as accessible grievance channels, and designated responsible individuals to handle complaints?	V		(1) **Internal complaints** The Company has established the Employee Opinion Box Implementation Policy and Principles. Employees who discover illegal or inappropriate behavior can report the incident in detail and file a complaint in their names. The General Manager will handle reports personally. **External whistleblower cases** The Company has an external independent reporting mailbox (galaxylawyer27773500@gmail.com), which is announced on the company website for stakeholders to state their opinions. Galaxy Attorneys-at-law is the dedicated unit responsible for supervising the implementation of relevant matters and accepting complaints. Furthermore, to protect whistleblowers, it is responsible for accepting complaints and submitting a report on the whistleblowing cases, actions taken, and subsequent reviews and corrective measures to the Board of Directors, depending on the circumstances.	None
(2) Has the Company established standard operating procedures for investigating complaints and the subsequent measures taken after the investigation, and ensuring that such complaints are handled in a confidential manner?	V		(2) Article 22 of the Company Ethical Corporate Management Best Practice Principles established the reporting system and standard operating procedures and confidentiality mechanisms for case acceptance, investigation processes, investigation results, and related documentation.	None
(3) Does the Company adopt proper measures to protect a complainant from retaliation?	V		(3) The Company provides channels for reporting and whistleblowing complaints and is committed to protecting whistleblowers from inappropriate disciplinary actions, such as dismissal and salary reductions, due to their whistleblowing. The Company will also adopt emergency protection measures when it is likely that whistleblowers are	None

Item	Implementation Status (Note 1)			Discrepancy with Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies, and the reasons
	Yes	No	Summary	
			in danger due to their whistleblowing. There were no reports of illegal acts in 2022.	
IV. Strengthening Information Disclosur (1) Does the Company disclose its Ethical Corporate Management Principles as well as information about implementation of such principles on its website and the MOPS?	V		The Company has established the Ethical Corporate Management Best Practice Principles", "Organizational Procedures of the Integrity Management Committee" and "Operating Procedures and Conduct Guidelines for Ethical Corporate Management", and has also disclosed the effectiveness of its promotion on MOPS.	None
V. If the Company has established the Ethical Corporate Management Principles based on the Ethical Corporate Management Best-Practice Principles for TWSE/TPEx List Companies, describe the difference between the principles and implementation: The Company expects to establish an integrity management committee in May 2022 and incorporate the principles and spirit of integrity management into the relevant regulations to comply with the code of conduct for listed and listed companies.				
VI. Other important information to facilitate better understanding of the Company's implementation of business integrity (e.g., review and amendments to the Company's Ethical Code of Conduct) 1. The Company complies with the Company Act, the Securities and Exchange Act, and related regulations for listed companies and other codes related to business conduct, which are taken as the foundation for implementing business integrity. 2. The Company regulates avoiding the conflict of interests for directors and stakeholders in the "Handbook for Board Meeting" and "Regulations Governing the Transactions with Related Parties". 3. The Company has established the "Operation Procedures for the Processing of Material Information", and the "Operation Procedures for Prevention of Insider Trading" to prevent improper disclosure of information.				

Note 1: The Summary should be specified regardless of a Yes or No selection under the Implementation Status.

(9) If the company develops a corporate governance code and relevant regulations, it should disclose its inquiry method:

Relevant regulations:

1. Handbook for Shareholders' Meeting
2. Handbook for Board Meeting
3. Director Election Regulations
4. Operation Procedures for the Acquisition or Disposal of Assets
5. Operation Procedures for Lending Capital to Others
6. Operation Procedures for Endorsements and Guarantees
7. Operation Procedures for Prevention of Insider Trading
8. Operation Procedures for the Processing of Material Information
9. Policies and Principles for Implementing Employee Advice Mailbox
10. Remuneration Committee Charters
11. CSR Code of Best Practice
12. Audit Committee Charters
13. Regulations on Scope of Responsibilities of Independent Directors
14. Board and Functional Committee Performance Evaluation Regulations
15. Sustainable Development Principles
16. Ethical Corporate Management Best Practice Principles
17. Integrity Management Operating Procedure and Guideline
18. Integrity Management Committee Procedures
19. Reporting of Illegal and Unethical Behavior
20. Regulations for Managing Related-party Transactions

Inquiry method:

These regulations are available on the Company's website and the Market Observation Post System.

(10) Other important information to facilitate better understanding of the Company's implementation of corporate governance may also be disclosed:

None.

(11) Implementation of internal control system:

1. Statement of Internal Control System:

Delpha Construction Co., Ltd.
Statement of Internal Control System

Date: March 29th, 2024

Based on the findings of a self-assessment, Delpha Construction Co., Ltd. states the following with regard to its internal control system during the year 2023:

1. The Company's board of directors and managerial officers are responsible for establishing, implementing, and maintaining an adequate internal control system and have already established it. Its purpose is: i. to provide reasonable assurance over the effectiveness and efficiency of our operations (including profitability, performance and safeguarding of assets); ii. The report has reliability, timeliness, transparency; iii. It is in compliance with applicable rulings, laws and regulations, and could provide reasonable guarantees.
2. An internal control system has inherent limitations. No matter how perfectly designed, an effective internal control system can provide only reasonable assurance of accomplishing its three stated objectives above. Moreover, the effectiveness of an internal control system may be subject to changes due to extenuating circumstances beyond our control. Nevertheless, our internal control system contains self-monitoring mechanisms, and the Company takes immediate remedial actions in response to any identified deficiencies.
3. The Company evaluates the design and operating effectiveness of its internal control system based on the criteria provided in the Regulations Governing the Establishment of Internal Control Systems by Public Companies (herein below, the Regulations). The criteria adopted by the Regulations identify five key components of managerial internal control: i. control environment, ii. risk assessment, iii. control activities, iv. information and communication, and v. monitoring activities, each of which includes several items. As for more details about the said components, please refer to the provisions in the Regulations.
4. The Company has evaluated the design and operating effectiveness of its internal control system according to the aforesaid Regulations.
5. Based on the findings of such evaluation, the Company believes that, on December 31, 2023, it has maintained, in all material respects, an effective internal control system (that includes the supervision and management of our subsidiaries), to provide reasonable assurance over our operational effectiveness and efficiency, reliability, timeliness, transparency of reporting, and compliance with applicable rulings, laws and regulations.
6. This Statement is an integral part of the Company's Annual Report and prospectus, and will be made public. Any falsehood, concealment, or other illegality in the content made public will entail legal liability under Articles 20, 32, 171, and 174 of the Securities and Exchange Act.
7. This statement was passed by the board of directors in their meeting held on March 29, 2024, with none of the 7 attending directors expressing dissenting opinions, and the remainder all affirming the content of this Statement.

Delpha Construction Co., Ltd.

Chairperson: Cheng, Ssu-Tsung

General Manager: Huang, Chih-Chen

2. If CPA was engaged to conduct a Special Audit of Internal Control System, Provide Its Audit Report: None.

(12) Disclosure of any sanction imposed in accordance with the law upon the Company and its internal personnel, any sanction imposed by the Company upon its internal personnel for violation of internal control system provisions, principal deficiencies, and efforts to implement improvements in the most recent year and as of the Annual Report publication date:

None.

(13) Resolutions made during the shareholders' meeting or board meeting in the most recent year and as of the Annual Report publication date:

1. Review of the implementation of resolutions made during the shareholders' meeting in the most recent year:

Resolutions of the shareholders' meeting	Implementation
1. Approved the Company's 2022 Business Reports and Financial Statements.	The shareholders' meeting adopted the resolution to announce material information in accordance with regulations on June 28, 2023.
2. Approved the Company's 2022 Surplus Earnings Distribution proposal.	The earnings distribution for 2022 2H was approved by the Board of Directors on March 15, 2023, setting April 5, 2023 as the ex-dividend date and April 26, 2023 as the distribution date.
3. Amendments to the Company's "Articles of Incorporation".	Implemented in accordance with the amended procedures after the resolution of the shareholders' meeting.
4. Re-election of the Company's Directors.	Directors are immediately appointed after being elected by the shareholders' meeting. Change of registration at the MOEA was completed on July 20, 2023.
5. Proposal to waive the non-compete clause for newly elected directors.	Handled according to the resolution of the shareholders' meeting.

2. Important resolutions made during the shareholders' meeting and board meeting

Date	Meeting type	Resolutions	Remarks
2023/01/12	Board meeting	1. The signing of a contract between the Company and its subsidiary, Huajian Construction Co., Ltd., for the new congregate housing construction project (Falsework part) located in the Qing'an Section of Shanhua District, Tainan City. 2. The 2022 performance bonuses for the Company's managers and Chief Auditor. 3. Proposal to lift the non-compete clause for the new General Manager. 4. Proposal for the monthly salary of the new General Manager.	
2023/03/15	Board meeting	1. The Company's 2022 business report and financial statements. 2. The 2022 dividend distribution proposal. 3. Deliberation of the amount allocated to Director and employee remuneration in 2022. 4. The distribution method of remuneration for Directors, managers, the Chief Auditor, and employees in 2022. 5. Amendments to the Company's Articles of Incorporation. 6. Re-election of the Company's Directors. 7. The acceptance period for the nomination of Director (including Independent Director) candidates, the number of Directors to be elected, and the place of acceptance.	

		8. The date of and reasons for convening the Company's annual shareholders' meeting in 2023. 9. Determine the ex-dividend date for the distribution of the 2022 cash dividends. 10. Review of the effectiveness of the 2022 internal control system. 11. The signing of a contract between the Company and its subsidiary, Huajian Construction Co., Ltd., for the new congregate housing construction project (Geotechnical Engineering part) located in the Qing'an Section of Shanhua District, Tainan City.	
2023/04/11	Board meeting	1. The hiring and remuneration of the Company's certified public accountants. 2. Review the shareholders' proposals and nominations. 3. Define the qualification criteria of recipients of employee remuneration of employees at affiliated companies.	
2023/04/14	Board meeting	1. Nomination of Director (including Independent Director) candidates. 2. Resolution of the roster of Director (and Independent Director) candidates.	
2023/05/12	Board of Directors	1. The Company's 2023 Q1 consolidated financial statements. 2. The signing of a contract between the Company and its subsidiary, Huajian Construction Co., Ltd., for the new congregate housing construction project (the structural engineering part) located in the Qing'an Section. 3. The 2023 Dragon Boat Festival bonuses for the Company's managers and chief auditor.	
2023/06/28	Shareholders' meeting	1. Acknowledged the Company's 2022 business report and financial statements. 2. Acknowledged the Company's 2022 earnings distribution. 3. Amendments to the Company's Articles of Incorporation. 4. Re-election of the Company's Directors. 5. Proposal to waive the non-compete clause for newly elected directors.	
2023/06/28	Board of Directors	1. Election of the chairperson by the Company's seven new directors (including independent directors). 2. Appointment of 5th-term Remuneration Committee members. 3. Appointment of 2nd-term Integrity Management Committee members.	
2023/07/21	Board of Directors	1. The remuneration of the current term directors. 2. The attendance fee for new directors and members of the Audit Committee and Integrity Management Committee. 3. The proposed amendment to the Company's "Personal Data Protection Management Measures." 4. The signing of a contract between the Company and its subsidiary, Huajian Construction Co., Ltd., for the new congregate housing construction project (the decoration part) located in the Shingaotie Section. 5. The proposed sale of pre-sale houses of the Company's "One and Only" project to a related party. 6. Manager and chief auditor remuneration adjustments.	
2023/08/11	Board of Directors	1. The Company's 2023 Q2 consolidated financial report. 2. Proposal to not distribute dividends for 2023 Q2. 3. The signing of a contract between the Company and its subsidiary, Huajian Construction Co., Ltd., for the new congregate housing construction project (the falsework part) located in the Sanzuowu Subsection, Sanzuowu Section, Zhongli District, Taoyuan City. 4. The signing of a contract between the Company and its subsidiary, Huajian Construction Co., Ltd., for the new congregate housing construction project (the geothetical engineering part) located in Zone B of the Xinbi Section, Luzhu District, Taoyuan City. 5. The authorization of the chairperson to make decisions for the acquisition or disposal of property, equipment, or right-of-use assets thereof exceeding NT$500 million. 6. The 2023 Mid-Autumn Festival bonuses for the Company's managers and chief auditor.	
2023/11/10	Board of Directors	1. The Company's 2023 Q3 consolidated financial report. 2. Proposal to not distribute dividends for 2023 Q3. 3. Amendments to the Company's organizational chart. 4. Amendments to the Company's Measures for Managing Seals. 5. Amendments to the Company's Reporting of Illegal and Unethical Behavior and Workplace Sexual Harassment Prevention, Grievance, and Disciplinary Measures. 6. Amendments to the Company's Operation Procedures for Prevention of Insider Trading. 7. Amendments to the Company's Risk Management Principles. 8. The signing of an additional contract between the Company and its subsidiary, Huajian Construction Co., Ltd., for the new congregate housing construction project located in Zone A of the Qingxi Section. 9. The signing of a contract between the Company and its subsidiary, Huajian Construction Co., Ltd., for the new congregate housing construction project (the decoration part) located in the Shanjie Section. 10. The signing of a contract between the Company and its subsidiary, Huajian Construction Co.,	

		Ltd., for the new congregate housing construction project (the geothetical engineering part) located in the Sanzuowu Section. 11. Establishment of the Company's 2024 internal audit plan.	
2023/12/26	Board of Directors	1. Amendments to the Company's Regulations for Managing Related-party Transactions. 2. Proposal for the Company to continue to provide endorsement and guarantee for its subsidiary, Huajian Construction Co., Ltd., to apply for loans from Mega Bills Finance Co., Ltd. 3. Proposal for the Company to provide endorsement and guarantee for its subsidiary, Huajian Construction Co., Ltd., to apply for a loan from the Bank of Panhsin. 4. Deliberation of the 2023 year-end bonuses for the Company's managers and chief auditor. 5. The signing of an additional contract between the Company and its subsidiary, Huajian Construction Co., Ltd., for the new congregate housing construction project located in Zone B of the Lejie Section. 6. The signing of an additional contract between the Company and its subsidiary, Huajian Construction Co., Ltd., for the new congregate housing construction project located in Zone B of the Xinbi Section.	
2024/1/25	Board of Directors	1. The hiring and remuneration of the Company's certified public accountants. 2. The signing of an additional contract between the Company and its subsidiary, Huajian Construction Co., Ltd., for the new congregate housing construction project located in Zone A of the Lejie Section. 3. The signing of an additional contract between the Company and its subsidiary, Huajian Construction Co., Ltd., for the new congregate housing construction project located in the Sanzuowu Section.	
2024/3/15	Board of Directors	1. The Company's 2023 financial statements. 2. The services provided by Ernst & Young and its affiliated enterprises. 3. The 2023 performance bonuses for the Company's managers and Chief Auditor.	
2024/3/29	Board of Directors	1. The 2023 business report and financial statements. 2. The 2023 dividend distribution proposal. 3. The amounts allocated for director's remuneration and employee bonuses in 2023. 4. The distribution method of remuneration for directors, managers, the chief auditor, and employees in 2023. 5. The date of and reasons for convening the Company's annual shareholders' meeting in 2024. 6. Set the ex-dividend date for the distribution of the 2023 Q4 cash dividends. 7. Review of the effectiveness of the internal control system in 2023. 8. The signing of an additional contract between the Company and its subsidiary, Huajian Construction Co., Ltd., for the new congregate housing construction project located in the Sanzuowu Section. 9. Amendments to the Company's Rules of Procedure for Board of Directors Meetings. 10. Amendments to the Company's Audit Committee Charter.	

(13) Whereas, in the most recent year and as of the Annual Report publication date, a director has expressed a dissenting opinion with respect to an important resolution passed by the Board, and the said opinion has been recorded or prepared as a written declaration, with main content disclosed thereof: N/A

(14) A summary of resignations and dismissals, in the most recent year and as of the Annual Report publication date, of the persons related to the Financial Statements (including the Chairman, General Manager, Chief Accounting Officer, Chief Financial Officer, Chief Internal Auditor, Corporate Governance Manager and R&D manager): N/A

5. Information on CPA Fees:

(1) The company may opt to disclose CPA fees either by fee range or by individual amount disclosure, and given any one of the following conditions, shall disclose information as follows:

Unit: NT$1,000

Name of accounting firm	Name of CPAs	Audit period	Audit fees	Non-audit fees	Total	Remark
Ernst & Young Global Limited,Taiwan	KyKy Lin	2023/01/01~ 2023/12/31	2,030	238	2,268	Non-audit fees are sustainability report assurance service fees
	James Huang					

Note : If the Company changes its accountant or accounting firm during the year, please list the audit period and state the reasons for the change in the remarks column, and disclose the information of audit and non-audit fees paid in order. The non-audit fees should be accompanied by a description of the services provided.

(2) The accounting firm is changed and the audit fee for that year is less than in the previous year, it should disclose the amount of the audit fees paid before and after the replacement, and the reason: N/A.

(3) The audit fee is reduced by over 10% than that of the previous year, it should disclose the reduction amount, proportion and reason: N/A.

6. Information on replacement of CPA:

(1)About the Former CPA:

<table>
<tr><td>Replacement Date</td><td colspan="4">2023.04. 11 Approved by the Board of Directors</td></tr>
<tr><td>Replacement reasons and explanations</td><td colspan="4">To meet long-term strategic development of the company's policy</td></tr>
<tr><td rowspan="3">Describe whether the Company terminated or the CPA did not accept the appointment</td><td colspan="2">Client
Status</td><td>CPA</td><td>Consignor</td></tr>
<tr><td colspan="2">Appointment terminated automatically</td><td>--</td><td>--</td></tr>
<tr><td colspan="2">Appointment rejected (discontinued)</td><td>--</td><td>V</td></tr>
<tr><td>Other issues (except for unqualified issues) in the audit reports within the last two years</td><td colspan="4">None</td></tr>
<tr><td rowspan="6">Differences with the Company</td><td rowspan="4">Yes</td><td colspan="2">--</td><td>Accounting principles or practices</td></tr>
<tr><td colspan="2">--</td><td>Disclosure of financial statement</td></tr>
<tr><td colspan="2">--</td><td>Audit scope or steps</td></tr>
<tr><td colspan="2">--</td><td>Others</td></tr>
<tr><td>No</td><td colspan="3">V</td></tr>
<tr><td colspan="4">Remarks: N/A</td></tr>
<tr><td>Other Disclosed Matters</td><td colspan="4">None</td></tr>
</table>

(2) About Successor CPAs:

Name of accounting firm	Ernst & Young Global Limited, Taiwan
Name of CPA	James Huang and KyKy Lin
Date of appointment	2023/04/11 Approved by the Board of Directors
Consultation results and opinions on accounting treatments or principles with respect to specified transactions and the company's financial reports that the CPA might issue prior to the engagement.	None
Succeeding CPA’s written opinion of disagreement toward the former CPA	None

(2)The Reply of Former CPAs on Article 10.6.1 and Article 10.6.2.3 of the Standards:

The reply in Letter Xin-Yong-Zhong-He-Shen-Zi No. 1120412003 from Shine Wing CPAs (Taiwan) dated April 12, 2023 is as follows:

1. The accountants' contact with management is limited to matters related to financial statements. During the period of appointment, we have not found the moral character of the Company's management related to financial statements having a significant impact on the presentation of financial statements.
2. There were no major differences between the accountants and management of Delpha regarding accounting principles, audit procedures, and other important matters.
3. We did not find any non-compliance during the audit of the 2022 financial statements.

7. Employment of the Company’s Chairman, General Manager, Financial or Accounting Manager with the Accounting Firm or Its Affiliates in the Most Recent Year, It Should Disclose His Name, Title and Period when Employed by the Accounting Firm of the CPA Being or its Affiliated Companies: N/A.

8. Changes in Shareholding and Equity Pledge of Directors, Supervisors, Managerial Officers and Shareholders Holding More Than 10% of the Company's Shares in the Latest Year and as of the Annual Report publication date:

Unit: share

Title (Note 1)	Name	2023		The current year until April 30	
		Shareholding increase/decrease	Pledged shares increase/decrease	Shareholding increase/decrease	Pledged shares increase/decrease
Chairperson	Hong Yi Investment Ltd. Representative: Cheng, Ssu-Tsung	2,000,000 -	4,870,000 (3,550,000)	1,000,000 -	2,630,000 (1,572,000)
Director	Lee, Chin-Yi	-	-	-	-

Director	Dajie Investment Co., Ltd. Representative: Tseng, Ping-Joung	112,000 -	0 (3,100,000)	-	-
Director	Yan, Ming-Hung	-	-	-	-
Independent director	Chen Shih-Yang (Date of appointment: 2023/6/28)	50,000 0	-	-	-
Independent director	Yeh, Chien-Wei	150,000 0	-	-	-
Independent director	Yu, Hung-Da (Date of appointment: 2023/6/28)	-	-	-	-
General Manage	Huang, Jyh-Jen	-	-	-	-
Vice president	Lee, Jun-Xian	-	-	-	-
Chief Financial Officer	Chien, Lin Chin	-	0 (55,000)	-	170,000 (80,000)
Accounting Manager	Wu, Sing-Suei	-	0 (40,000)	-	-
Corporate Governance Officer	Wang, Chen-Kang	150,000 -	320,000 -	136,000 -	-
Shareholder with the shareholding more than 10%	Chia Chun Investment Co., Ltd.	2,490,000 -	-	-	81,697,700 (50,767,700)
Independent director	Wang, Mu-Fan (Date of dismissal: 2023/6/28)	-	-	-	-
Independent director	Chen, Ruei-Li (Date of dismissal: 2023/6/28)	-	-	-	-

Note 1: The shareholders with the shareholding rate higher than 10% should be marked as major shareholders, which should be listed respectively.
Note 2: If the counterparty of equity transfer or equity pledge is a related party, it shall fill in the table as below.

9. Relationship Information: Any one among the Company's 10 Largest Shareholders is a related party or relative within the second degree of kinship of another shareholder:

Name (Note 1)	Shareholding		Spouse & minor current shareholding		Current shareholding by nominee arrangement		Name and relationship of the top 10 largest shareholders with parties, spouses, or relatives within the second degree of kinship (Note 3)		Remarks
	Shares	%	Shares	%	Shares	%	Name	Relation	
Chia Chun Investment Co., Ltd.	267,222,599	31.81%	-	-	-	-	-	-	
Representative of Chia Chun Investment Co., Ltd.: Lin, Jia-Hong	-	-	-	-	-	-	Chia Chun Investment Co., Ltd.	The Chairperson of this Company	
Da Shuo Investment Co., Ltd.	49,723,046	5.92%	-	-	-	-	Da Jie Investment Co., Ltd.	The Chairperson of the Company is also the Chairperson of this Company.	
Representative of Da Shuo Investment Co., Ltd.: Lin, Jian-Yu	221,874	0.03%	-	-	-	-	Da Shuo Investment Co., Ltd. Da Jie Investment Co., Ltd.	The Chairperson of this Company The Chairperson of this Company	
Neng Hong Investment Holdings Co., Ltd.	41,578,000	4.95%	-	-	-	-	-	-	
Representative of Neng Hong Investment Holdings Co., Ltd. Wu, Yu-Te	-	-	-	-	-	-	Neng Hong Investment Holdings Co., LTD. De Hong Investment Co., Ltd.	The Chairperson of this Company The first degree of kinship of the Chairperson of the Company	
De Hong Investment Co., Ltd.	38,600,000	4.60%	-	-	-	-	-	-	
Representative of De Hong Investment Co., Ltd. Lee, Li-Chen	-	-	-	-	-	-	De Hong Investment Co., Ltd. Neng Hong Investment Holdings Co., LTD	The Chairperson of this Company The first degree of kinship of the Chairperson of the Company	
Chang Yun Investment Co., Ltd.	26,256,000	3.13%	-	-	-	-	-	-	
Representative of	2,031,000	0.24%	-	-	-	-	Chang Yun	The Chairperson of	

Chang Yun Investment Co., Ltd.: Wu, Yu-Ti							Investment Co., Ltd.	this Company	
Hiyes International Co., Ltd.	21,030,000	2.50%	-	-	-	-	-	-	
Representative of Hiyes International Co., Ltd. ： Huang, Hsi-Wen	-	-	-	-	-	-	Hiyes International Co., Ltd.	The Chairperson of this Company	
Da Jie Investment Co., Ltd.	17,000,773	2.02%				-	Da Shuo Investment Co., Ltd.	The Chairperson of this Company	-
Representative of Da Jie Investment Co., Ltd.: Lin, Jian-Yu	221,874	0.03%					Da Shuo Investment Co., Ltd.	The Chairperson of this Company	
							Da Jie Investment Co., Ltd.	The Chairperson of this Company	
Wan Tai Fu Construction Co., Ltd.	15,724,388	1.87%	-	-	-	-	-	-	
Representative of Wan Tai Fu Construction Co., Ltd.: Pan, Kuo-Shun	-	-	-	-	-	-	Wan Tai Fu Construction Co., Ltd.	The Chairperson of this Company	
Hong Yi Investment Co., Ltd	15,000,000	1.79%	-	-	-	-	-	-	
Representative of Hong Yi Investment Co., Ltd Cheng, Ssu-Tsung	-	-	-	-	15,000,000	1.79%	Hong Yi Investment Co., Ltd	The Chairperson of this Company	
Peng, Shu-Ing	10,974,000	1.31%	5,925	-	-	-	-	-	

Note 1: The top 10 shareholders should be all listed. For the institutional shareholder, its name and the name of its representative should be listed respectively.
Note 2: As for the shareholding, it should be calculated based on the shareholding under the name of himself, his spouse & minor, or others.
Note 3: The relations between the shareholders listed above, including companies and individuals, should be disclosed based on the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

10. Total Number of Shares and Total Equity Stake Held in Any Single Enterprise by the Company, its Directors and Supervisors, Managerial Officers, and Any Company Controlled Either Directly or Indirectly by the Company:

Reinvestment business (Note)	Investment of the Company	Investment of the director, supervisor, manager and directly or indirectly	Comprehensive investment

		controlled business				
	Shares	%	Shares	%	Shares	%
Huachien Development Co., Ltd.	18,207,735	58.36%	--	--	18,207,735	58.36%
Huajian Construction Co., Ltd	38,231,038	100.00%	-	-	38,231,038	100.00%

Until March 30th, 2021/Unit: share; %

Note 1: It refers to the Company's investment based on equity method.

【Capital Overview】

1. Capital and Shares (Including Preferred Stock)

(1) Source of capital stock

1. Formation of capital stock:

Year/ Month	Par value	Authorized capital stock		Paid-in capital		Remarks		
		Shares	Amount	Shares	Amount	Source of capital	Capital increased by assets other than cash	Others
1985.04	1000	30,000	30,000,000	30,000	30,000,000	Capital increase by cash	--	None
1985.06	1000	50,000	50,000,000	50,000	50,000,000	Capital increase by cash	--	None
1988.10	1000	100,000	100,000,000	100,000	100,000,000	Capital increase by capital reserve	--	None
1990.09	10	19,500,000	195,000,000	19,500,000	195,000,000	Capital increase by cash	--	None
1992.02	10	37,375,000	373,750,000	37,375,000	373,750,000	Capital increase by cash Capital increase by earnings and capital reserve	--	A capital increase of NT$178,750,000, composed of 17,875,000 shares with NT$10 per share, which was approved in the Document No. 00248 of (1992)Tai Cai Zheng (I) announced by the SFC under the Ministry of Finance on February 28th, 1992.
1992.11	10~12	54,233,750	542,337,500	54,233,750	542,337,500	Capital increase by cash Capital increase by earnings and capital reserve	--	A capital increase of NT$168,587,500, composed of 16,858,750 shares with NT$10 per share, which was approved in the Document No. 02898 of (1992)Tai Cai Zheng (I) announced by the SFC under the Ministry of Finance on November 9th, 1992.

Year/ Month	Par value	Authorized capital stock		Paid-in capital		Remarks		
		Shares	Amount	Shares	Amount	Source of capital	Capital increased by assets other than cash	Others
1993.07	10	62,452,812	624,528,120	62,452,812	624,528,120	Capital increase by earnings and capital reserve	--	A capital increase of NT$82,190,620, composed of 8,219,062 shares with NT$10 per share, which was approved in the Document No. 30936 of (1992)Tai Cai Zheng (I) announced by the SFC under the Ministry of Finance on July 22nd, 1993.
1994.08	10	84,943,375	849,433,750	84,943,375	849,433,750	Capital increase by cash Capital increase by earnings	--	A capital increase of NT$224,905,630, composed of 22,490,563 shares with NT$10 per share, which was approved in the Document No. 32556 of (1994)Tai Cai Zheng (I) announced by the SFC under the Ministry of Finance on August 4th, 1994.
1995.10	10~20	150,000,000	1,500,000,000	115,365,791	1,153,657,910	Capital increase by cash Capital increase by earnings	--	A capital increase of NT$304,224,160, composed of 30,422,416 shares with NT$10 per share, which was approved in the Document No. 53734 of (1995)Tai Cai Zheng (I) announced by the SFC under the Ministry of Finance on October 30th, 1995.
1996.07	10	150,000,000	1,500,000,000	126,902,370	1,269,023,700	Capital increase by earnings	--	A capital increase of NT$115,365,790, composed of 11,536,579 shares with NT$10 per share, which was approved in the Document No. 40392 of (1996)Tai Cai Zheng (I) announced by the SFC under the Ministry of Finance on July 2nd,

Year/ Month	Par value	Authorized capital stock		Paid-in capital		Remarks		
		Shares	Amount	Shares	Amount	Source of capital	Capital increased by assets other than cash	Others
								1996.
1996.10	10~27	300,000,000	3,000,000,000	169,902,370	1,699,023,700	Capital increase by cash	--	A capital increase of NT$ 430,000,000, composed of 43,000,000 shares with NT$10 per share, which was approved in the Document No. 59106 of (1996)Tai Cai Zheng (I) announced by the SFC under the Ministry of Finance on October 15th, 1996. With the amount of total capital within NT$800,000,000, it may issue the convertible corporate bond.
1997.06	10~30	330,000,000	3,300,000,000	240,484,796	2,404,847,960	Capital increase by cash Capital increase by earnings and capital reserve	--	A capital increase of NT$705,824,260, composed of 70,582,426 shares with NT$10 per share, which was approved in the Document No. 40789 of (1997)Tai Cai Zheng (I) announced by the SFC under the Ministry of Finance on June 4, 1997. With the amount of total capital within NT$900,000,000, it may issue the convertible corporate bond.
1997.08	10	330,000,000	3,300,000,000	245,245,012	2,452,450,120	Conversion from certificate of entitlement to new shares form convertible bond Common shares	--	It converted the certificate of entitlement to new shares form convertible bond (Huachien A) into common shares with NT$10 per share, with a total of NT$47,602,160. It was approved in the Document No. 62893 of (1997)Tai Cai Zheng (I) announced by the SFC under the Ministry of Finance on August 9th, 1997. With the

Year/ Month	Par value	Authorized capital stock		Paid-in capital		Remarks		
		Shares	Amount	Shares	Amount	Source of capital	Capital increased by assets other than cash	Others
								amount of total capital within NT$800,000,000, it may issue the convertible corporate bond.
1998.01	10	330,000,000	3,300,000,000	257,683,522	2,576,835,220	Conversion from certificate of entitlement to new shares form convertible bond Common shares	--	It converted the certificate of entitlement to new shares form convertible bond (Huachien B) into common shares with NT$10 per share, with a total of NT$124,385,100. It was approved in the Document No. 11151 of (1998)Tai Cai Zheng (I) announced by the SFC under the Ministry of Finance on January 13th, 1998.
1998.05	10	500,000,000	5,000,000,000	326,902,009	3,269,020,090	Capital increase by earnings and capital reserve Conversion from certificate of entitlement to new shares form convertible bond Common shares	--	A capital increase of NT$692,184,870, composed of 69,218,487 shares with NT$10 per share, which was approved in the Document No. 39123 of (1998)Tai Cai Zheng (I) announced by the SFC under the Ministry of Finance on May 8th, 1998. With the amount of total capital within NT$1.000,000,000, it may issue the convertible corporate bond.
1998.08	10~36	500,000,000	5,000,000,000	356,902,009	3,569,020,090	Capital increase by cash	--	A capital increase of NT$300,000,000, composed of 30,000,000 shares with NT$10 per share, which was approved in the Document No. 65978 of (1998)Tai Cai Zheng (I) announced by the SFC under the Ministry of Finance on August 7th, 1998. With the amount of total capital

Year/ Month	Par value	Authorized capital stock		Paid-in capital		Remarks		
		Shares	Amount	Shares	Amount	Source of capital	Capital increased by assets other than cash	Others
								within NT$1.000,000,000, it may issue the convertible corporate bond.
1999.08	10	600,000,000	6,000,000,000	394,194,176	3,941,941,760	Capital increase by earnings	--	A capital increase of NT$372,921,670, composed of 37,292,167 shares with NT$10 per share, which was approved in the Document No. 5074 of (2000)Tai Cai Zheng (I) announced by the SFC under the Ministry of Finance on June 1st, 1999. With the amount of total capital within NT$1.000,000,000, it may issue the convertible corporate bond.
2000.08	10	533,613,592	5,336,135,920	433,613,592	4,336,135,920	Capital increase by earnings and capital reserve	--	A capital increase of NT$394,194,160, composed of 39,419,416 shares with NT$10 per share, which was approved in the Document No. 52742 of (2000)Tai Cai Zheng (I) announced by the SFC under the Ministry of Finance on June 22nd, 2000. With the amount of total capital within NT$1.000,000,000, it may issue the convertible corporate bond.
2001.03	10	533,613,592	5,336,135,920	420,228,592	4,202,285,920	Buyback of treasury stock	--	A capital reduction of 13,385,000 shares, which was approved to be cancelled by the Ministry of Economic Affairs in the Document No. 09001121830 of Jing (2001) announced on April 9th, 2001.
2004.09	10	533,613,592	5,336,135,920	268,434,130	2,684,341,300	Capital reduction to offset losses	--	A capital reduction of 151,794,462 shares, which was approved to be

Year/ Month	Par value	Authorized capital stock		Paid-in capital		Remarks		
		Shares	Amount	Shares	Amount	Source of capital	Capital increased by assets other than cash	Others
								changed by the Department of Commerce, Ministry of Economic Affairs in the Document No. 09301165340 of Jing Shou Shang on September 3rd, 2004.
2004.10	2.99	533,613,592	5,336,135,920	309,571,130	3,095,711,300	Capital increase by cash of private placement	--	A capital increase of NT$411,370,000 composed of 41,137,000 shares with NT$10 per share, which was approved by the Department of Commerce, Ministry of Economic Affairs in the Document No. 09301191540 of Jing Shou Shang on October 21st, 2004.
2007.09	8	533,613,592	5,336,135,920	328,321,130	3,283,211,300	Capital increase by cash of private placement	--	A capital increase of NT$187,500,000 composed of 18,750,000 shares with NT$10 per share, which was approved by the Department of Commerce, Ministry of Economic Affairs in the Document No. 09601222970 of Jing Shou Shang on September 11th, 2007.
2009.08	10	533,613,592	5,336,135,920	253,891,529	2,538,915,290	Capital reduction	--	A capital reduction of NT$744,296,010 composed of 74,429,601 shares with NT$10 per share, which was approved to be changed by the Department of Commerce, Ministry of Economic Affairs in the Document No. 09801177690 of Jing Shou Shang on August 6th, 2009.
2010.08	10	533,613,592	5,336,135,920	258,969,360	2,589,693,600	Capital increase by earnings	--	A capital increase of NT$50,778,310 by earnings, composed of 5,077,831 shares

Year/ Month	Par value	Authorized capital stock		Paid-in capital		Remarks		
		Shares	Amount	Shares	Amount	Source of capital	Capital increased by assets other than cash	Others
								with NT$10 per share, which was approved by the Department of Commerce, Ministry of Economic Affairs in the Document No. 09901187360 of Jing Shou Shang on August 17th, 2010.
2011.09	10	533,613,592	5,336,135,920	265,443,594	2,654,435,940	Capital increase by earnings	--	A capital increase of NT$64,742,340, composed of 6,474,234 shares with NT$10 per share, which was approved by the Department of Commerce, Ministry of Economic Affairs in the Document No. 10001200540 of Jing Shou Shang on September 20th, 2011.
2012.08	10	533,613,592	5,336,135,920	270,752,466	2,707,524,660	Capital increase by earnings	--	A capital increase of NT$53,088,720, composed of 5,308,872 shares with NT$10 per share, which was approved by the Department of Commerce, Ministry of Economic Affairs in the Document No. 10101173500 of Jing Shou Shang on August 21st, 2012.
2021.01	10	533,613,592	5,336,135,920	520,752,466	5,207,524,660	Capital increase by cash	--	A capital increase of NT$2,500,000,000, composed of 250,000,000 shares with NT$10 per share, which was approved by the Department of Commerce, Ministry of Economic Affairs in the Document No. 10901245570 of Jing Shou Shang on January 6th, 2021

Year/ Month	Par value	Authorized capital stock		Paid-in capital		Remarks		
		Shares	Amount	Shares	Amount	Source of capital	Capital increased by assets other than cash	Others
2021.09	10	1,200,000,000	12,000,000,000	603,752,466	6,037,524,660	Capital increase by cash of private placement	--	A capital increase of NT$830,000,000, composed of 83,000,000 shares with NT$10 per share, which was approved by the Department of Commerce, Ministry of Economic Affairs in the Document No. 11001183190 of Jing Shou Shang on September 29th, 2021
2021.10	10	1,200,000,000	12,000,000,000	720,752,466	7,207,524,660	Capital increase by cash of private placement	--	A capital increase of NT$1,170,000,000, composed of 117,000,000 shares with NT$10 per share, which was approved by the Department of Commerce, Ministry of Economic Affairs in the Document No. 11001183190 of Jing Shou Shang on October 14th, 2021
2022.03	10	1,200,000,000	12,000,000,000	774,323,466	7,743,234,660	Capital increase by cash of private placement	--	A capital increase of NT$535,710,000, composed of 53,571,000 shares with NT$10 per share, which was approved by the Department of Commerce, Ministry of Economic Affairs in the Document No. 11101040400 of Jing Shou Shang on March 18th, 2022
2022.05	10	1,200,000,000	12,000,000,000	839,988,000	8,399,880,000	Capital increase by cash of private placement	-	A capital increase of NT$656,645,340, composed of 65,664,534 shares with NT$10 per share, which was approved by the Department of Commerce, Ministry of Economic Affairs in the Document No. 11101085890 of Jing Shou Shang on May

Year/ Month	Par value	Authorized capital stock		Paid-in capital		Remarks		
		Shares	Amount	Shares	Amount	Source of capital	Capital increased by assets other than cash	Others
								27th, 2022

Note: The date of incorporation is December 1960, with the amount of paid-in capital of NT$900,000. During the period from 1960~1985, it increased capital by cash of NT29,100,000 in total.

2. Capital of the Company

Definition of Stock	Authorized capital stock			Remarks
	Outstanding shocks (issued)	Non-issued shocks	Total	
Registered common stock	839,988,000 shares	360,012,000 shares	1,200,000,000 shares	As of the Annual Report publication date, it has issued a total of 839,988,000 shares.

3. General information about the reporting system: N/A.

(2) Shareholder structure

April 27th, 2024

Shareholders' Structure / Amount	Government	Financial Institutions	Juridical Person	Private Investors	Foreign Institutions and Foreigners	Treasury Stock	Total
Number of shareholders	0	0	281	33,632	94	0	34,007
Shareholding	0	0	533,778,810	281,026,005	25,183,185	0	839,988,000
Shareholding ratio (%)	0.00%	0.00%	63.54%	33.46%	3.00%	0.00%	100.00%

Note: The primary listed (OTC listed) company should disclose the holding percentage of capital stock from Mainland China. It refers to the Chinese individuals, entities, groups, other institutions or companies investing in a third place as regulated in Article 3 of the Policy of Allowing Mainland Chinese Investors to Invest in Taiwan.

(3) Dispersion of shareholding

April 27th, 2024

Shares	Number of shareholders	Shareholding	Shareholding ratio (%)
1-999	26,229	1,479,877	0.18%
1,000-5,000	5,042	10,326,034	1.23%
5,001-10,000	962	7,485,080	0.89%
10,001-15,000	389	4,906,605	0.58%
15,001-20,000	258	4,733,973	0.56%
20,001-30,000	241	6,245,106	0.74%
30,001-40,000	143	5,141,748	0.61%
40,001-50,000	121	5,611,453	0.67%
50,001-100,000	239	17,507,396	2.08%
100,001-200,000	134	19,249,204	2.29%
200,001-400,000	105	30,555,769	3.64%
400,001-600,000	36	18,697,069	2.23%
600,001-800,000	18	12,683,904	1.51%
800,001-1000,000	15	13,904,382	1.66%
Above 1,000,001 shares	75	681,460,400	81.13%
Total	34,007	839,988,000	100.00%

(4) Major shareholders

April 27, 2024

Name of major shareholders	Shareholding	Shareholding ratio (%)
Chia Chun Investment Co., Ltd.	267,222,599	31.81%
Da Shuo Investment Co., Ltd.	49,723,046	5.92%
Neng Hong Investment Holdings Co., Ltd.	41,578,000	4.95%
De Hong Investment Co., Ltd.	38,600,000	4.60%
Chang Yun Investment Co., Ltd.	26,256,000	3.13%
Hiyes International Co., LTD.	21,030,000	2.50%
Da Jie Investment Co., Ltd.	17,000,773	2.02%
Wan Dai Fu Construction Co., Ltd.	15,724,388	1.87%
Hong Yi Investment Ltd	15,000,000	1.79%
Peng, Shu-Ing	10,974,000	1.31%

(5) Market price, net worth, earnings, dividends per share for the most recent two fiscal year:

Item			2022 (Adopting IFRS)	2023 (Adopting IFRS)	2024 and until March 31 (Adopting IFRS)
Market price per share (Note 1)	Highest		20.35	37.50	46.00
	Lowest		14.20	17.05	34.90
	Average		15.68	23.94	39.25
Net worth per share (Note 2)	Before distribution		12.24	12.44	-
	After distribution		11.83	11.90	-
Earnings per share	Weighted average shares		809,034,865	839,988,000	-
	Earnings per share (Note 3)	Before adjustment	0.56	0.61	-
		After adjustment	-	-	-
Dividend per share	Cash dividend		0.41076195	0.54	--
	Stock dividend	Before adjustment	-	-	
		After adjustment	-	-	
	Dividend in arrears (Note 4)		-	-	
Analysis of return on investment	P/E ratio (Note 5)		28.00	39.25	
	Price-dividend ratio (Note 6)		38.17	44.33	
	Cash dividend yield (Note 7)		0.03	0.02	

Note 1: It should list the highest and lowest market price of the common shares each year, and calculate the average market price based on the annual turnover in value and trading volume.

Note 2: It is subject to the number of shares that were issued by the end of each year and based on the distribution upon the resolution during the shareholder's meeting held in the subsequent year.
Net worth per share=shareholder's equity / (number of common shares + number of preferred shares (under the shareholder's equity) + number of shares equivalent to the capital collected in advance (under the shareholder's equity) –number of treasury stock of the parent company held by the parent company and the subsidiaries)

Note 3: If retroactive adjustment is required in cases such as stock dividends, the EPS should also be listed before and after the adjustment.

Note 4: If the equity securities issuance conditions regulate the stock dividend undistributed in the current year should be accumulated and distributed until there is annual profit, it should respectively disclose the accumulated stock dividend undistributed until the current year.

Note 5: P/E ratio=Average closing price per share of the current year / EPS
Note 6: Price-dividend ratio=Average closing price per share of the current year / cash dividend per share
Note 7: Cash dividend yield=cash dividend per share/average closing price per share of the current year
Note 8: The net worth per share and EPS are audited by the CPA; the data in the rest fields are for the current year and as of the Annual Report publication date.

(6) Company's dividend policy and implementation

1. The Company's dividend policy

   Company's dividend policy considers factors such as the characteristics of the construction industry and the need for Company funds, the current and future development plans, the investment environment, and domestic competition, and takes into account shareholders' interests. Per the dividend policy in our Articles of Incorporation, we may allocate 0% - 100% of the distributable earnings as dividends to shareholders. However, if the distributable earnings fall below 5% of our paid-in capital, we will not distribute dividends to improve our financial structure. Dividends may be paid in either cash or stock shares; the cash dividend shall be at least 10% of the shareholders' dividends.

   Based on the Company's best interests, the Board of Directors will determine the most suitable dividend policy for distributing dividends to shareholders, as outlined in the previous paragraph.

2. The implementation status of distributing the 2023 dividends is as follows:
   (1) 2023 1H: On August 11, 2023, the Board of Directors resolved not to distribute cash dividends.
   (2) Third quarter of 2023: On Friday, November 10, 2023, the Board of Directors resolved not to distribute cash dividends.
   (3) Fourth quarter of 2023: On March 29, 2023 the Board of Directors resolved to distribute cash dividends of NT$0.54 per share, totaling NT$453,593,520, payable on May 23, 2024.
   (4) A report on the 2023 distribution of cash dividends will be made at the 2024 shareholder's meeting.

3. The Company aims to distribute cash dividends stably. The cash dividend distribution ratio in 2022 and 2023 was approximately 73%-84%. When there are stable profits in the future, we can expect dividends to be distributed according to better standards. The Company revised its Articles of Incorporation in June 2023 and changed its dividend distribution policy to quarterly distribution.

(7) Effect on the operational performance, EPS, the shareholder's ROI of the stock dividend distribution this time: N/A

(8) Compensation paid to employees and directors:

1. Percentage of compensation paid to employees and directors stated in Article 28 of the Articles of Incorporation:
   If there is a surplus of the Company in the current year, it should set aside no less than 0.5% as the compensation for the employees, and no more than 2% as the compensation for the directors. However, if there is still an accumulated loss, the Company should retain the amount to offset the loss in advance before setting aside the amount stated above.
2. The base used to estimate the amount of compensation for employees and directors in the current period, the base used to calculate shares distributed in the form of stock dividend, and the account processing in case of any discrepancy between the actual amount distributed and the amount estimated:
   (1) The base used to estimate the amount of compensation for employees and directors in the current period:
   It is recommended by the Remuneration Committee on March 29, 2024, and resolved at the board meeting to allocate 0.5% of the year's profit as employees' remuneration and 0.3% as Directors' compensation. Any difference between the resolved amounts and the actual distributed amounts is accounted for as changes in accounting estimates and recorded under the gain/loss adjustment of the year.

   (2) Basis for estimating the amount of compensation of employees and Directors, basis for calculating the number of shares to be distributed as employee compensation, and the accounting treatment of the discrepancy, if any, between the actual distributed amount and the estimated amount, for the current period:
   It doesn't distribute the compensation for employees by stock. If it will distribute the remuneration for employees by stock in the future upon the resolution, base used to calculate shares should be the closing price on the date before the resolution during the board meeting.

3・Compensation distribution approved by the board meeting:
   (1) The amount of remuneration distributed to employees and directors in the form of cash or stock dividend (In case of any discrepancy from the amount estimated and listed as expense, the difference in figures, reason and response should be disclosed):

Item	Resolved amount	Actual distributed amount	Difference	Reasons and actions
Director compensation	2,800,000	1,998,500	(801,500)	Recorded under the year's gain/loss adjustment

Employee compensation	3,332,956	3,332,956	-	-

(2) The amount of stock dividend distributed as compensation for employees, and the ratio of the total net profit after-tax and individual employee compensation or separate financial statement for the current period:
It doesn't distribute stock dividend for employees this year.

4. The actual distribution of compensation for employees and directors in the previous year (including the shares and amount distributed or the stock price), and any discrepancy from the amount listed as compensation for employees and directors; the difference in figures, reason and response should be stated.

The Company had a net loss before tax in 2021 and therefore did not distribute compensation to employees or Directors.

Item	Resolved amount	Actual distributed amount	Difference	Reasons and actions
Director compensation	3,413,779	1,998,500	(1,415,279)	Recorded under the year's gain/loss adjustment
Employee compensation	1,706,889	1,706,889	-	-

(9) Share buyback of the Company in the most recent year and as of the Annual Report Publication Date: None.

2. Corporate Bonds, Preferred Shares, Global Depository Receipt (GDR), Employee Stock Warrants, New Restricted Employee Shares, Status of New Shares Issuance in Connection with Mergers, Acquisitions and Split”

(1) Corporate Bonds: None.

(2) Preferred Shares: None.

(3) Global Depository Receipt (GDR): None.

(4) Employee Stock Warrants: None.

(5) New Restricted Employee Shares: None.

(6) Status of New Shares Issuance in Connection with Mergers, Acquisitions and Split: None.

3. Status of Implementation of Capital Allocation Plans

(I) Project contents: Capital cash increase and issuance of new shares in 2020.

1. Competent authority of securities approval document number: Jin-Guan-Zheng-Fa No. 1090359318.
2. Total amount of capital required by the project: NT$3,778,212,000.
3. Source of capital:
   (1) Issuance of 250,000 thousand common shares for cash capital increase with a par value of NT$10 per share. The issue price per share was set at NT$12.56 and the total fund raised was expected to be NT$3,140,000,000.
   (2) The Company intends to use own funds or bank loans to pay for the remaining NT$638,212,000.
   (3) If funds are insufficient as a result of adjustment to the actual issue price per share for this project due to market changes, the difference will be covered by bank loans or own funds. However, if the fund-raised increase, the increase will be used to repay bank loans or replenish the working capital.

4. Project items and estimated schedule

Project Item		Expected date of completion	Total funding needed	Amount paid as of 2020 Q3	Scheduled fund utilization progress												
					2020	2021				2022				2023			
					Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Xinbi Section	Land purchase payment	2023 Q1	882,900	88,950	787,500	0	0	0	0	0	0	0	0	6,450	0	0	0
	Construction project payment		882,350	0	0	0	67,600	77,390	136,760	184,420	123,240	151,320	103,680	37,940	0	0	0
	Other expenses (Note)		237,619	0	354	6,274	9,419	10,254	16,200	21,088	18,170	20,948	131,132	3,780	0	0	0
Lejie Section	Land purchase payment	2023 Q4	519,222	53,070	465,930	0	0	0	0	0	0	0	0	0	0	0	222
	Construction project payment		500,890	0	0	0	110	57,250	42,880	77,190	98,520	53,000	62,200	47,090	31,030	26,610	5,010
	Other expenses (Note)		148,536	67	201	201	3,073	6,920	5,259	9,845	13,205	7,915	9,018	11,562	3,843	76,841	586
Qingxi Section	Land purchase payment	2023 Q1	316,225	31,600	284,400	0	0	0	0	0	0	0	0	225	0	0	0

	Construction project payment		219,520		0	0	16,815	19,252	34,026	45,883	30,660	37,648	25,794	9,442	0	0	0
	Other expenses (Note)		70,950	0	126	126	3,446	2,490	4,305	6,328	6,272	7,363	39,334	1,160	0	0	0
Total			3,778,212	173,687	1,538,511	6,601	100,463	173,556	239,430	344,754	290,067	278,194	371,158	117,649	34,873	103,451	5,818

(1) Total capital utilization plan for this project

Unit: NT$1,000

Note: Other fees include design fees, management fees, sales commissions, and other miscellaneous fees.

(2) Total capital utilization plan for the cash capital increase

Unit: NT$1,000

Project Item	**Expected date of completion**	**Total funding needed**	**Scheduled fund utilization progress**												
			2020	**2021**				**2022**				**2023**			
			Q4	**Q1**	**Q2**	**Q3**	**Q4**	**Q1**	**Q2**	**Q3**	**Q4**	**Q1**	**Q2**	**Q3**	**Q4**
Xinbi Section Land purchase payment	2020 Q4	787,500	787,500	0	0	0	0	0	0	0	0	0	0	0	0
Xinbi Section Construction project payment	2023 Q1	882,350	0	0	67,600	77,390	136,760	184,420	123,240	151,320	103,680	37,940	0	0	0
Lejie Section Land purchase payment	2020 Q4	465,930	465,930	0	0	0	0	0	0	0	0	0	0	0	0
Lejie Section	2023 Q4	500,890	0	0	110	57,250	42,880	77,190	98,520	53,000	62,200	47,090	31,030	26,610	5,010

Construction project payment															
Qingxi Section Land purchase payment	2020 Q4	284,400	284,400	0	0	0	0	0	0	0	0	0	0	0	0
Qingxi Section Construction project payment	2023 Q1	218,930	0	0	16,815	19,252	34,026	45,883	30,660	37,648	25,794	8,852	0	0	0
Total		3,140,000	1,537,830	0	84,525	153,892	213,666	307,493	252,420	241,968	191,674	93,882	31,030	26,610	5,010

5. Anticipated benefits

The funds raised totaling NT$3,140,000,000 will be used for the purchase of land and construction project payment for the three projects. The anticipated benefits are as follows:

(1) Xinbi Section:

The expected payments for land purchase and construction totaled NT$787,500,000, and NT$882,350,000, respectively. The Construction is planned to begin in March 2021 and presale through an agency in April 2021, complete by October 2022 and obtain the usage license before completing the construction and transfer. It is expected to create revenue of NT$2,439,582,000 and net profit of NT$485,228,000 by the completion of sales in the fourth quarter of 2022 with a net profit margin of 19.89%.

(2) Lejie Section:

The expected payments for land purchase and construction totaled NT$465,930,000, and NT$500,890,000, respectively. The Construction is planned to begin in June 2021 and begin presale through an agency in March 2022, complete construction by June 2023 and obtain the usage license before completing the construction and transfer. It is expected to create revenue of NT$1,464,675,000 and net profit of NT$323,780,000 by the completion of sales in the second quarter of 2023 with a net profit margin of 22.11%.

(3) Qingxi Section:

The expected payments for land purchase and construction totaled NT$284,400,000, and NT$218,930,000, respectively. The Construction is planned to begin in March 2021 and begin presale through an agency in February 2022, complete construction by October 2022 and obtain the usage license before completing the construction and transfer. It is expected to create revenue of NT$727,627,000 and net profit of NT$133,323,000 by the completion of sales in the third quarter of 2022 with a net profit margin of 18.32%.

6. Project change date: The Company does not plan any changes for the project.

(II) Implementation status

The Company collected the payments for the cash capital increase for issuance of new shares in 2020 and completed the collection of a total of NT$3,140,000,000 on December 14th, 2020. The capital implementation progress as of 2023 Q1 was as follows:

(1) The three funds for land purchase have been fully utilized in the second quarter of 2021.

Unit: NTD 1,000

Year/Q	2020 Q4			2021 Q1			2021 Q2		
Project	Estimated	Actual	Implementation progress	Estimated	Actual	Implementation progress	Estimated	Actual	Implementation progress
Xinbi land purchase payment	787,500	720,640	91.51%	-	-	91.51%	-	66,860	100%
Lejie land purchase payment	465,930	428,760	92.02%	-	-	92.02%	-	37,170	100%
Qingxi land purchase payment	284,400	272,889	95.95%	-	-	95.95%	-	11,511	100%

(2) Funds for the Xinbi Section and Qingxi Section were fully used in 2024 Q1 and 2023 Q2, respectively, and funds for the Lejie Section is expected to be fully used in 2024 Q2.

Unit: NTD 1,000

Year/Q	2020 Q4			2021 Q1			2021Q2			2021 Q3			2021 Q4		
Project	Estimated	Actual	Implementation progress	Estimated	Actual	Implementation progress	Estimated	Actual	Implementation progress	Estimated	Actual	Implementation progress	Estimated	Actual	Implementation progress
Xinbi construction project payment	-	-	-	-	-	-	67,600	-	-	77,390	58,621	6.64%	136,760	53,939	12.75%
Lejie construction project payment	-	-	-	-	-	-	110	-	-	57,250	28,772	5.74%	42,880	61,772	18.07%
Qingxi construction project payment	-	-	-	-	-	-	16,815	-	-	19,252	23,377	10.67%	34,026	31,589	25.10%

Year/Q	2022 Q1			2022 Q2			2022 Q3			2022 Q4			2023 Q1		
Project	Estimated	Actual	Implementation progress	Estimated	Actual	Implementation progress	Estimated	Actual	Implementation progress	Estimated	Actual	Implementation progress	Estimated	Actual	Implementation progress
Xinbi constructio project payment	184,420	113,621	25.63%	123,240	75,593	34.20%	151,320	112,446	46.94%	103,680	112,470	59.69%	37,940	108,242	71.95%
Lejie constructio project payment	77,190	61,617	30.37%	98,520	47,245	39.81%	53,000	52,608	50.31%	62,200	65,164	63.32%	47,090	51,483	73.60%
Qingxi construction project payment	45,883	26,479	37.20%	30,660	22,376	47.42%	37,648	27,577	60.01%	25,794	43,870	80.05%	8,852	30,640	94.05%

Year/Q	2023 Q2			2023 Q3			2023 Q4			2024 Q1					
Project	Estimated	Actual	Implementation progress	Estimated	Actual	Implementation progress	Estimated	Actual	Implementation progress	Estimated	Actual	Implementation progress			
Xinbi constructio project payment	0	42,345	76.76%	0	34,372	80.66%	0	110,323	93.16%	0	60,378	100%			
Lejie constructio project payment	31,030	19,674	77.52%	26,610	18,842	81.28%	5,010	59,296	93.12%	0	18,096	96.73%			
Qingxi construction project payment	0	13,022	100%												

Note: Refer to the fundraising implementation section on the Market Observation Post System for detailed information.

(2) Private Placement of Securities in 2021 and 2022

1. 2021

(1) Shareholders' meeting and approval date: August 5, 2021

(2) Expected number of shares to issue through private placement: The Company will issue no more than 200,000 thousand common shares in one to three installments within one year from the date of the resolution of the shareholders' meeting.

(3) Use of funds: The funds will be used for enriching operation capital, repaying bank loans, or one or several capital allocation plans for long-term development needs in the future.

(4) Anticipated benefits: This will make fundraising channels more diverse and flexible, strengthen the Company's financial structure, and reduce capital costs to expand the scale of operations in the future and make the Company more competitive in the long term to increase the return on shareholders' equity.

(5) The first installment of the first private placement in 2021 was revoked upon board resolution. The Company issued a total of 200,000 thousand shares through private placement in August and September 2021 for a total of NT$2,360,000,000. All the funds have been used. Details are as follows:

	The 2nd issue of the 1st private placement in 2021	The 3rd issue of the 1st private placement in 2021
Issue Date	October 15, 2021	October 27, 2021
No. of shares issued	83,000,000 shares	117,000,000 shares
Date of completion of payment	August 25, 2021	September 17, 2021
Actual subscription price	NTD 11.80	NTD 11.80
Total public offering amount	NTD 979,400,000	NTD 1,380,600,000
The completion date for the fund utilization plan.	May 2022	
Private Fund Utilization and Plan Implementation Progress		Unit: NTD 1,000

Purposes of Private Placement Funds	Estimated Expenditures	Accumulated Actual Expenditures	Cumulative Actual Expenditures and Percentag (%)	Description of the balance of unexpended funds and the purpose of	Improvemen plans and reasons for over- or behin schedule performance	Purposes of Private Placement Funds	Estimated Expenditures	Accumulated Actual Expenditures	Cumulative Actual Expenditures and Percentage (%)	Description of the balance of unexpended	Improvement plans and reasons for
Enrichment of operational capital	-	80,000	100%	-	Not applicable	Enrichment of operational capital	-	-	-	-	Not applicable
Repayment of bank loans	-	149,400	100%	-	Not applicable	Repayment of bank loans	-	-	-	-	Not applicable
Other	-	750,000	100%	-	Not applicable	Other	-	1,380,600	100%	-	Not applicable
Private Placement Benefits		To enhance the company's operational effectiveness and overall competitiveness.									

2. 2022

(1) Shareholders' meeting and approval date: Special shareholders' meeting on November 30, 2021

(2) Expected number of shares to issue through private placement: The Company will issue no more than 140,000 thousand common shares in one to three installments within one year from the date of the resolution of the special shareholders' meeting.

(3) Use of funds: The funds will be used for enriching operation capital, repaying bank loans, or one or several capital allocations plans for long-term development needs in the future.

(4) Anticipated benefits: This will make fundraising channels more diverse and flexible, strengthen the Company's financial structure, and reduce capital costs to expand the scale of operations in the future and make the Company more competitive in the long term to increase the return on shareholders' equity

(5) The Company issued a total of 119,235,534 thousand shares through private placement in February and May 2022 for a total of NT$1,430,826,408. All of the funds have been used. This session of private placement will end on November 29, 2022. The Board resolved on November 11, 2022 to discontinue of this round of private placement. Details are as follows:

	The 2nd issue of the 1st private placement in 2021	The 3rd issue of the 1st private placement in 2021
Issue Date	March 31, 2022	June 15, 2022

No. of shares issued	53,571,000 shares	65,664,534 shares
Date of completion of payment	February 24, 2022	May 09, 2022
Actual subscription price	NTD 12	NTD 12
Total public offering amount	NTD 642,852,000	NTD 787,974,408
The completion date for the fund utilization plan.	May 2022	March 2023

Private Fund Utilization and Plan Implementation Progress (Information as of the first quarter of 2023)： Unit: NTD 1,000

Purposes of Private Placement Funds	Estimated Expenditures	Accumulated Actual Expenditures	Cumulative Actual Expenditures and Percentag (%)	Description of the balance of unexpended funds and the purpose of	Improvement plans and reasons for over- or behin schedule performance	Purposes of Private Placement Funds	Estimated Expenditures	Accumulated Actual Expenditures	Cumulative Actual Expenditures and Percentage (%)	Description of the balance of unexpended	Improvement plans and reasons for
Enrichment of operational capital	-	-	-	-	Not applicable	Enrichment of operational capital	-	-	-	-	Not applicable
Repayment of bank loans	-	-	-	-	Not applicable	Repayment of bank loans	-	-	-	-	Not applicable
Other	-	642,852	100%	-	Not applicable	Other	-	787,974	100%	-	Not applicable

Private Placement Benefits	To enhance the company's operational effectiveness and overall competitiveness.

【Operational Highlights】

1. Businesses

(1) Business Scope

1.The Company's main businesses

(1)Commissioning construction enterprises to build commercial buildings for rental and sale.

(2)Commissioning construction enterprises to build public housing for rental and sale.

(3)Brokerage services for house rentals and sales.

(4)Agency and trading of various building materials for import and export.

(5)Amusement parks operations.

(6)Development of specialized zones.

(7)Interior decoration services.

(8)Development, rental, and sale of industrial facilities.

(9)Agency services for land acquisition and urban redevelopment.

2.Main businesses and their operational proportion:

(1)Commissioning construction enterprises to build public housing for rental and sale; in 2023, this business accounted for 100%.

(2)Brokerage services for house rentals and sales; this business accounted for 0%.

(3)Agency and trading of various building materials for import and export; this business accounted for 0%.

3. Current products and services and new products and services in the development plan:

(1) Current products and services:

The company's main product line includes investing in the construction of office buildings and residential buildings. Eight ongoing sales projects include "Metro Building," "Delpha Jing," "Rising City," "One and Only," "Gorgeous Mansion," and "The Emerald Building" in Taoyuan City, as well as "Centre for the Future" and "Delpha Fortune" in Taichung City.

(2) New products and services that will be developed

In 2024, the Company plan to launch "Lejie Section Zone B," "Sanzuowu Section," and "Qing'an Section," and will begin sales depending on the economic and market conditions. In the future, we will continue to develop general residences, high-quality leisure residences, and office buildings in metropolitan areas with good transportation infrastructure, according to urban development needs.

(2) Industrial overview

1. Current situation and development of the industry

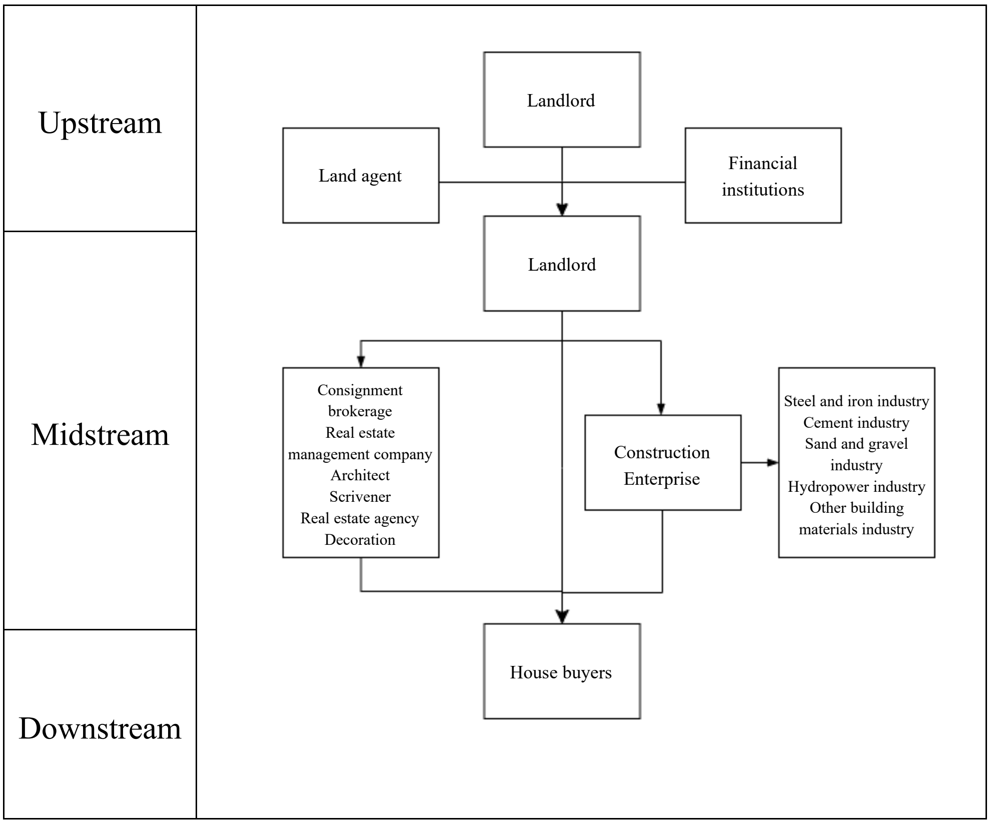
According to statistics of the Ministry of the Interior, the number of buildings transferred in building sales across the country was nearly 307,000 in 2023, a decrease of approximately 11,000 buildings compared with 2022. Sales and transfers decreased by 3.5% year-on-year to a new low in the past four years. However, pre-sales still reached 106,000 nationwide in 2023, with an annual growth rate of 27%. The top three cities in pre-sale transactions were Taoyuan City with 21,400, New Taipei City with 21,000, and Taichung City with 19,000. In the fourth quarter of 2023, the number of new projects nationwide decreased by approximately 10% year-on-year due to the amendment to the Equalization of Land Rights Act and presidential election. However, transaction volume bounced back as the economy recovered, export performance stabilized, and the surge in Taiwan's stock market.

Driven by the government's series of real estate market policies (actual price registration 2.0, house and land transactions income tax, credit control, and amendment to the Equalization of Land Rights Act), the Equalization of Land Rights Act and amendment to the multi-house tax 2.0 are expected to continue to influence the market, and short-term investors in the real estate market are gradually exiting the market. Demand on housing for self-use will still be the main force supporting the housing market in 2024. In addition, continuing the trend in 2023, prices and volume of the housing market are expected to consolidate in 2024.

2. The relationship between upstream, midstream and downstream in the industry

The construction industry is composed of many related industries with different levels of expertise. The upstream, midstream, and downstream connections of the services provided by the construction industry are divided into four aspects: investment, production, transaction, and use.

Item	Icon



(1)The upstream investment stage encompasses land and capital supply. Land can be acquired through purchase, joint construction, or the auction of non-public state-owned land. Additionally, old urban areas can be redeveloped through urban renewal procedures.

(2)The midstream production stage includes product positioning, architectural planning, construction, and engineering management. Industries that supply raw materials required for construction include: the steel industry, cement, and other building materials are also included in this stage.

(3)The economic activities in the midstream transaction stage are mainly planning, advertising and sales. Traditionally, sales agencies or real estate developers themselves handle these activities. Recently, real estate agencies, leveraging their storefront advantages, have also entered the market, diversifying sales options. Furthermore, support from notary offices, construction management companies, and financial institutions positions construction companies as coordinators and integrators within the system, maintaining a complementary and interdependent relationship with various industries.

(4)The downstream usage stage involves warranty and management activities post-sale of building products to consumers. The warranty is typically handled by real estate developers, while property management companies or related consulting firms provide management services.

3. Product development trend

(1) Convenient transportation has driven the development of new redevelopment zones:

With the expansion of the urban hinterland, MRT and THSR in suburban redevelopment zones have driven the development of surrounding real estate due, becoming a new option for the real estate market.

(2) Market demand shifts:

In terms of market demand, due to the rapid rise in housing prices, low birthrates, and the difficulty in obtaining land, market demand has shown a trend of "small housing units." To control overall costs and meet consumer needs and affordability, there is a trend towards "smaller housing units." In city centers, small units prevail, while in redevelopment zones, 2–3-bedroom units under 40 pings are predominant. Statistics show that the average household size decreased from 3.44 people in 1998 to 2.53 people by the end of 2023, with small family units becoming mainstream, even as the number of households continues to grow.

(3) Building brand leadership:

As living standards improve and housing sizes shrink, consumers have higher requirements for building facades, layout design, construction quality, and services. Therefore, good customer service, user-friendly planning and design, and building a brand image among consumers will become the key to future product sales.

(4) Incorporating technology into design:

After experiencing the COVID-19 pandemic, consumers have noticed the hidden health and hygiene risks in residential buildings, such as the spread of viruses in public spaces, ventilation issues in indoor spaces, etc. The demand on functions of home products have gradually become more focused on healthcare, technology, epidemic prevention, and leisure, safety, and comfort. The implementation of remote work and work from home during the pandemic has led to discussions on the use of workspaces at home, and the importance of "smart homes" has also increased, reflecting consumers' increasing demand on living quality and functions.

(5) Eco-friendly building materials:

In response to global warming, the government encourages industries to actively engage in ESG and carbon reduction. With the gradual increase in raw material prices and shortage of labor and materials, construction costs and project periods have increased significantly. Construction quality, environmental protection, and cost saving will become the focus of quality construction projects in the future.

(6) Completeness of Community Amenities:
The planning of public facilities in construction projects has become a key focus for consumers. The number and quality of public facilities, along with the overall functional planning of communities, are critical factors that enhance the value of construction projects.

4. Competition situation

Product design in the real estate market must consider the differences between regional cases, quickly and timely adjust product types in response to market demand, and segment the market based on regional customer characteristics to expand the company's business scale with diverse products. In recent years, the Company has mainly launched projects in the Greater Taipei area, Taoyuan, and Taichung. A strong management team, sound financial planning, professional R&D and design, and solid construction projects are the Company's greatest competitive niches. The Company will pass on the brand it has forged over the past sixty years, continue Delpha's business philosophy of "mutual prosperity," and create competitive advantages.

(3)Technical and R&D overview

1. Architectural planning and design

Carefully assessing the location of the product, the surrounding environment, and consumer needs, we provide products with excellent lighting and ventilation, comfortable space dimensions, practical layout designs, and thoughtful storage solutions. For example, in our current project plans, we have included considerations for electric vehicles and bus systems. Several ongoing projects have been redesigned to expand the Taipower reception room space, reserving space for future electric vehicle charging systems.

2. Construction Engineering and Management

We introduce the most suitable construction techniques and engineering management practices, strictly controlling quality, cost, and schedule. In the future, we will gradually implement BIM systems and new construction methods to reduce labor demands and material waste.

3. Company computerization

(1) Enterprise resource planning (ERP) system
Includes the project budget system, AWM project procurement and contracting system, AHM sales and receivables system, and ACM financial accounting system, making data flow between processes transparent, improving data integrity and financial control measures to reduce risks.
(2) Business process management (BPM) system
In response to the expansion of the Company's projects to new territory, the Company is actively implementing an electronic approval process system to save the trouble of sending documents and achieve the goal of a paperless enterprise and digitalization of work processes.
(3) Enterprise information portal (EIP)
Integrates personal management system, department resource management, and cross-department information exchange to effectively control work progress. It breaks away from the traditional office and integrates work management, calendar, latest announcements, meeting management, and customer information to establish efficient information transmission channels.

4. Market research and development:
To gain an accurate understanding of the real estate market, we actively collect data on land and housing markets, conduct research and analysis, correctly position our products in the planning stage, and accurately formulate marketing strategies in the sales stage to achieve the goals of high sales rate and high rate of return.

5. Awards
Our projects are not only popular among customers and achieved good sales results in a short period of time, but also have been recognized by major evaluation institutions. The following is an overview of the awards we have won:
(1) "Kanalin" won the "Beautiful House Award" in 1984.
(2) "The Dynasty of Athens" won the first "Architecture Gold Quality Award" in 1993.
(3) "Delpha Villa" won the Villa Division of the Planning and Design Category in the 13th "Architecture Gold Quality Award" in 1996.
(4) "Gongyuanlu" won the High-rise Residential Building Division of the Planning and Design Category in the 14th "Architecture Gold Quality Award" in 1997.
(5) "Xinji Building" won the First Prize nationwide in the Construction

Quality Category and Ultra High-rise Commercial Building Division in the Planning and Design Category of the 2nd National Golden Award for Architecture in 1997.

(6) "Reading Europe" won the first "Formosa 21" for outstanding architecture in 2000.

(7) "Reading Europe" won the Top Ten Luxury Houses Nationwide in the first "Formosa Architecture Golden Lion Award" in 2000.

(8) "Shiji Luofu" won the first prize nationwide for pre-sale houses in the "Chinese Architectural Golden Stone Award" in 2000.

(9) "Shiji Luofu" won the overall championship of the 12th "National Excellent Stone Great Wall Award" in 2004.

(10) "Reading Green Life" was selected in the congregate housing architecture category of the 6th "Taiwan Residential Architecture Award (TRAA)" in 2018.

(11) "Metro Building" won the Outstanding Architectural Planning and Design Category of the 29th "China Architectural Golden Stone Award" in 2021.

(12) "Delpha Jing" won the Outstanding Architectural Planning and Design Category of the 29th "China Architectural Golden Stone Award" in 2021.

(13) "Centre for the Future" won the Outstanding Architectural Planning and Design Category of the 30th "China Architectural Golden Stone Award" in 2022.

(14) "One and Only" won the Outstanding Architectural Planning and Design Category of the 30th "China Architectural Golden Stone Award" in 2022.

(15) "The Emerald Building" won the Outstanding Architectural Planning and Design Category of the 31st "China Architectural Golden Stone Award" in 2023.

(16) "Qing'an Section" won the Outstanding Architectural Planning and Design Category of the 31st "China Architectural Golden Stone Award" in 2023.

(4) Short/long-term business development plans

1. Long-term business development plans

(1) Brand

We will implement the Company's core values and business philosophy, continue to implement the brand concept, establish a brand marketing model, quality control, knowledge management, and digital transformation, and maintain and extend the brand value with sustainable services.

(2) Land development

We incorporated sustainability concepts into real estate development, and are fully aware that land use has a huge impact on society as a whole. Before acquiring land, we carry out rigorous and prudent evaluation and investigation to ensure that land development complies with relevant laws and regulations. At the same time, we aim to maximize benefits of business operations, customers, and shareholders.

(3) Product planning

We will continue to deepen product planning and design capabilities, set out from consumer needs, focus on practicality, and consider all-age homes and universal design, while complying with regulations on green buildings, environmental protection, energy conservation, and carbon reduction. We will feature digital technology, seismic resistance, environmental protection, safety, energy conservation, and carbon reduction to become aligned with future product trends.

(4) Marketing planning

Combining digital integration and big data analysis, we established and improved the customer database application management system to keep our finger on the pulse of marketing, integrate synergies of group resources, enrich planning contents, and formulate new sales strategies.

(5) Customer services

We will expand the scope of customer services to meet the diverse needs of customers and strengthen the Company's brand value and credibility.

2.Short-term business development plans

(1) Company brand

We will continue to stabilize the Company's financial structure, strengthen our business, actively differentiate our products in the market, and create brand niches to gain customer recognition and avoid price competition among homogeneous products.

(2) Land development

Considering the company's current scale of capital, human resources, return on investment of projects, and capital turnover efficiency, short-term business development is still mainly focused on investment, construction, and sales of medium and large-scale projects in prime areas in Northern, Central, and Southern Taiwan. However, the Company will continue to control and acquire a basic reserve of projects, and also use a variety of land development methods, such as: land sale by tender, joint construction, and urban renewal.

(3) Product planning

Using exquisite and practical planning and design concepts, combined with digital technology, environmental protection and energy-saving technology, we increase the thoughtfulness and added value of products to meet the needs of target customers, create product differentiation, and enhance product competitiveness.

(4) Marketing planning

We combine professional resources of architects, designers, consignment brokerages, and related fields, and integrate synergies of the Group to enrich planning contents, innovate marketing strategies, and make a breakthrough in market competition.

(5) Customer services

We set up an online repair reporting section on our official website, so that customers can submit repair requests at any time. We fulfill our responsibility for repairs during the warranty period, assist in repair reports after the warranty period, and established a customer service team to contact customers in a timely manner to confirm their needs.

2. Market and Sales Overview

(1) Market analysis

1.Sales (Provision) regions of the Company's main products (services):

The Company's business continues to focus on the construction of residential and commercial elevator buildings or office buildings, which are located in major urban areas, such as Taipei City, New Taipei City, Taoyuan City, Taichung City, and Tainan City. Areas with convenient transportation, complete living functions, and future development potential are selected for land development, and the situation of sales is still considered good.

2.Market share:

The Company's operating revenue in 2023 was NT$1,951,453 thousand, accounting for 0.46% of the operating income of TWSE-TPEx-listed construction companies.

3.Future market supply, demand, and future growth:

The life cycle of land development can be divided into four stages: Investment, production, transaction and use. Construction projects start from evaluating market trends, selecting development sites, investing funds to purchase land raw materials, and then proceeding with planning and design. Thus, the transaction volume in the land market and the number of construction license issued can be seen as leading indicators of future real estate market trends. Coupled with the number of construction starts, this provides a clearer reflection of developers' outlook on the future.

(1) Supply side

A. Land transaction volume

According to statistics of Cushman & Wakefield, the total land transaction amount in 2023 was approximately NT$112.9 billion, the lowest in the past six years. The total land sold by tender in the six cities totaled NT$30.747 billion (only large-scale projects with a total of NT$100 million and above), a decrease from the NT$57.531 billion in the previous year. Among them, Taichung City and Taoyuan City were the main drivers of transactions, and were the only two of the six special municipalities with transaction amount exceeding NT$10 billion. The source of land sold by tender was mainly from the release of land from zone expropriation.

B. Number of construction and usage license issued

According to statistics of the National Land Management Agency of the Ministry of the Interior, the number of construction license issued for residential buildings (excluding farmhouses) in 2023 was 145,553 housing units, a decrease of 19% from 2022. Among them, the number of construction license issued for residential buildings (excluding farmhouses) in the six special municipalities accounted for 75% of the total nationwide, a decrease from the 78% in 2022, indicating that construction projects are gradually expanding to other cities. The number of usage licenses issued for residential buildings (excluding farmhouses) in 2023 was 117,723 housing units, an increase of 6% from the 111,411 housing units in 2022. This is attributed to the large number of construction license issued in 2022 reflecting on the number of usage licenses issued.

The number of projects that commenced construction and number of construction license issued decreased, while the number of usage licenses increased, indicating that developers are becoming more conservative in launching new development projects, and expected the real estate market to show a decrease in volume and increase in price in 2024.

Overview of Issuance of Construction Licenses and Usage Licenses

Unit: houses, total floor areas(m²)

<table>
<tr><th rowspan="2">Locality</th><th rowspan="2">Item</th><th colspan="4">Construction License by Use</th><th colspan="4">Usage License by Use</th></tr>
<tr><th>2022</th><th>2023</th><th>Compared to the same period last year</th><th>Rank</th><th>2022</th><th>2023</th><th>Compared to the same period last year</th><th>Rank</th></tr>
<tr><td rowspan="2">New Taipei City</td><td>Houses</td><td>29,606</td><td>26,179</td><td>-12%</td><td rowspan="2">1</td><td>16,518</td><td>18,599</td><td>-11%</td><td rowspan="2">3</td></tr>
<tr><td>Total Floor Area</td><td>3,611,837</td><td>3,007,985</td><td>-17%</td><td>2,152,212</td><td>2,382,479</td><td>-10%</td></tr>
<tr><td rowspan="2">Taipei City</td><td>Houses</td><td>10,666</td><td>12,240</td><td>15%</td><td rowspan="2">5</td><td>6,132</td><td>5,515</td><td>11%</td><td rowspan="2">6</td></tr>
<tr><td>Total Floor Area</td><td>1,417,522</td><td>1,636,982</td><td>15%</td><td>888,440</td><td>773,698</td><td>15%</td></tr>
<tr><td rowspan="2">Taoyuan City</td><td>Houses</td><td>26,702</td><td>18,820</td><td>-30%</td><td rowspan="2">3</td><td>16,864</td><td>19,048</td><td>-11%</td><td rowspan="2">2</td></tr>
<tr><td>Total Floor Area</td><td>3,807,191</td><td>2,437,917</td><td>-36%</td><td>2,447,757</td><td>2,780,094</td><td>-12%</td></tr>
<tr><td rowspan="2">Taichung City</td><td>Houses</td><td>33,647</td><td>24,622</td><td>-27%</td><td rowspan="2">2</td><td>21,933</td><td>21,366</td><td>3%</td><td rowspan="2">1</td></tr>
<tr><td>Total Floor Area</td><td>5,100,552</td><td>3,752,623</td><td>-26%</td><td>3,308,236</td><td>3,281,687</td><td>1%</td></tr>
<tr><td rowspan="2">Tainan City</td><td>Houses</td><td>19,888</td><td>8,837</td><td>-56%</td><td rowspan="2">6</td><td>8,572</td><td>8,341</td><td>3%</td><td rowspan="2">5</td></tr>
<tr><td>Total Floor Area</td><td>2,824,111</td><td>1,170,897</td><td>-59%</td><td>1,363,315</td><td>1,150,183</td><td>19%</td></tr>
<tr><td rowspan="2">Kaohsiung City</td><td>Houses</td><td>18,989</td><td>17,853</td><td>-6%</td><td rowspan="2">4</td><td>15,076</td><td>16,439</td><td>-8%</td><td rowspan="2">4</td></tr>
<tr><td>Total Floor Area</td><td>2,378,883</td><td>2,299,828</td><td>-3%</td><td>2,149,155</td><td>2,373,014</td><td>-9%</td></tr>
<tr><td rowspan="2">Hsinchu County</td><td>Houses</td><td>5,908</td><td>5,411</td><td>-8%</td><td rowspan="2">7</td><td>5,136</td><td>4,072</td><td>26%</td><td rowspan="2">8</td></tr>
<tr><td>Total Floor Area</td><td>987,731</td><td>830,361</td><td>-16%</td><td>803,922</td><td>650,932</td><td>24%</td></tr>
<tr><td rowspan="2">Miaoli County</td><td>Houses</td><td>4,877</td><td>3,600</td><td>-26%</td><td rowspan="2">10</td><td>1,670</td><td>2,992</td><td>-44%</td><td rowspan="2">10</td></tr>
<tr><td>Total Floor Area</td><td>689,988</td><td>481,656</td><td>-30%</td><td>250,392</td><td>441,823</td><td>-43%</td></tr>
<tr><td rowspan="2">Changhua County</td><td>Houses</td><td>7,983</td><td>4,856</td><td>-39%</td><td rowspan="2">8</td><td>3,419</td><td>4,293</td><td>-20%</td><td rowspan="2">7</td></tr>
<tr><td>Total Floor Area</td><td>1,102,224</td><td>698,258</td><td>-37%</td><td>590,161</td><td>711,040</td><td>-17%</td></tr>
</table>

Resource: National Land Management Agency, Ministry of the Interior

C. Number of new development projects nationwide

According to the Cathay Real Estate Index, new development projects with a total of 82,774 new housing units were launched nationwide in 2023, with a total amount of NT$1,541 billion, a decrease from 88,689 housing units and NT$1,600.2 billion in 2022. As of 2022 Q4, the status of each region is as follows:

a. Price increased while volume remained stable in Taipei City compared with the same period last year. Due to the scarcity of raw land, urban renewal projects for unsafe and old buildings frequently set high prices, and small housing units with total price control have become the trend.

b. Driven by population migration, MRT, and public constructions, Taoyuan City's real estate market continues to grow steadily, and both price and volume of main products have increased compared with the same period last year.

c. Housing prices in Hsinchu County and City skyrocketed due to the science park, and house buyers spilled over to peripheral areas, such as Huaxing Redevelopment Zone, Zhongzheng Redevelopment Zone, and non-urban land, attracting customers from the science park to buy houses at relatively low unit prices, causing asking price and transaction price to fall.

d. At the end of the fourth quarter, there were three major projects that exceeded NT$10 billion in Nantun District and Xitun District, Taichung City, with a total amount exceeding NT$100 billion, showing steady prices and growing volume.

e. Tainan City lacks bullish topics to maintain its popularity, and the overall real estate market was relatively sluggish compared to other cities. Both prices and volume in the real estate market decreased compared with the same period last year.

f. Some projects in Kaohsiung appealed to location advantages, low down payments, discounts, or brand developers. Coupled with the preferential housing loans for the youth, prices remained stable while volume increased compared to the same quarter last year.

(2) Demand side

In terms of the number of new homes for sale in the 6 special municipalities in 2023 Q2, except for Taipei City, the other five special municipalities have shown an upward trend since 2022 Q1. There are 14,934 housing units in Taoyuan City, which has been slowly increasing since 2021 Q1, and are mainly concentrated in Guishan District, Zhongli District, and Taoyuan District. There are 14,583 housing units in Taichung City, which has shown a long-term trend of slow growth, and are mainly concentrated in Beitun District, Nantun District, Wuri District, and Xitun District.

The number of new houses for sale increased in 90,462 in 2023 Q2, reaching the highest point since statistics have been compiled, and number of new housing units for sale in the 2023 Q1 and Q2 both increased compared with the previous quarter and the same quarter last year. In addition to the gradual completion of projects launched in the past, control of real estate speculation by the Ministry of the Interior, Ministry of Finance, and Central Bank may also cause the decrease in transaction volume in 2023 Q1 and Q2, resulting in an increase in new housing units for sale.

For products such as office buildings and factory offices, the market saw demand peak in the past few years due to the impact of the trade war and the boom of the technology industry. In addition, it was less impacted by the policy to curb real estate speculation, and thus attracted developers to continue launching projects.

(3) Growth side

The central bank revised the economic growth rate this year down to 1.40% and kept the policy interest rate unchanged. Driven by the recovery in demand for electronic products and the application of emerging technologies, such as artificial intelligence, export sales and industrial investment are expected to regain growth momentum. The economic environment is showing signs of recovery and the economy is expected to improve each quarter.

4.Competitive niche:

(1) A sound financial position, sufficient working capital, and good creditworthiness.
(2) Forward-looking and superior land development capabilities.
(3) Understands market demand and rigorously designs and plans products.
(4) Solid construction technology and construction methods and accurate cost control.
(5) Permanent after-sales service.

5.Favorable and unfavorable factors for future development and response strategies:

(1) Favorable factors:

A. The domestic economy continues to recover, and interest rates are still at a low level. Under the concept of "along with land comes about wealth" and the expectation of rising prices, real estate is still a general investment and value retention tool.

B. In recent years, the government has actively implemented various economic revitalization plans and major constructions to drive industrial development, which has also provided many construction opportunities and will stimulate the real estate market.

(2) Unfavorable factors:

A. The Legislative Yuan passed the third reading of the amendment to the " Equalization of Land Rights Act" in January 2023, the contents are as follows:

a.Restrictions on contract exchange or resale of pre-sale houses and new houses.

b.Heavy penalties for speculation.

c.Establishes a reporting reward system.

d.Restricts private legal persons from purchasing houses.

e.Cancellations of contracts for pre-sale houses must be registered.

B. The collection of carbon fees in the future may increase construction costs.

C. The Central Bank will implement credit controls from June 16, 2023, as follows:

a.Loan restrictions for natural persons purchasing a second housing unit in specific areas.

b.Loan restrictions for natural persons purchasing high-priced housing units.

c.Loan restrictions for natural persons purchasing a 3rd housing unit and after.

d.Loan restrictions for companies purchasing housing units.

e.Loan restrictions for purchasing land.

(3) Response measures:

A. Cautiously evaluate development projects, strengthen internal management, and shorten construction periods to reduce the erosion of profits due to rising raw material costs.

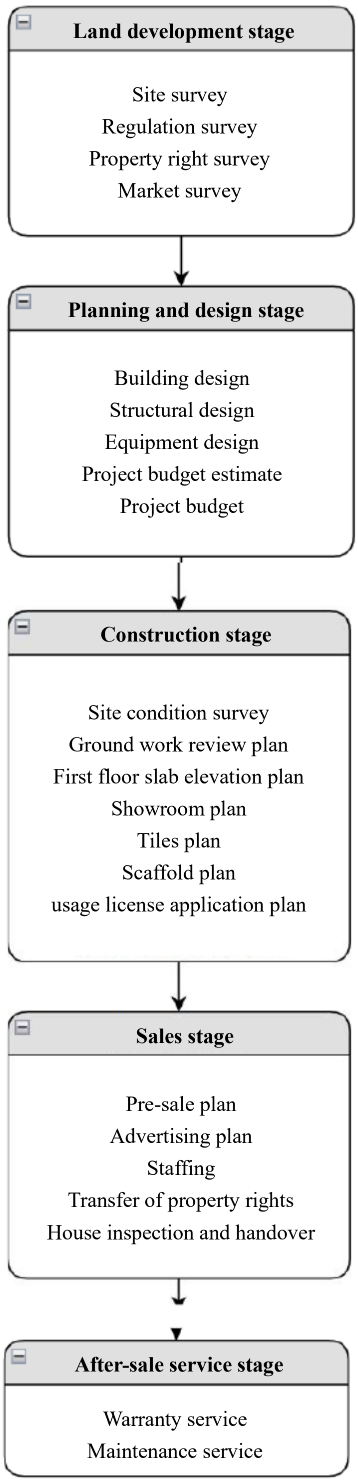
B. Diversify product design and strive for breakthroughs, focus on construction quality, strengthen product planning to increase added value, diversify operations, and reduce operational risks.

C. "Zero remaining units" policy and flexible sales strategy to activate funds.

D. In addition to prime areas downtown, we will also actively expand potential locations in the suburbs.

E. Expand diverse land development methods, such as urban renewal projects or joint construction of urban unsafe and old buildings.

(2) Key applications and production process of main products



(3) Supply of main materials:

1.Land acquisition method:

Mainly includes self-construction on own land, co-built sub-housing, co-built separate sale, zone expropriation, urban land rezoning, urban renewal, and reconstruction of urban unsafe and old buildings. We also pay attention to and evaluate joint development with MRT, setting superficies on state-owned, and BOT.

2.Location selection:

Besides continuing to develop the greater Taipei area, we are also focusing on the development of land around Taiwan's industrial parks and along THSR, MRT, and Taiwan Railway, and continue to evaluate land in potential areas along with issues such as transportation, major constructions, and urban renewal.

(4) List of major suppliers and customers in the last two fiscal years

1. List of major suppliers in the last two fiscal years with gross purchases over 10%, as well as the reason for increase(decrease)

Data of major suppliers in the last two fiscal years

Unit: NT$1,000

	2022				2023				2024 and until March 31 (Note 2)			
Item	Company name	Amount	Ratio of net purchases in a year (%)	Relation with the issuer	Company name	Amount	Ratio of net purchases in a year (%)	Relation with the issuer	Company name	Amount	Ratio of net purchases in a year (%)	Relation with the issuer
1	Zhong Jin Construction Co., Ltd.	353,362	13.53%	None	Taichung City Government	966,999	21.75%	None	There is no financial data audited by the CPA in the current year and as of the Annual Report publication date.			
2	B	277,979	10.64%	None	A	577,857	13.00%	None				
	Others	1,980,778	75.83%		Others	2,901,108	65.25%					
	Total	2,612,119	100.00%		Total	4,445,964	100.00%					

Note 1: List the major customers in the past two years with gross purchases over 10%, as well as amount and percentage of purchases. However, under the contract terms, it may not disclose the name of the customer or the trading counterparty if it is an individual or not a related party, which should be represented by a code.

Note 2: For the company that is publicly listed or has issued shares in TWSE, if the financial data in the most recent period is audited or reviewed by the CPA before the date of publishing the Annual Report, it should be disclosed.

Note 3: Reason for increase/decrease: Due to the industrial characteristics, the Company has no fixed contractor or supplier.

2. List of major suppliers in the last two fiscal years with gross sales over 10%

Data of major customers in the past two years

Unit: NT$1,000

	2022				2023				2024 and until March 31 (Note 2)
Item	Company name	Amount	Ratio in the net amount of sales in a year (%)	Relation with the issuer	Company name	Amount	Ratio in the net amount of sales in a year (%)	Relation with the issuer	There is no financial data audited by the CPA in the current year and as of the Annual Report publication date.
1									
2									
3	Others	1,994,281	100.00%		Others	1,951,453	100.00%	-	
	Net sales	1,994,281	100.00%		Net sales	1,951,453	100.00%		

Note 1: List the major customers in the last two fiscal years with gross sales over 10%, as well as amount and percentage of purchases. However, under the contract terms, it may not disclose the name of the customer or the trading counterparty if it is an individual or not a stakeholder, which should be represented by a code.

Note 2: For the company that is publicly listed or has issued shares in TWSE, if the financial data in the most recent period is audited or reviewed by the CPA before the date of publishing the Annual Report, it should be disclosed.

Note 3: Reason for increase/decrease: Due to the industrial characteristics, the Company has no fixed customer.

(5) Outputs in the last two fiscal years

Unit: NT$1,000

Year	2022			2023		
Production / Main commodity	Capacity (Ping = 3.3 m^2)	Output (Units)	Output value	Capacity (Ping = 3.3 m^2)	Output (Units)	Output value
Yun He Jie A (Urban Green)	-	28	1,034,009	-		
Ronxing Section (Central One)	-	25	329,464	-		
Xinbi Case A (Metro Building)					380	2, 064, 133
Total	-	53	1,363,473	-	380	2, 064, 133

Note: The cost is recognized by the completed contract method, and the output is recognized and calculated based on the completion year.

(6) Sales in the last two fiscal years

Unit: NT$1,000

Year	2022		2023	
	Domestic sale		Domestic sale	
Sales / Main commodity	Volume (Ping = 3.3 m^2)	Value	Volume (Ping = 3.3 m^2)	Value
Hangxia	59.40	8,867	-	-
Yun He Jie A (Urban Green)	1,646.88	1,544,379	-	-
Ronxing Section (Central One)	692.72	430,416	-	-
Living’s Home A	-	-	25.51	1,455
Xinbi Case A (Metro Building)	-	-	6,727.58	1,939,897
Rental income	-	10,619	-	10,101
Total	2,399.00	1,994,281	6,753.09	1,951,453

3. Information on Employees in the last two years and as of the Annual Report publication date:

Year		2022	2023	April 30th, 2023
Number of employees	Number of employees	69	75	83
	Total	69	75	83
Average length of service		6.12	5.12	4.95
Average age		39.46	37.37	36.64
Distribution of education levels %	Doctor	0%	0%	0%
	Master	6%	4%	4%
	College	87%	89%	89%
	High School	6%	7%	7%
	Below than high school	1%	0%	0%

Note1: The length of service is calculated since June 16th, 2001.

Note 2: The data includes that of subsidiaries

4. Environmental Expenditure Information

(1) The total amount of losses due to environmental pollution in the most recent year and as of the Annual Report publication date:

Type	Disposition date	Disposition No.	Provisions(s) violated	Content of provision(s) violated	Content of disposition
Waste Disposal Act	2023/11/29	41-112-110209	Article 27, Subparagraph 11 of the Waste Disposal Act	Polluted the ground of designated clearance areas	A penalty of NT$6,000 and 1 hour of environmental education
Taoyuan City Self-governance Ordinance for Management of Construction Surplus Soil	2023/12/12	112R500458	Article 17 of Taoyuan City Self-governance Ordinance for Management of Construction Surplus Soil	Not executed according to the plan	A penalty of NT$20,000

(2) Countermeasures and estimated expenditures in the future:

1. The cases invested by the Company are contracted by the construction enterprises. The contractor is liable for the environmental protection in the construction process. It doesn’t need to apply for license for pollution facility, approval for pollution discharge and payment of pollution prevention costs or set up a unit or assign a person responsible for the environmental protection.
2. For all environmental protection works such as reduction of construction noise, prevention of dust blowing or falling of gravel, the construction companies are strictly required to establish the most comprehensive measures, and fulfill their environmental responsibility.
3. Estimated expenditures in the future: None.

5. Labor Relations:

(1) Current labor agreement and implementation of various measures:

1. Welfare measures:

The Company has always been committed to providing a good workplace and welfare system. In addition to labor insurance and national health insurance, we plan to establish the following employee benefits based on the needs of employees and their quality of life:

. Group insurance
. Labor Retirement Reserves Supervision Committee
. Employee welfare committee
. Cash gifts and vacation for the three important Chinese festivals
. Regular staff health checkup
. Discounts for staff purchasing houses
. Employee stock subscription
. Employee remuneration

2. Retirement system and implementation:

In order to strengthen employees' long-term professional service willingness, take care of employees' retirement life, increase work efficiency, and promote harmonious labor-management relations, the company has revised the company's employee retirement measures in accordance with the law. The Supervision Committee of Retirement Reserves shall review and verify the provision and expenditure of labor retirement reserves. After the establishment and implementation of the relevant mechanism, the willingness of employees to serve the company for a long time has indeed been strengthened.

The company has abided by the government policy to implement the new retirement system since July 1994. For employees who choose the new retirement system, they will pay 6% of their monthly wages to the labor pension on a monthly basis, and deposit them in the labor pension personal account established by the Labor Insurance Bureau. The Company has set aside labor retirement reserves in accordance with the law.

3. Other important agreements: None.

(2) List any loss sustained as a result of labor disputes in the recent year and as of the Annual Report publication date, the estimated amount and countermeasures to be taken in the future:

The Company has always attached great importance to labor relations, and has established various personnel and welfare systems. The communication channels between labors and employers are adequate. There have been no labor disputes that have caused loss for the Company. Moreover, such labor dispute is not likely to occur in the Company in the future.

(3) Certificate specified by the competent authority and acquired by the personnel related to the transparency of financial information in the Company:

Internal Chief Auditor (Li, Mei-Chan)—acquired the CIA certificate.

(4) Employee continuing education and training:

External education and training

A total of 215.5 hours of education and training was conducted in 2023. Total expenses: NT$55,100.

Gender	Male		Female	
Item	Management	Non-management	Management	Non-management
Number of person(s) who were trained	1	2	3	4
Course enrollments	2	3	5	7
Hours of training	6	129	39.5	41
Average hours of training	45		11.5	

(5) Code of Conduct or Ethical Code of Conduct:

The Company has established regulations for employee behavior and ethics in Article 2 and Article 10 of the Integrity Management Principles and in the Employee Rewards and Punishments and consistently reinforces the promotion of these regulations:

1. Employees may not take company property and tools out of the workplace and use them for personal purposes.
2. Phone etiquette for employees.

(6) Working environment and protection measures taken for employee safety:

The Company prioritizes safety and sustainable corporate development, focusing on achieving zero injuries, accidents, and occupational diseases. We strive to provide an optimal work environment for all employees and are dedicated to ensuring and boosting the safety and health of employees, customers, and suppliers of the Company and its industry in the workplace.

Labor safety policy and goals

Compliance	Participation from all employees	Boost safety	Vision of three zeros
Wear helmets when entering and exiting construction sites and strictly abide by the Occupational Safety and Health Act and related regulations.	We have implemented work rules for safety and health that all employees must follow.	We continue to organize occupational health and safety training and advocacy efforts, including conducting fire drills and emphasizing the importance of routine health and safety measures to eliminate potential hazards to safety and health.	To achieve **zero disasters, zero accidents, and zero occupational diseases**, we strictly supervise personnel before, during, and after entry to construction sites. We also convene engineering department review meetings, conduct site inspections, and provide regular education and training.

Personal and work environment protection measures

Item	Content
Door access security	The company has a door access monitoring system and signs contract with the

<table>
<tr><td></td><td>security company.</td></tr>
<tr><td>Fire safety</td><td>It inspects the standards compliance of fire facilities and performs the fire security test randomly.</td></tr>
<tr><td>Drinking water safety</td><td>The Company regularly replaces the drinking water filter.</td></tr>
<tr><td>Cleanness of the environment and air</td><td>The Company regularly (semi-annually) replaces the air cleaner filter and maintains the machine.</td></tr>
<tr><td>Safety in construction site</td><td>The company arranges all kinds of occupational safety and health education training, meetings, notifications and notices for all employees and contractors at our construction sites, and the frequency and number of applications are as follows：
<table>
<tr><th>Item</th><th>Purpose</th><th>Frequency of handling</th></tr>
<tr><td>Safety and health protocols</td><td>At least once a month, we meet with contractors to coordinate, communicate and resolve safety and health issues among contractors.</td><td>Once a month</td></tr>
<tr><td>Labor Approach Safety and Discipline Pledge</td><td>We inform the contractors about the working environment, hazards and occupational safety and related regulations before they approach the site and make them commit to comply with the relevant safety matters.</td><td>Pre-approach</td></tr>
<tr><td>Construction environmental hazards information sheet</td><td>According to each work item, we will inform the potential hazards and provide prevention measures before the contractor enters the site.</td><td>Pre-approach</td></tr>
</table></td></tr>
<tr><td>Physiological health</td><td>The Company regularly conducts health checkups for employees.</td></tr>
<tr><td>Insurance</td><td>The Company purchases group insurance for employees.</td></tr>
</table>

6. Information Security Management

(1) Describe the information security risk management framework, the information security policy, the specific management plan and the resources invested in the information security management, etc.:

The Company's information security authority is the Information Technology Section under the President's Office, which is responsible for coordinating information security, related matters and conducting regular internal information security checks.

To enhance the management of information security risks, the "Information Security Policy and Management Plan" is established to provide appropriate protection measures for the Company's information assets against unauthorized access, use, leakage, or destruction of information systems to ensure their confidentiality, integrity, and availability.

(2) List the losses suffered due to major information security incidents in the most recent fiscal year up to the publication date of the annual report, and the possible impact and countermeasures. If the amount cannot be reasonably estimated, facts of which estimation cannot be made shall be explained:

The Company has not yet taken out information security insurance and no significant information security incidents occurred in the most recent year and up to the date of printing of the annual report, and the relevant performance will be reported to the Board of Directors on November 10, 2023.

7. Important Contracts

Contract type	Party	Contract duration	Contract content	Restrictions
Construction Contract	Huajian Construction Co., Ltd.	2021/04/26 - completion of the project	New construction project on land serial No. 233, Xinbi Section, Luzhu District, Taoyuan City	None
		2021/06/22~ completion of the project	New construction project on 3 land plots including land serial No. 174, 177, 182, Lejie Section, Guishan District, Taoyuan City	None
		2021/04/06~ completion of the project	New construction project on land serial No. 488, Qingxi Section, Zhongli District, Taoyuan City	None
		2021/10/13~ completion of the project	New construction project (Geothetical Engineering Part) on land serial No. 226, Qingxi Section, Zhongli District, Taoyuan City	None
		2022/02/14~ completion of the project	New construction project (Structural Engineering Part) on land serial No. 226, Qingxi Section, Zhongli District, Taoyuan City	None
		2022/08/11~ completion of the project	New construction project (Decoration Part) on land serial No. 226, Qingxi Section, Zhongli District, Taoyuan City	None
		2021/11/12~ completion of the project	New construction project (Geotechnical Engineering Part) on 4 land plots including land serial No. 41, 42, 43, 50, Xinzhan Section, Shalu District, Taichung City	None
		2022/02/10~ completion of the project	New construction project (Structural projects) on 4 land plots including land serial No.41, 42, 43, 50, Xinzhan Section, Shalu District, Taichung City	None
		2022/11/11~ completion of the project	New construction project (Decoration projects) on land No. 41, Xinzhan Section, Shalu District, Taichung City	None
		2022/11/11~ completion of the project	New construction project (Structural projects) on 2 land plots including land serial No. 32 and 33, Shanjie Section, Guishan District, Taoyuan City.	None
		2023/11/10~ completion of the project	New construction project (Structural projects) on 2 land plots including land serial No. 32 and 33, Shanjie Section, Guishan District, Taoyuan City.	None
		2022/03/30~ completion of the project	New construction project (Geotechnical Engineering Part) on land serial No. 31, Shingaotie Section, Wuri District, Taichung City.	None

		2022/11/11~ completion of the project	New construction project (Structural projects) on land serial No. 31, Shingaotie Section, Wuri District, Taichung City. (Structural Engineering Part)	None
		2023/07/21~ completion of the project	New construction project (Decoration projects) on land serial No. 31, Shingaotie Section, Wuri District, Taichung City. (Decoration Part)	None
Construction Contract	Huajian Construction Co., Ltd.	2023/08/11~ completion of the project	New construction project on land serial No. 258, Xinbi Section, Luzhu District, Taoyuan City.	None
		2023/12/10~ completion of the project	New construction project on land serial No. 465, Shanzuowu Section, Sanzuowu Subsection, Zhongli District, Taoyuan City.	None
		2023/03/15~ completion of the project	New construction project (Geotechnical Engineering Part) on land serial No. 332, 333-1, 333-2, 334 and 335, Qing'an Section, Shanhua District, Tainan City.	None
		2023/05/12~ completion of the project	New construction project (Structural projects) Engineering Part) on land serial No. 332, 333-1, 333-2, 334 and 335, Qing'an Section, Shanhua District, Tainan City.	None
Joint construction contract	Three non-related parties including Chang, Chun	2020/09/15 completion of the project	Land serial No. 237 on Xinbi Section, Luzhu District, Taoyuan City	None
	Three non-related parties including Chiang, Chun	2020/10/22 completion of the project	Land serial No. 174 on Lejie Section, Guishan District, Taoyuan City	None
	Seven non-related parties including Chen, Chun	2021/12/09 completion of the project	2 land plots including land serial No.32 and 33, Shanjie Section, Guishan District, Taoyuan City	None
Credit Facilities Agreement	Shanghai Commercial and Savings Bank Ren'ai Branch	2023/09/14~2027/09/14	Medium-term secured loans - land financing Medium-term loans - building financing Medium-term loans - building bulk loans	None
	Shanghai Commercial and Savings Bank Ren'ai Branch	2023/11/28~2027/11/28	Medium-term secured loans - land financing	None
	Far Eastern International Bank	2022/01/21~2027/01/21	Medium-term comprehensive credit limit Medium-term secured loans - land financing Medium-term loans - building financing Medium-term loans - building bulk loans	None
	Far Eastern International Bank	2023/04/11~2026/04/11	Medium-term loans	None
	Far Eastern International Bank	2024/04/30~2027/04/30	Medium-term secured loans	None

	Sales Department, Hwatai Bank	2020/11/09~2024/05/09	Medium-term secured loans - land financing	Certain amounts can only be used after the urban renewal project is authorized
	Taiwan Cooperative Bank Taoyuan Branch	2021/03/15~2024/12/31	Medium-term secured loans - land financing	None
	Taiwan Cooperative Bank Banqiao Branch	2021/03/15~2024/12/31	Medium-term secured loans - land financing Medium-term loans - building bulk loans	None
	Taiwan Cooperative Bank Taichung Branch	2021/06/24~2024/08/31	Medium-term secured loans - land financing Medium-term loans - building bulk loans	None
	Taiwan Cooperative Bank Taichung Branch	2022/11/24~2024/08/31	Medium-term loans - building financing	None
	Taiwan Cooperative Bank Sanxia Branch	2021/05/05~2025/03/31	Medium-term secured loans - land financing	None
	Taiwan Cooperative Bank Sanxia Branch	2021/10/24~2025/03/31	Medium-term secured loans - land financing	None
	Taiwan Cooperative Bank Shilin Branch	2021/05/28~2025/03/31	Medium-term secured loans - land financing	None
	Taiwan Cooperative Bank Shilin Branch	2023/02/03~2025/03/31	Medium-term loans - building bulk loans	None
	Taiwan Cooperative Bank Shilin Branch	First drawdown date until ~2025/03/31	Medium-term loans - building financing	None
	Mega International Commercial Bank Nankan Branch	2021/01/04~2024/05/04	Medium-term secured loans - land financing Medium-term loans - building bulk loans	None
	Mega International Commercial Bank Nankan Branch	2021/05/19~2025/05/19	Medium-term secured loans - land financing	None
	Mega International Commercial Bank Nankan Branch	2023/02/24~2025/05/19	Medium-term secured loans - building bulk loans	None
	Mega International Commercial Bank Nankan Branch	2023/07/28~2025/05/19	Medium-term loans - building financing	None
	Mega International Commercial Bank Nankan Branch	2021/09/28~2025/09/28	Medium-term secured loans - land financing	None

	Mega International Commercial Bank Nankan Branch	2023/10/30~2025/09/28	Medium-term loans - building financing	None
	Mega International Commercial Bank Nankan Branch	2023/06/30~2025/09/28	Medium-term secured loans - land financing	None
	First bank Banqiao Branch	2022/05/12~2026/05/12	Medium-term secured loans - land financing	None
	First bank Banqiao Branch	2022/11/28~2026/05/12	Medium-term loans - additional building bulk	None
	First bank Banqiao Branch	First drawdown date until 2026/05/12	Medium-term loans - building financing	None
	CTBC Bank Co., Ltd	2022/12/28~2026/06/28	Medium-term secured loans - land financing	None
	CTBC Bank Co., Ltd	2024/04/29~2027/04/29	Medium-term loans - additional building bulk	None
	CTBC Bank Co., Ltd	First drawdown date until 36 months	Medium-term loans - building financing	None
	Bank of Panhsin Neihu Branch	2021/12/27~2026/12/27	Mid-term loans	None
	Bank of Panhsin Neihu Branch	2023/03/29~2026/03/29	Mid-term loans	None

*Only project contracts with a total contract price of more than NT$100 million are specified.
*Only medium to long-term loan contracts are shown.

【Financial Information】

1. Condensed Balance Sheet and Statement of Comprehensive Income in the Past Five Years, and the CPA's Audit Opinion

(1) Condensed Balance Sheet and Statement of Comprehensive income

1. Condensed Balance Sheet – based on IFRS (Consolidated)

Unit: NT$1,000

Item \ Year		Financial data in the past five years (Note 1)					
		2019	2020	2021	2022	2023	Financial data of the current year until M/D/Y (Note 3)
Current assets		4,985,390	8,433,839	17,389,221	20,093,673	23,574,016	There is no financial data audited by the CPA in the current year and as of the Annual Report publication date.
Property, plant and equipment (Note2)		118,586	117,874	118,562	118,318	115,642	
Intangible assets		--	--	11,410	11,410	11,410	
Other assets (Note 2)		45,753	79,153	56,923	94,499	26,861	
Total assets		5,149,729	8,630,866	17,576,116	20,317,900	23,727,929	
Current liabilities	Before distribution	1,765,918	2,220,003	5,039,111	8,449,395	11,320,207	
	After distribution	1,792,993	2,220,003	5,039,111	8,794,430	11,773,801	
Non-current liabilities		12,328	10,305	3,896,851	1,349,972	1,729,580	
Total liabilities	Before distribution	1,778,246	2,230,308	8,935,962	9,799,367	13,049,787	
	After distribution	1,805,321	2,230,308	8,935,962	10,144,402	13,503,381	
Equity attributable to owner of the parent company		3,113,038	6,148,136	8,393,662	10,278,223	10,445,272	
Capital stock		2,707,525	5,207,525	7,207,525	8,399,880	8,399,880	
Capital reserve		9,141	658,613	1,018,613	1,257,084	1,257,440	
Retained earnings	Before distribution	400,161	281,438	166,227	620,619	786,839	
	After distribution	373,086	281,438	166,227	275,584	333,245	
Other equity		(3,789)	560	1,297	640	1,113	
Treasury stock		--	--	--	--	-	
Non-controlling interests		258,445	252,422	246,492	240,310	232,870	
Total equity	Before distribution	3,371,483	6,400,558	8,640,154	10,518,533	10,678,142	
	After distribution	3,344,408	6,400,558	8,640,154	10,173,498	10,224,548	

＊If the individual financial report is prepared by the Company, it should prepare the individual Condensed Balance Sheet and Statement of Comprehensive Income for the last five fiscal years additionally.

＊If the IFRS is adopted in the financial statements for less than 5 years, it should prepare the financial statement based on the GAAP as shown in Table (2) as below.

Note 1: The years that are not audited by CPA should be marked.

Note 2: If the Company has performed the revaluation in the current year, it should list the revaluation date and amount.

Note 3: For the company that is publicly listed or has issued shares in TWSE, if the financial data in the most recent period is audited or reviewed by the CPA before the date of publishing the Annual Report, it should be disclosed.

Note 4: The figure after the distribution of the last time should be listed based on the resolution during the shareholders' meeting in the next year.

Note 5: If the financial data is corrected or re-compiled upon the notice of the competent authority, it should list the updated figure, and specify the situation and reason.

2. Condensed Statement of Comprehensive Income-based on IFRS (Consolidated)

Unit: NT$1,000

Item \ Year	Financial data in the past five years (Note 1)					Financial data of the current year until M/D/Y (Note 2)
	2019	2020	2021	2022	2023	
Operating income	10,170	87,377	8,718	1,994,281	1,951,453	There is no financial data audited by the CPA in the current year and as of the Annual Report publication date.
Gross profit/loss	8,265	25,427	8,718	633,420	852,016	
Operating profit/loss	(67,951)	(63,943)	(86,997)	399,737	646,884	
Non-operating income and expense	(5,898)	(30,717)	(31,834)	4,506	2,938	
Net profit(loss) before tax	(73,849)	(94,660)	(118,831)	404,243	649,822	
Net profit(loss) of continuing operations in the current period	--	--	--	--	-	
Loss of discontinued operations	--	--	--	--	-	
Net profit (loss) of the current period	(75,294)	(95,668)	(120,553)	445,470	503,603	
Other comprehensive gains/losses of the current period (Net amount after tax)	3,003	1,097	149	2,083	685	
Total comprehensive income of the current term	(72,291)	(94,571)	(120,404)	447,553	504.288	
Net profit/loss attributable to owner of the parent company	(68,696)	(89,645)	(114,623)	451,652	511,043	
Net profit/loss attributable to non-controlling interest	(6,598)	(6,023)	(5,930)	(6,182)	(7,440)	
Total comprehensive profit/loss attributable to owner of the parent company	(65,696)	(88,548)	(114,474)	453,735	511,728	
Total comprehensive income attributable to non-controlling interest	(6,595)	(6,023)	(5,930)	(6,182)	(7,440)	
EPS	(0.25)	(0.32)	(0.20)	0.56	0.61	

＊If the individual financial report is prepared by the Company, it should prepare the individual Condensed Balance Sheet and Statement of Comprehensive Income for the last five fiscal years additionally.

＊If the IFRS is adopted in the financial statements for less than 5 years, it should prepare the financial statement based on the GAAP as shown in Table (2) as below.

Note 1: The years that are not audited by CPA should be marked.

Note 2: For the company that is publicly listed or has issued shares in TWSE, if the financial data in the most recent period is audited or reviewed by the CPA before the date of publishing the Annual Report, it should be disclosed.

Note 3: Loss of discontinued operations is listed based on the net amount deducted with the income tax.

Note 4: If the financial data is corrected or re-compiled upon the notice of the competent authority, it should list the updated figure, and specify the situation and reason.

3. Condensed Balance Sheet - based on IFRS (Parent Company)

Unit: NT$1,000

Item \ Year		Financial data in the past five years (Note 1)					Financial data of the current year until M/D/Y(Note 3)
		2019	2020	2021	2022	2023	
Current assets		3,714,824	7,178,320	15,682,437	18,395,514	22,106,984	There is no financial data audited by the CPA in the current year and as of the Annual Report publication date.
Property, plant and equipment (Note2)		57,435	57,139	57,954	57,534	54,981	
Intangible assets		--	--	--	--	-	
Other assets (Note2)		397,362	420,122	725,433	743,254	658,388	
Total assets		4,169,621	7,655,581	16,465,824	19,196,302	22,820,353	
Current liabilities	Before distribution	1,045,131	1,498,176	4,891,329	8,298,664	11,391,057	
	After distribution	1,072,206	1,498,176	--	8,643,699	11,844,651	
Non-current liabilities		11,452	9,269	3,180,833	619,415	984,024	
Total liabilities	Before distribution	1,056,583	1,507,445	8,072,162	8,918,079	12,375,081	
	After distribution	1,083,658	1,507,445	--	9,263,114	12,828,675	
Equity		3,113,038	6,148,136	8,393,662	10,278,223	10,445,272	
Capital stock		2,707,525	5,207,525	7,207,525	8,399,880	8,399,880	
Capital reserve		9,141	658,613	1,018,613	1,257,084	1,257,440	
Retained earnings	Before distribution	400,161	281,438	166,227	620,619	786,839	
	After distribution	373,086	281,438	--	275,584	333,245	
Other equity		(3,789)	560	1,297	640	1,113	
Treasury stock		--	--	--	--	-	
Non-controlling interests		--	--	--	--	-	
Total equity	Before distribution	3,113,038	6,148,136	8,393,662	10,278,223	10,445,272	
	After distribution	3,085,963	6,148,136	--	9,933,188	9,991,678	

＊If the individual financial report is prepared by the Company, it should prepare the individual Condensed Balance Sheet and Statement of Comprehensive Income for the last five fiscal years additionally.

＊If the IFRS is adopted in the financial statements for less than 5 years, it should prepare the financial statement based on the GAAP as shown in Table (2) as below.

Note 1: The years that are not audited by CPA should be marked.

Note 2: If the Company has performed the revaluation in the current year, it should list the revaluation date and amount.

Note 3: For the company that is publicly listed or has issued shares in TWSE, if the financial data in the most recent period is audited or reviewed by the CPA before the date of publishing the Annual Report, it should be disclosed.

Note 4: The figure after the distribution of the last time should be listed based on the resolution during the shareholders' meeting in the next year.

Note 5: If the financial data is corrected or re-compiled upon the notice of the competent authority, it should list the updated figure, and specify the situation and reason.

4. Condensed Statement of Comprehensive Income–based on IFRS (Parent Company)

Unit: NT$1,000

Year / Item	Financial data in the past five years (Note 1)					
	2019	2020	2021	2022	2023	Financial data of the current year until M/D/Y (Note 2)
Operating income	3,069	79,624	968	1,986,158	1,943,183	There is no financial data audited by the CPA in the current year and as of the Annual Report publication date.
Gross profit/loss	1,164	17,674	968	625,297	824,211	
Operating profit/loss	(66,306)	(62,545)	(81,574)	407,257	634,767	
Non-operating income and expense	(2,390)	(26,092)	(33,049)	(2,720)	13,291	
Net profit(loss) before tax	(68,696)	(88,637)	(114,623)	404,537	648,058	
Net profit(loss) of continuing operations in the current period	--	--	--	--	-	
Loss of discontinued operations	--	--	--	--	-	
Net profit (loss) of the current period	(68,696)	(89,645)	(114,623)	451,652	511,043	
Other comprehensive gains/losses of the current period (Net amount after tax)	3,000	1,097	149	2,083	685	
Total comprehensive income of the current term	(65,696)	(88,548)	(114,474)	453,735	511,728	
Net profit/loss attributable to owner of the parent company	--	--	--	--	-	
Net profit/loss attributable to non-controlling interest	--	--	--	--	-	
Total comprehensive profit/loss attributable to owner of the parent company	--	--	--	--	-	
Total comprehensive income attributable to non-controlling interest	--	--	--	--	-	
EPS	(0.25)	(0.32)	(0.20)	0.56	0.61	

＊If the individual financial report is prepared by the Company, it should prepare the individual Condensed Balance Sheet and Statement of Comprehensive Income for the last five fiscal years additionally.

＊If the IFRS is adopted in the financial statements for less than 5 years, it should prepare the financial statement based on the GAAP as shown in Table (2) as below.

Note 1: The years that are not audited by CPA should be marked.

Note 2: For the company that is publicly listed or has issued shares in TWSE, if the financial data in the most recent period is audited or reviewed by the CPA before the date of publishing the Annual Report, it should be disclosed.

Note 3: Loss of discontinued operations is listed based on the net amount deducted with the income tax.

Note 4: If the financial data is corrected or re-compiled upon the notice of the competent authority, it should list the updated figure, and specify the situation and reason.

(2) Condensed Balance Sheet and Statement of Comprehensive Income- based on GAAP

None: The IFRS is adopted by the Company in the financial statements for more than 5 years, it is not required to provide such reports.

＊Capitalized amount of interests: Unit: NT$1,000

2019	6,198	2022	152,333
2020	9,624	2023	219,179
2021	60,200		

(3) The names of CPAs and their audit opinions in the past five years

1. The names of CPAs and their audit opinions:

Year	Name of CPA	Audit opinion
2019	Chen, Kuang-Hui, Yau, Yu-Lin	Unqualified
2020	Chen, Kuang-Hui, Yau, Yu-Lin	Unqualified
2021	Chen, Kuang-Hui, Yau, Yu-Lin	Unqualified
2022	Chen, Kuang-Hui, Yau, Yu-Lin	Unqualified
2023	KyKy Lin, James Huang	Unqualified

2. CPA replacement reasons in the past five years:

In line coordination with the Company's long-term strategic development, the Board of Directors adopted the resolution on April 11, 2023 to appoint Ernst & Young as the Company's accountant.

2.Financial Analysis for the Last Five Fiscal Years

(1) Financial analysis - based on IFRS (Consolidated)

Analysis item (Note 3) / Year (Note 1)		Financial data in the past five years (Note 1)					Financial data of the current year until M/D/Y (Note 2)
		2019	2020	2021	2022	2023	
Financial structure (%)	Debt Ratio	34.53	25.84	50.84	48.23	55.00	There is no financial data audited by the CPA in the current year and as of the Annual Report
	Ratio of long-term capital to property, plant and equipment	2,853.47	5,438.74	10,574.22	10,031.02	10,729.43	
Solvency (%)	Current ratio	282.31	379.90	345.09	237.81	208.25	
	Quick ratio	28.30	94.45	65.95	34.70	19.29	
	Times interest earned ratio	(1.77)	(2.73)	(0.82)	2.50	2.81	
Operational capability	Accounts receivable turnover (times)	4.93	42.37	3.64	313.49	9.62	
	Average collection days	74.03	8.61	100.27	1.16	37.94	
	Inventory turnover (times)	0.00	0.01	0.00	0.09	0.06	
	Accounts payable turnover (times)	0.09	0.75	0.00	6.29	2.55	
	Average days in sales	NA	36,500.00	NA	4,055.55	6,083.33	
	Property, plant and equipment turnover (times)	0.09	0.74	0.07	16.84	16.68	
	Total assets turnover (times)	0.00	0.01	0.00	0.11	0.09	
Profitability	Return on total assets (%)	(1.11)	(1.18)	(0.69)	2.42	2.36	
	Return on stockholders' equity (%)	(2.19)	(1.96)	(1.60)	4.65	4.75	
	Pre-tax net profit to paid-in capital (%) (Note 7)	(2.73)	(1.82)	(1.65)	4.81	7.74	
	Profit margin (%)	(740.35)	(109.49)	(1,382.81)	22.34	25.81	
	EPS (NT$)	(0.25)	(0.32)	(0.20)	0.56	0.61	
Cash flow	Cash flow ratio (%)	--	--	--	--	-	
	Cash flow adequacy ratio (%)	414.30	31.33	8.32	4.88	0.00	
	Cash reinvestment ratio (%)	(2.39)	(0.42)	0.00	0.00	(2.78)	
Leverage	Operating leverage	0.10	(0.01)	0.24	1.24	1.16	
	Financial leverage	0.75	0.78	0.70	1.04	1.03	

Analysis of significant changes in financial ratio over the last two years. (Not required if the change does not exceed 20%.)

	2022	2023	Change ratio	Analysis of Change ratio higher than 20%
Debt Ratio	50.84	48.23	14%	-
Ratio of long-term capital to property, plant and equipment	10,574.22	10,031.02	7%	-
Current ratio	345.09	237.81	-12%	-
Quick ratio	65.95	34.70	-44%	The decrease in the ratio is mainly due to the increase in current liabilities for this period.
Times interest earned ratio	(0.82)	2.50	12%	-
Accounts receivable turnover (times)	3.64	313.49	-97%	The decrease in turnover is mainly due to the increase in accounts receivable in the current period.
Average collection days	100.27	1.16	3171%	1. This period's credit policy is the same as the last period. 2. The increase in average collection days is mainly due to the decrease in receivable turnover in the current period.
Inventory turnover (times)	0.00	6.29	-59%	The decrease in turnover is mainly due to the increase in accounts payable in the current period.
Accounts payable turnover (times)	0.00	0.09	-33%	The decrease in turnover is mainly due to the increase in inventory in the current period.
Average days in sales	NA	4,055.55	50%	The increase in average inventory turnover days is due to the decrease in inventory turnover in the current period.
Property, plant and equipment turnover (times)	0.07	16.84	-1%	-
Total assets turnover (times)	0.00	0.11	-14%	-
Return on total assets	(0.69)	2.42	-2%	-
Return on stockholders' equity	(1.60)	4.65	2%	-
Pre-tax net profit to paid-in capital	(1.65)	4.81	61%	The increase in the ratio is mainly due to the increase in profit before tax in the current period.
Profit margin	(1,382.81)	22.34	16%	-
EPS (NT$)	(0.20)	0.56	9%	-
Cash flow ratio	-	-	-	-
Cash flow adequacy ratio	31.33	4.88	-100%	The decrease in the ratio is due to the decrease in net cash inflow from operating activities.
Cash reinvestment ratio	0.00	0.00	NA	-
Operating leverage	0.24	1.24	-6%	-
Financial leverage	0.70	1.04	-1%	-

(2) Financial analysis - based on IFRS (Parent Company)

Analysis item (Note 3) / Year (Note 1)		Financial data in the past five years (Note 1)					Financial data of the current year until M/D/Y (Note 2)
		2019	2020	2021	2022	2023	
Financial structure	Debt Ratio	25.34	19.69	49.02	46.46	54.23	There is no financial data audited by the CPA in the current year and as of the Annual Report
	Ratio of long-term capital to property, plant and equipment	5,440.05	10,776.19	19,971.87	18,941.21	20,787.72	
Solvency (%)	Current ratio	355.44	479.14	320.62	221.67	194.07	
	Quick ratio	44.62	139.32	60.47	31.36	18.70	
	Times interest earned ratio	(4.26)	(5.63)	(1.03)	2.65	2.96	
Operational capability	Accounts receivable turnover (times)	85.25	1,474.52	1.11	517.50	9.75	
	Average collection days	4.28	0.24	328.82	0.70	37.43	
	Inventory turnover (times)	0.00	0.01	0.00	0.10	0.06	
	Accounts payable turnover (times)	0.09	0.75	0.00	9.07	2.15	
	Average days in sales	NA	25,704.22	0.00	3,838.06	6,083.33	
	Property, plant and equipment turnover (times)	0.05	1.39	0.02	34.40	34.54	
	Total assets turnover (times)	0.00	0.01	0.00	0.11	0.09	
Profitability	Return on total assets (%)	(1.49)	(1.45)	(0.78)	2.54	2.43	
	Return on stockholders' equity (%)	(2.16)	(1.94)	(1.58)	4.84	4.93	
	Pre-tax net profit to paid-in capital (%) (Note 7)	(2.54)	(1.70)	(1.59)	4.82	7.72	
	Profit margin (%)	(2,238.38)	(112.59)	(11,841.22)	22.74	26.30	
	EPS (NT$)	(0.25)	(0.32)	(0.20)	0.56	0.61	
Cash flow	Cash flow ratio (%)	--	--	--	--	-	
	Cash flow adequacy ratio (%)	437.34	33.95	9.06	5.45	0.00	
	Cash reinvestment ratio (%)	(2.91)	(0.46)	0.00	0.00	(3.19)	
Leverage	Operating leverage	0.20	0.10	0.32	1.21	1.13	
	Financial leverage	0.89	0.92	0.76	1.00	1.00	

Analysis of significant changes in financial ratio over the last two years. (Not required if the change does not exceed 20%.)

	2022	2023	Change ratio	Analysis of Change ratio higher than 20%
Debt Ratio	46.46	54.23	17%	-
Ratio of long-term capital to property, plant and equipment	18,941.21	20,787.72	10%	-
Current ratio	221.67	194.07	-12%	-
Quick ratio	31.36	18.70	-40%	The decrease in the ratio is mainly due to the increase in current liabilities for this period.
Times interest earned ratio	2.65	2.96	12%	-
Accounts receivable turnover (times)	517.50	9.75	-98%	The decrease in turnover is mainly due to the increase in accounts receivable in the current period.
Average collection days	0.70	37.43	5247%	1. This period's credit policy is the same as the last period. 2. The increase in average collection days is mainly due to the decrease in receivable turnover in the current period.
Inventory turnover (times)	9.07	0.06	-76%	The decrease in turnover is mainly due to the increase in accounts payable in the current period.
Accounts payable turnover (times)	0.10	2.15	-37%	The decrease in turnover is mainly due to the increase in inventory in the current period.
Average days in sales	3,838.06	6,083.33	59%	The increase in average inventory turnover days is due to the decrease in inventory turnover in the current period.
Property, plant and equipment turnover (times)	34.40	34.54	0%	-
Total assets turnover (times)	0.11	0.09	-18%	-
Return on total assets	2.54	2.43	-4%	-
Return on stockholders' equity	4.84	4.93	2%	-
Pre-tax net profit to paid-in capital	4.82	7.72	60%	The increase in the ratio is mainly due to the increase in profit before tax in the current period.
Profit margin	22.74	26.30	16%	-
EPS (NT$)	0.56	0.61	9%	-
Cash flow ratio	-	-	-	-
Cash flow adequacy ratio	5.45	0.00	-100%	The decrease in the ratio is due to the decrease in net cash inflow from operating activities.
Cash reinvestment ratio	0.00	(3.19)	NA	-
Operating leverage	1.21	1.13	-7%	-
Financial leverage	1.00	1.00	0%	-

*If the individual financial report is prepared by the Company, it should prepare the analysis of the individual financial ratios for the last five fiscal years additionally.

*If the IFRS is adopted in the financial statements for less than 5 years, it should prepare the financial statement based on the GAAP as shown in Table (2) as below.

Note 1: The years that are not audited by CPA should be marked.

Note 2: For the company that is publicly listed or has issued shares in TWSE, if the financial data in the most recent period is audited or reviewed by the CPA before the date of publishing the Annual Report, it should be analyzed.

Note 3: The calculation equations as below should be listed at the end of the Annual Report:

1. Financial structure
   (1) Ratio of liability to asset = total liability/total asset
   (2) Ratio of long-term capital to property, plant and equipment = (total equity + non-current liability)/property, plant and equipment net amount
2. Solvency
   (1) Current ratio = current asset/current liability.
   (2) Quick ratio = (current asset – inventory – prepaid expense) / current liability
   (3) Times interest earned =net profit before income tax and interest expense/current interest expense
3. Operational capability
   (1) Accounts payable (including accounts receivable and notes receivable attributable to business) turnover ratio = net sales/average accounts receivable ((including accounts receivable and notes receivable attributable to business) balance
   (2) Average collection days = 365 / accounts payable turnover ratio
   (3) Inventory turnover ratio = sales cost / average inventory
   (4) Accounts payable (including accounts payable and notes payable attributable to business) turnover ratio = sales cost / average accounts payable (including accounts payable and notes payable attributable to business) balance
   (5) Average day in sales = 365 / inventory turnover ratio
   (6) Property, plant and equipment turnover ratio=net sales/average real estate, plant and equipment net amount
   (7) Total assets turnover ratio = net sales / average total assets
4. Profitability
   (1) Return on assets = (after-tax profit and loss + interest expense × (1 – tax rate)) / average total assets
   (2) Return on stockholders' equity = after-tax profit and loss / average total equity
   (3) Net profit ratio = after-tax profit and loss / net sales
   (4) Earnings per share = (equity attributable to owner of parent company –dividend on preferred shares) / weighted average issued share number (Note 4)
5. Cash flow
   (1) Cash flow ratio = net cash flow of operating activity / current liability
   (2) Net cash flow adequacy ratio = net cash flow of operating activity in recent five years / recent five years (capital expenditure + inventory increase + cash dividend)
   (3) Cash reinvestment ratio = (net cash flow of operating activity –cash dividend) / (real estate, plant and equipment gross + long-term investment + other non-current asset + working capital) (Note 5)
6. Leverage:
   (1) Operating leverage = (net operating revenue–changed Operating costs and expense) /operating profit (Note 6)
   (2) Financial leverage = operating profit / (operating profit – interest expense)

Note 4: The formula for calculating the above earnings per share take the following factors into consideration:

1. Subject to weighted average number of common shares, not based on the number of issued shares at the end of the year
2. If there is incremental cash flow or treasury stock transaction, the circulation period should be taken into account and the weighted average number of shares is calculated.
3. If there is surplus transferred to increment or capital reserve transferred to investment, when calculating the earnings per share of the previous year and half year, trace and adjust according to increment proportion without considering the issuing period of the increment.
4. If the special stock is the nonconvertible cumulative special stock, its dividend of that year (whether issued or not) shall be deducted from after-tax net profit for the year or increase the after-tax net loss. If the special stock is the non-cumulative type, wherein there is after-tax dispute, the special stock dividend shall be deducted from after-tax net profit for the year if any; in case of loss, there shall be no adjustment.

Note 5: Cash utilization analysis and assessment should take the following factors into consideration:

1. Net cash flow of operating activity refers to the net cash inflow of operating activity in the cash flow statement.
2. Capital expenditure refers to the cash outflow of annual capital investment.
3. Inventory increment shall only be taken into account when the ending balance is greater than the beginning balance; if the inventory decreases at the end of the year, it shall be calculated as zero.
4. Cash dividends include cash dividends on common stocks and special stocks.
5. Gross of fixed assets refer to the sum of property, plant and equipment before deducting the accumulated depreciation.

Note 6: Issuer shall divide the Operating costs and Operating expenses into fixed and variable cost, which shall maintain the rationality and consistency if estimated or based on subjective judgment.

Note 7: If the company share has no par value or the par value per share is not NTD$ 10, the above ratio calculation related to paid-in capital shall be changed in order to calculate the ratio of equity attributable to the owner of the parent company.

(3) Consolidated Financial Analysis- based on GAAP

None. The IFRS is adopted by the Company in the financial statements for more than 5 years, it is not required to provide such reports.

(4) Financial Analysis- based on GAAP

None. The IFRS is adopted by the Company in the financial statements for more than 5 years, it is not required to provide such reports.

3. Audit Committee' Inspection Report in the Latest Year:

Audit Committee' Inspection Report

The Board of Directors delivered the Company's 2023 business report, financial statements (including consolidated and parent company statements) and Earnings distribution proposal to our accounting firm. Among the documents, the financial statements have been audited by Ernst & Young Global Limited and an audit report has been issued accordingly. The Committee has completed the verification of the above-mentioned 2023 business report, financial statements (including consolidated and parent company statements) and Earnings distribution proposal, and is of the opinion that there were no discrepancies contained therein. A statement is therefore announced as above in accordance with the provisions of Article 14-4 of the Securities Exchange Act and Article 219 of the Company Law for your review and verification.

To 2024 General Shareholders' Meeting of Delpha Construction Co., Ltd.

Audit Committee Convener: Chen Shih-Yang

March 29th, 2024

4.Consolidated Financial Statement in the Most Recent Year Audited by the CPAs·

Representation Letter

The entities that are required to be included in the consolidated financial statements of Delpha Construction Co., Ltd. for the year ended December 31, 2023 under the Criteria Governing the Preparation of Affiliation Reports, Consolidated Business Reports and Consolidated Financial Statements of Affiliated Enterprises are all the same as those required to be included in the consolidated financial statements prepared in conformity with the International Financial Reporting Standard 10, “Consolidated Financial Statements.” In addition, the relevant information that should be disclosed in the consolidated financial statements has all been disclosed in the consolidated financial statements. Consequently, Delpha Construction Co., Ltd. and its Subsidiaries do not prepare a separate set of consolidated financial statements.

Very truly yours,

Delpha Construction Co., Ltd.

Chairman: Cheng, Ssu-Tsung

March 29, 2024

Independent Auditors' Audit Report

To Delpha Construction Co., Ltd.

Opinion

We have audited the accompanying consolidated balance sheets of Delpha Construction Co., Ltd. (the "Company") and its subsidiaries (the "Group") as of December 31, 2023 and 2022, and the related consolidated statements of comprehensive income, changes in equity and cash flows for the years ended December 31, 2023 and 2022, and notes to the consolidated financial statements, including the summary of significant accounting policies (together "the consolidated financial statements").

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of the Company and its subsidiaries as of December 31, 2023, and their consolidated financial performance and cash flows for the years ended December 31, 2023, in conformity with the requirements of the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Financial Reporting Standards, International Accounting Standards, Interpretations developed by the International Financial Reporting Interpretations Committee or the former Standing Interpretations Committee as endorsed by Financial Supervisory Commission of the Republic of China.

Basis for Opinion

We conducted our audits in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and Standards on Auditing of the Republic of China. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Company and its subsidiaries in accordance with the Norm of Professional Ethics for Certified Public Accountant of the Republic of China (the "Norm"), and we have fulfilled our other ethical responsibilities in accordance with the Norm. Based on our audits, we believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

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

Valuation of inventories

The inventories of Delpha Construction Co., Ltd. and its subsidiaries mainly consist of land held for construction site, construction in progress, and land and buildings held for sale. As of December 31, 2023, the net inventories of Delpha Construction Co., Ltd. and its subsidiaries were NT$20,599,926 thousand, representing approximately 87% of the total consolidated assets, which is significant for the consolidated financial statements. Additionally, due to the real estate development industry being susceptible to various factors such as policies, tax reform, and market conditions, the management faced a higher level of difficulty and risk in inventory valuation. The accountants considered the valuation of inventories to be significant for the consolidated financial statements and have therefore determined this a key audit matter for this fiscal year.

Our audit procedures included (but were not limited to) evaluating the appropriateness of the inventory valuation accounting policies; obtaining the net realizable value estimation data and investment return analysis for projects of Delpha Construction Co., Ltd. and its subsidiaries, which included appraisal reports provided by professional institutions. We assessed the professional competence, qualification, and objectivity of the external experts appointed by the company, and understood and evaluated the valuation methods and key assumptions and parameters used in the appraisal reports. For parts not covered by professional institution appraisals, we selected samples to reference contracts of presold properties, researched recent actual transaction prices, and compared them with market transaction prices of similar properties in nearby areas (which included the real estate transaction price inquiry service from the Ministry of the Interior and real estate brokerage websites) to assess the reasonableness of the provision for inventory obsolescence. Additionally, we considered the appropriateness of the disclosures regarding inventory valuation in notes five and six of the consolidated financial statements.

Sales Revenue and cost recognition

Delpha Construction Co., Ltd. and its subsidiaries primarily engage in the business of commissioning construction contractors to build public residential housing and commercial buildings, which are then presold. As the revenue recognition from the sale of properties by Delpha Construction Co., Ltd. and its subsidiaries involves determining the point in time when control is transferred to the customer, and given that revenue from property sales constitutes a significant proportion of the operating revenue and has a substantial impact on the consolidated financial statements, we have determined this to be a key audit matter.

The audit procedures for the revenue recognition of property sales by Delpha Construction Co., Ltd. and its subsidiaries, included (but were not limited to) evaluating the appropriateness of the accounting policy for revenue recognition from property sales; understanding the revenue recognition process of the property transactions during the audit of internal controls and performing tests of control points to confirm the effectiveness; selecting samples to perform test of details of transactions, as well as reviewing significant terms of property sale contracts to identify performance obligations; examining property transfer and handover documentation to confirm the completion of the transfer of ownership, while also verifying transaction terms and matching them with corresponding documents to ascertain the appropriateness of the timing of revenue recognition upon satisfaction of performance obligations through the transfer of control.

We also assessed whether Delpha Construction Co., Ltd. and its subsidiaries have appropriately disclosed information related to the revenue recognition from property sales in the consolidated financial statements, as detailed in Notes 4 and 6 to the consolidated financial statements.

Other Matters - Audited by Other Accountants in Prior Period

The consolidated financial statements of Delpha Construction Co., Ltd. and its subsidiaries for the period from January 1, 2022, to December 31, 2022, were audited by other accountants who issued an unqualified audit report on March 15, 2023.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

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

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

Those charged with governance, including audit committee or supervisors, are responsible for overseeing the financial reporting process of the Company and its subsidiaries.

Auditor’s Responsibilities for the Audit of the Consolidated Financial Statements

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

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

1. Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control of the Company and its subsidiaries.

3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

4. Conclude on the appropriateness of management's use of the going concern basis of accounting, and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability to continue as a going concern of the Company and its subsidiaries. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company and its subsidiaries to cease to continue as a going concern.

5. Evaluate the overall presentation, structure and content of the consolidated financial statements, including the accompanying notes, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

6. Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company and its subsidiaries to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Company audit. We remain solely responsible for our audit opinion.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of 2023 consolidated financial statements and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Others

We have audited and expressed an unqualified opinion including other matters and on the parent company only financial statements of the Company as of and for the years ended December 31, 2023, and the parent company only financial statements of the Company were audited by other accountants who issued an unqualified audit report for the years ended December 31, 2022.

Lin, Su-Wen

Huang, Chien-Che

Ernst & Young, Taiwan

March 29, 2024

Notice to Readers

The accompanying consolidated 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 consolidated financial statements are those generally accepted and applied in the Republic of China.

Accordingly, the accompanying consolidated 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
December 31, 2023 and 2022

(In Thousands of New Taiwan Dollars)

			December 31, 2023		December 31, 2022	
Code	Assets	Notes	Amount	%	Amount	%
	Current assets					
1100	Cash and cash equivalents	4.(6), 6.(1)	$1,114,378	5	$2,135,572	11
1150	Notes receivable, net	4.(7), 6.(3)	10,390	-	9,281	-
1170	Accounts receivable, net	4.(7), 6.(4)	385,649	1	306	-
1200	Other receivables	4.(7), 6.(5)	3	-	-	-
1220	Current tax assets		421	-	595	-
130x	Inventories	4.(9), 6.(6)	20,599,926	87	16,760,895	82
1410	Prepayments		329,753	1	231,481	1
1476	Other current financial assets	4.(7), 6.(7)	666,511	3	784,447	4
1479	Other current assets-others		6,194	-	1,329	-
1480	Current assets recognized as incremental costs to obtain contract with customers	4.(9), 6.(16)	460,791	2	169,767	1
11xx	Total current assets		23,574,016	99	20,093,673	99
	Non-current assets					
1517	Non-current financial assets at fair value through other comprehensive income	4.(7), 6.(2)	3,003	-	2,530	-
1600	Property, plant and equipment	4.(11), 6.(8)	115,642	1	118,318	1
1755	Right-of-use assets	4.(13), 6.(18)	717	-	3,015	-
1780	Intangible assets	4.(14), 6.(9)	11,410	-	11,410	-
1840	Deferred tax assets		1,458	-	47,934	-
1915	Prepayments for equipment		470	-	-	-
1920	Guarantee deposits paid		8,526	-	28,633	-
1975	Net defined benefit assets-non-current		7,135	-	6,835	-
1990	Other non-current assets-others		5,552	-	5,552	-
15xx	Total non-current assets		153,913	1	224,227	1
1xxx	Total assets		$23,727,929	100	$20,317,900	100

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

Delpha Construction Co., Ltd. and Subsidiaries
Consolidated Balance Sheets (Continued)
December 31, 2023 and 2022

(In Thousands of New Taiwan Dollars)

			December 31, 2023		December 31, 2022	
Code	Liabilities and Equity	Notes	Amount	%	Amount	%
	Current liabilities					
2100	Short-term borrowings	6.(10), 8	4,115,776	18	$3,609,000	18
2110	Short-term notes and bills payable	6.(11)	99,939	-	49,960	-
2130	Current contract liabilities	6.(16)	2,143,844	9	948,965	5
2150	Notes payable	7.(5)	378,889	2	137,825	1
2170	Accounts payable		247,927	1	98,919	-
2200	Other payables		187,628	1	86,058	-
2230	Current tax liabilities		95,652	-	5,011	-
2250	Current provisions	4.(16), 6.(14)	1,260	-	1,242	-
2280	Current lease liabilities	4.(13), 6.(18)	738	-	3,079	-
2310	Advance receipts		3,868	-	4,812	-
2320	Long-term borrowings, current portion	6.(12), 8	3,992,055	17	3,499,555	17
2399	Other current liabilities-others		52,631	-	4,969	-
21xx	Total current liabilities		11,320,207	48	8,449,395	41
	Non-current liabilities					
2540	Long-term borrowings	6.(12), 8	1,727,880	7	1,346,380	7
2645	Guarantee deposits received		1,700	-	3,592	-
25xx	Total non-current liabilities		1,729,580	7	1,349,972	7
2xxx	Total liabilities		13,049,787	55	9,799,367	48
31xx	Equity attributable to owners of parent					
3100	Common shares	6.(15)				
3110	Ordinary shares		8,399,880	36	8,399,880	42
3200	Capital surplus	6.(15)	1,257,440	5	1,257,084	6
3300	Retained earnings	6.(15)				
3310	Legal reserve		275,584	1	237,247	1
3350	Unappropriated retained earnings		511,255	2	383,372	2
	Total retained earnings		786,839	3	620,619	3
3400	Other equity interest		1,113	-	640	-
31xx	Total equity attributable to owners of parent		10,445,272	44	10,278,223	51
36xx	Non-controlling interests	6.(15)	232,870	1	240,310	1
3xxx	Total equity		10,678,142	45	10,518,533	52
	Total liabilities and equity		$23,727,929	100	$20,317,900	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 Years Ended December 31, 2023 and 2022

(In Thousands of New Taiwan Dollars)

Code	Item	Notes	For the year ended December 31, 2023		For the year ended December 31, 2022	
			Amount	%	Amount	%
4000	Operating revenue	4.(17), 6.(16), 7.(1)	$1,951,453	100	$1,994,281	100
5000	Operating costs	6.(6), 7.(2)	(1,099,437)	(56)	(1,360,861)	(68)
5900	Gross profit from operating		852,016	44	633,420	32
6000	Operating expenses	6.(19), 7.(3), 7.(4)				
6100	Selling expenses		(97,828)	(5)	(116,868)	(6)
6200	Administrative expenses		(107,304)	(6)	(116,815)	(6)
	Total operating expenses		(205,132)	(11)	(233,683)	(12)
6900	Net operating income		646,884	33	399,737	20
7000	Non-operating income and expenses					
7010	Other income	6.(20)	17,441	1	9,336	-
7100	Interest income	6.(20)	11,330	-	4,695	-
7020	Other gains and losses	6.(20)	(6,680)	-	5,932	-
7050	Financial costs	6.(20)	(19,153)	(1)	(15,457)	(1)
	Total non-operating income and expenses		2,938	-	4,506	(1)
7900	Net profit before tax		649,822	33	404,243	19
7950	Income tax (expense) benefit	4.(21), 6.(22)	(146,219)	(7)	41,227	2
8200	Net profit		503,603	26	445,470	21
8300	Other comprehensive income	4.(7), 6.(21)				
8310	Components of other comprehensive income that will not be reclassified to profit or loss:					
8311	Remeasurements of defined benefit plans		212	-	2,740	-
8316	Unrealized gains (losses) from investments in equity instruments measured at fair value through other comprehensive income		473	-	(657)	-
8349	Income tax related to components of other comprehensive income that will not be reclassified to profit or loss		-	-	-	-
	Total other comprehensive income, net of tax		685	-	2,083	-
8500	Total comprehensive income		$504,288	26	$447,553	21
8600	Profit (loss), attributable to:					
8610	Owners of parent		$511,043	26	$451,652	22
8620	Non-controlling interests		(7,440)	-	(6,182)	-
			$503,603	26	$445,470	22
8700	Comprehensive income attributable to:					
8710	Owners of parent		$511,728	26	$453,735	22
8720	Non-controlling interests		(7,440)	-	(6,182)	-
			$504,288	26	$447,553	22
	Earnings per share (in dollars)	6.(23)				
9750	Basic earnings per share		$0.61		$0.56	
9850	Diluted earnings per share		$0.61		$0.56	

(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 Years Ended December 31, 2023 and 2022

(In Thousands of New Taiwan Dollars)

Item	Equity attributable to owners of parent						Non-controlling interests	Total equity
			Retained earnings		Other equity interest items			
	Ordinary shares	Capital surplus	Legal reserve	Unappropriated retained earnings (accumulated profit or loss)	Unrealized gain (loss) on financial assets at fair value through other comprehensive income	Total equity attributable to owners of parent		
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
Net profit	-	-	-	451,652	-	451,652	(6,182)	445,470
Other comprehensive income	-	-	-	2,740	(657)	2,083	-	2,083
Total comprehensive income	-	-	-	454,392	(657)	453,735	(6,182)	447,553
Issue of shares	1,192,355	238,471	-	-	-	1,430,826	-	1,430,826
Balance on December 31, 2022	$8,399,880	$1,257,084	$237,247	$383,372	$640	$10,278,223	$240,310	$10,518,533
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 dividends of ordinary share	-	-	-	(345,035)	-	(345,035)	-	(345,035)
Capital surplus transferred from unclaimed dividends	-	356	-	-	-	356	-	356
Net profit	-	-	-	511,043	-	511,043	(7,440)	503,603
Other comprehensive income	-	-	-	212	473	685	-	685
Total comprehensive income	-	-	-	511,255	473	511,728	(7,440)	504,288
Balance on December 31, 2023	$8,399,880	$1,257,440	$275,584	$511,255	$1,113	$10,445,272	$232,870	$10,678,142

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

Delpha Construction Co., Ltd. and Subsidiaries

Consolidated Statements of Cash Flows

For the Years Ended December 31, 2023 and 2022

(In Thousands of New Taiwan Dollars)

Item	For the year ended December 31,2023	For the year ended December 31,2022
Cash flows from operating activities:		
Profit before tax	$649,822	$404,243
Adjustments:		
Adjustments to reconcile profit (loss):		
Depreciation expense	6,068	5,803
Amortization expense	266	291
Interest income	(11,330)	(4,695)
Dividend income	(1,393)	(1,747)
Interest expense	19,153	15,457
Changes in operating assets and liabilities:		
Decrease (increase) in notes receivable	(1,109)	(6,151)
Decrease (increase) in accounts receivable	(385,343)	(300)
Decrease (increase) in other receivable	(3)	53
Decrease (increase) in inventories	(3,619,852)	(2,832,354)
Decrease (increase) in prepayments	(98,538)	(72,319)
Decrease (increase) in other financial assets	117,936	(627,408)
Decrease (increase) in other current assets	(4,865)	(379)
Decrease (increase) in net defined benefit assets	(88)	(188)
Decrease (increase) in assets recognized as incremental costs to obtain contract with customers	(291,024)	(39,420)
Increase (decrease) in contract liabilities	1,194,879	416,506
Increase (decrease) in notes payable	241,064	28,964
Increase (decrease) in accounts payable	149,008	11,536
Increase (decrease) in other payable	99,575	63,902
Increase (decrease) in provisions	18	135
Increase (decrease) in receipts in advance	(944)	(23,203)
Increase (decrease) in other current liabilities	47,662	2,864
Other adjustments to reconcile loss	(5)	-
Cash inflow (outflow) generated from operations	(1,889,043)	(2,658,410)
Interest received	11,330	4,695
Dividends received	1,393	1,747
Interest paid	(236,301)	(165,494)
Income taxes refund (paid)	(8,928)	(3,788)
Net cash flows from (used in) operating activities	(2,121,549)	(2,821,250)
Cash flows from investing activities:		
Acquisition of property, plant and equipment	(1,068)	(3,254)
Decrease (increase) in guarantee deposits paid	20,107	10,303
Decrease (increase) in prepayments for equipment	(470)	-
Net cash flows from (used in) investing activities	18,569	7,049
Cash flows from financing activities:		
Increase in short-term borrowings	506,776	(381,721)
Decrease in short-term notes and bills payable	-	(38)
Increase in short-term notes and bills payable	49,979	-
Proceeds from long-term borrowings	899,000	798,851
Repayment of long-term borrowings	(25,000)	(60,000)
Decrease in guarantee deposits received	(1,892)	-
Increase in guarantee deposits received	-	2,425
Repayments of lease liabilities	(2,398)	(2,380)
Cash dividends paid	(345,035)	-
Proceeds from issuing shares	-	1,430,826
Other financing activities	356	-
Net cash flows from (used in) financing activities	1,081,786	1,787,963
Net increase (decrease) in cash and cash equivalents	(1,021,194)	(1,026,238)
Cash and cash equivalents at the beginning of period	2,135,572	3,161,810
Cash and cash equivalents at the end of period	$1,114,378	$2,135,572

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

Delpha Construction Co., Ltd. and Subsidiaries
Notes to the Consolidated Financial Statements
For the years ended December 31, 2023 and 2022
(Amounts in Thousands of New Taiwan Dollars, Unless Otherwise Stated)

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 years ended December 31, 2023 and 2022 were authorized for issue by the Board of Directors on March 29, 2024.

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") which are 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	Classification of Liabilities as Current or Non-current – Amendments to IAS 1	January 1, 2024
b	Lease Liability in a Sale and Leaseback – Amendments to IFRS 16	January 1, 2024
c	Non-current Liabilities with Covenants – Amendments to IAS 1	January 1, 2024
d	Supplier Finance Arrangements – Amendments to IAS 7 and IFRS 7	January 1, 2024

(a) 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.

(b) 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.

(c) 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 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.

(d) Supplier Finance Arrangements – Amendments to IAS 7 and IFRS 7

The amendments introduced additional information of supplier finance arrangements and added disclosure requirements for such arrangements.

The above-mentioned standards and interpretations were issued by IASB and endorsed by FSC so that they are applicable for annual periods beginning on or after January 1, 2024. The new or amended standards and interpretations have no material impact on the Group.

(3) Standards or interpretations issued, revised or amended, by IASB which are not 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 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	Lack of Exchangeability – Amendments to IAS 21	January 1, 2025

(a) IFRS 10 "Consolidated Financial Statements" and 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 January 1, 2023 (from the original effective date of January 1, 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 January 1, 2023.

(c) Lack of Exchangeability – Amendments to IAS 21

These amendments specify whether a currency is exchangeable into another currency and, when it is not, to determining the exchange rate to use and the disclosures to provide. The amendments apply for annual reporting periods beginning on or after January 1, 2025.

The above-mentioned 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. The 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 years ended December 31, 2023 and 2022 have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers ("the Regulations") and International Financial Reporting Standards, International Accounting Standards, and Interpretations issued by the International Financial Reporting Interpretations Committee or the former Standing Interpretations Committee as endorsed 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 transfer directly to retained earnings if required by other IFRSs;
(f) Recognizes any resulting difference in profit or loss.

The consolidated entities are listed as follows:

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

(4) Foreign currency transactions

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.

A. 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 reassured 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 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 asset 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.

B. <u>Impairment of financial assets</u>

The Group recognizes a loss allowance for expected credit losses on debt instrument investments measured at fair value through other comprehensive income and financial asset 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.

C. 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 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 asset, but has transferred control of the 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.

D. 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.

E. 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.

The Group's contract incremental cost is the commission generated by entering into the presold house contracts. When the customers enter into the presold contract, the Group has not fulfilled the performance obligation because the goods promised have not been transferred to the customer. According IFRS 15, the sales commission is the incremental cost of concluding the presold house contract. When the performance obligation is met by transferring the house to the customer, the incremental cost of concluding the contract is amortized.

(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 affect 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:

(a) 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 or joint venture and the proceeds on the ultimate disposal of the investment; or
(b) 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 there is a change in use for these assets. Properties are transferred 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 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 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 of 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.

<u>Group as a lessor</u>

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 balance sheet and present them as a 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.

Goodwill

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 an asset 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.

If the obligations occur over a period of time, the liabilities for tax payments are recognized progressively.

(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 obligations and costs based on actuarial assumptions. Re-measurements, 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 tax

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.

Current income tax

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.

Deferred tax

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.

According to the temporary exception provided in the Amendments to IAS 12 “International Tax Reform-Pillar Two Model Rules,” the deferred tax assets and liabilities related to Pillar Two income tax is not be recognized, and their related information is not disclosed.

(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 and are classified under 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 assumption and estimate could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in future periods.

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.

(1) Valuation of inventory

Inventories are stated at the lower of cost or net realizable value, and the Group uses judgment and estimate 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.

(2) 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.

(3) 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 the determination of the discount rate and changes of the future salary etc.

(4) 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. Contents of significant accounts

(1) Cash and equivalents

	As of December 31,	
	2023	2022
Cash on hand and working capital	$540	$480
Check deposits and demand deposits	1,113,838	2,135,092
Total	$1,114,378	$2,135,572

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

	As of December 31,	
Item	2023	2022
Equity instrument investments measured at fair value through other comprehensive income – Non-current:		
Unlisted stocks	$3,003	$2,530
Current	$-	$-
Non-current	3,003	2,530
Total	$3,003	$2,530

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

(3) Notes receivables

Item	As of December 31, 2023	2022
Notes receivables arising from operating activities	$10,390	$9,281
Notes receivables arising from non-operating activities	-	-
Subtotal (total carrying amount)	10,390	9,281
Less: loss allowance	-	-
Total	$10,390	$9,281

Notes receivables were not pledged.

The Group follows the requirement of IFRS 9 to assess the impairment. Please refer to Note 6.(17) 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 December 31, 2023	2022
Accounts receivables	$385,649	$306
Less: loss allowance	-	-
Subtotal	385,649	306
Accounts receivables from related parties	-	-
Less: loss allowance	-	-
Subtotal	-	-
Total	$385,649	$306

The Group uses a simplified approach to estimate expected credit losses for all notes receivable and accounts receivables, which involves the measurement of expected credit losses across the assets' lifetimes. For the measurement, these notes receivable and accounts receivables are grouped based on shared credit risk characteristics, such as product type and customer ratings, and include forward-looking information. For information related to the allowance for losses as of December 31, 2023 and 2022, please refer to Notes 6.(17). For information related to credit risk, please refer to Note 12.

(5) Other receivables

	As of December 31, 2023	2022
Other receivables	$16,248	$16,245
Less: loss allowance	(16,245)	(16,245)
Total	$3	$-

Please refer to Note 6.(17) for more details on loss allowance of other receivables for the years ended December 31, 2023 and 2022. Please refer to Note 12 for more details on credit risk management.

(6) Inventories

	As of December 31, 2023	As of December 31, 2022
Land and buildings held for sale	$1,001,340	$72,813
Land held for construction site and construction in progress	19,816,106	17,036,298
Land held for floor-area-ratio transfer	124,667	261
Prepayment for land purchases	36,283	29,993
Less: Allowance for inventory valuation loss	(378,470)	(378,470)
Total	$20,599,926	$16,760,895

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

Project name	As of December 31, 2023	As of December 31, 2022
Delpha Dream House A	$1,762	$1,762
Delpha Living's Home A	1,192	5,346
Athens Era A	456	456
Athens Era B	1,722	1,722
Shitan Section Case A	63,527	63,527
Xinbi Section Case A	932,681	-
Total	$1,001,340	$72,813

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

Project name	As of December 31, 2023	As of December 31, 2022
Shulin Case	$198,192	$198,192
Delpha Living's Home B	9,153	9,153
Xindian He Feng Case	632,155	632,155
Fu De Section Case B	423	423
Xinguang Road Case B	2,217	2,217
Huaisheng Urban Renewal Project	1,469,495	1,467,918
Yun He Jie Case B	1,712	1,712
Wenlin N. Road Case	494,890	444,394
Xinbi Section Case A	-	1,457,641
Xinbi Section Case B	871,090	841,691
Lejie Section Case A	1,069,399	884,120
Lejie Section Case B	629,022	612,808
Lejie Section Case C	943,172	-
Qingxi Section Case A	620,946	532,150
Qingxi Section Case B	1,824,969	1,506,641
Shanjie Section	672,697	497,128
Xinzhan Section	494,784	330,780
Wuri New High-Speed Railway Section	6,187,261	5,259,970
Qing'an Section	767,599	696,018
Sanzuowu Section	431,371	412,432
Taiyuan Road Renewal project	1,252,596	1,248,755
Fuxi Section Case	275,918	-
Yisin Section Case	967,045	-
Total	$19,816,106	$17,036,298

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

Project name	As of December 31, 2023	2022
Zheng Ying Section	$261	$261
Lejie Section Case C	82,060	-
Yisin Section Case	42,346	-
Total	$124,667	$261

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

Project name	As of December 31, 2023	2022
Wenlin N. Road Case	$-	$29,993
Lejie Section Case C	34,171	-
Yisin Section Case	2,112	-
Total	$36,283	$29,993

E. The amounts capitalized as interest for land held for construction site and construction in progress for the years ended December 31, 2023 and 2022 were NT$219,179 thousand and NT$152,333 thousand respectively, with the corresponding capitalization rates being 2.52% and 2.02%.

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

G. Cost incurred on inventories for the three months and the years ended December 31, 2023 and 2022 were as follows:

	For the year ended December 31 2023	2022
Cost of selling land and buildings	$1,099,437	$1,371,787
Inventory valuation losses	-	(10,926)
Total	$1,099,437	$1,360,861

H. Current assets recognized as incremental costs to obtain contract with customers:

The cost incurred for entering into contracts with customers is the incremental cost of the contract. The incremental cost of the contract is amortized when the house is handed over to the customers.

(7) Other current financial assets

Items	As of December 31, 2023	2022
Bank deposits	$666,511	$784,447
Current	$666,511	$784,447
Non-current	-	-
Total	$666,511	$784,447

Other financial assets included deposits from presold housings and lands held in trust accounts. 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	-	-	-	955	-	113	1,068
Disposal and scrap	-	(249)	-	-	-	-	(249)
Transfer	-	-	-	(378)	-	-	(378)
As of December 31, 2023	$94,331	$38,925	$2,257	$10,751	$1,851	$370	$148,485
As of January 1, 2022	$94,331	$38,958	$639	$8,847	$1,851	$257	$144,883
Additions	-	216	1,618	1,420	-	-	3,254
Disposal and scrap	-	-	-	(93)	-	-	(93)
As of December 31, 2022	$94,331	$39,174	$2,257	$10,174	$1,851	$257	$148,044
Depreciation and impairment:							
As of January 1, 2023	$-	$20,564	$761	$7,196	$976	$229	$29,726
Depreciation	-	1,530	343	1,235	617	19	3,744
Disposal and scrap	-	(249)	-	-	-	-	(249)
Transfer	-	-	-	(378)	-	-	(378)
As of December 31, 2023	$-	$21,845	$1,104	$8,053	$1,593	$248	$32,843
As of January 1, 2022	$-	$19,003	$439	$6,290	$360	$229	$26,321
Depreciation	-	1,561	322	999	616	-	3,498
Disposal and scrap	-	-	-	(93)	-	-	(93)
As of December 31, 2022	$-	$20,564	$761	$7,196	$976	$229	$29,726
Net carrying amount as at							
December 31, 2023	$94,331	$17,080	$1,153	$2,698	$258	$122	$115,642
December 31, 2022	$94,331	$18,610	$1,496	$2,978	$875	$28	$118,318

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

(10) Short-term borrowings

	As of December 31,	
	2023	2022
Unsecured bank borrowings	$383,000	$583,000
Secured bank borrowings	3,732,776	3,026,000
Total	$4,115,776	$3,609,000
Range of interest rates	2.36%~3.12%	2.10%~2.46%

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

(11) Short-term notes payable

		As of	
	Acceptance agencies	December 31, 2023	December 31, 2022
Short-term notes and bills payable	Notes and bills of Mega Bank	$100,000	$50,000
Less: unamortized discount		(61)	(40)
Total		$99,939	$49,960
Range of interest rates		2.04%	1.84%

The Group's short-term notes payables were not pledged.

(12) Long-term borrowings

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

Type	As of December 31, 2023	Interest Rate (%)	Maturity date and terms of repayment
The Company Long-term secured borrowings	$5,719,935	2.43%~2.86%	Effective May 2021 to November 2027, repayments on due day.
Less: current portion	(3,992,055)		
Total	$1,727,880		

Type	As 0f 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		

The unused total borrowing limits of the Group as of December 31, 2023 and 2022 were approximately $5,260,189 thousand and $5,673,965 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.

(13) Post-employment benefits

Defined contribution plan

The Group adopted a defined contribution plan in accordance with the Labor Pension Act of the R.O.C. Under the Labor Pension Act, the Group would make monthly contributions to the employees' individual pension accounts at the amounts not less than 6% of the employees' monthly wages. The Group has made monthly contributions of 6% of each individual employee's salaries or wages to employees' pension accounts.

Expenses under the defined contribution plan for the years ended December 31, 2023 and 2022 were NT$3,322 thousand and NT$2,678 thousand, respectively.

Defined benefits plan

The Group adopt a defined benefit plan in accordance with the Labor Standards Act of the R.O.C. The pension benefits are disbursed based on the units of service years and the average salaries in the last six months of the service year. Two units per year are awarded for the first 15 years of services while one unit per year is awarded after the completion of the 15th year. The total units shall not exceed 45 units. Under the Labor Standards Act, the Group contributes an amount equivalent to 2% of the employees' total salaries and wages on a monthly basis to the pension fund deposited at the Bank of Taiwan in the name of the administered pension fund committee. Before the end of each year, the Group assesses the balance in the designated labor pension fund. If the amount is inadequate to pay pensions calculated for workers retiring in the same year, the Company will make up the difference in one appropriation before the end of March the following year.

The Ministry of Labor is in charge of establishing and implementing the fund utilization plan in accordance with the Regulations for Revenues, Expenditures, Safeguard and Utilization of the Labor Retirement Fund. The pension fund is invested in-house or under a mandate, based on a passive-aggressive investment strategy for long-term profitability. The Ministry of Labor establishes checks and risk management mechanism based on the assessment of risk factors including market risk, credit risk and liquidity risk, in order to maintain adequate manager flexibility to achieve targeted return without over-exposure of risk. With regard to utilization of the pension fund, the minimum earnings in the annual distributions on the final financial statement shall not be less than the earnings attainable from the amounts accrued from two-year time deposits with the interest rates offered by local banks. Treasury Funds can be used to cover the deficits after the approval of the competent authority. As the Group does not participate in the operation and management of the pension fund, no disclosure on the fair value of the plan assets categorized in different classes could be made in accordance with paragraph 142 of IAS 19. The Group expects to contribute NT$0 thousand to its defined benefit plan during the 12 months beginning after December 31, 2023.

As of December 31, 2023 and 2022, the Group's defined benefit plans are both expected to expire in 2029.

Pension costs recognized in profit or loss are as follows:

	For the year ended December 31	
	2023	2022
Current service cost	$-	$-
Net interest of net defined benefit liabilities (assets)	(224)	(109)

Total	$(224)	$(109)

Reconciliations of liabilities (assets) of the defined benefit obligation and plan assets at fair value are as follows:

	As of December 31,	
	2023	2022
Present value of a defined benefit obligation	$12,787	$17,337
Plan assets at fair value	(19,922)	(24,172)
Net defined benefit asset - non-current recognized amount	$(7,135)	$(6,835)

Reconciliations of net liabilities (assets) of the defined benefit plan:

	Present value of a defined benefits obligation	Plan assets Fair Value	Net defined benefit liabilities (assets)
As of January 1, 2022	$19,759	$(23,666)	$(3,907)
Current service cost	-	-	-
Interest expenses (income)	109	(130)	(21)
Subtotal	19,868	(23,796)	(3,928)
Remeasurements of defined benefit liabilities(assets):			
Actuarial losses (gains) arising from changes in financial assumptions	(1,210)	-	(1,210)
Experience adjustments	288	(1,818)	(1,530)
Remeasurements of defined benefit assets	-	-	-
Subtotal	(922)	(1,818)	(2,740)
Benefits paid	(1,609)	1,609	-
Contributions by employer	-	(167)	(167)
As of December 31, 2022	$17,337	$(24,172)	$(6,835)
Current service cost	-	-	-
Interest expenses (income)	224	(312)	(88)
Subtotal	17,561	(24,484)	(6,923)
Remeasurements of defined benefit liabilities(assets):			
Actuarial losses (gains) arising from changes in financial assumptions	96	-	96
Experience adjustments	(203)	-	(203)
Remeasurements of defined benefit assets	-	(105)	(105)
Subtotal	(107)	(105)	(212)
Benefits paid	(4,667)	4,667	-
Contributions by employer	-	-	-
As of December 31, 2023	$12,787	$(19,922)	$(7,135)

The principal assumptions used in determining the Group's defined benefit plan are shown below:

	As of December 31,	
	2023	2022
Discount rate	1.21%	1.29%
Expected rate of salary increases	3.00%	3.00%
Expected long-term rate of return on plan assets	1.21%	1.29%

Sensitivity analysis for significant actuarial assumptions is shown below:

	For the year ended December 31,			
	2023		2022	
	Defined benefits obligation			
	increase	decrease	increase	decrease
Discount rate increases by 0.5%	$-	$586	$-	$753
Discount rate decreases by 0.5%	622	-	799	-
Rate of future salary increases by 0.5%	608	-	782	-
Rate of future salary decreases by 0.5%	-	579	-	745

The sensitivity analysis above is based on a change in a significant assumption (for example: change in discount rate or future salary), keeping all other assumptions constant. The sensitivity analysis may not be representative of an actuarial change in the defined benefit obligation as it is unlikely that changes in assumptions would occur in isolation of one another.

There was no change in the methods and assumptions used in preparing the sensitivity analysis compared to the previous period.

(14) Provisions

	Provisions for employee benefits
As of January 1, 2023	$1,242
Arising dining the period	1,260
Utilized	(1,242)
As of December 31, 2023	$1,260
As of January 1, 2022	$1,107
Arising dining the period	1,242
Utilized	(1,107)

As of December 31, 2022	$1,242
Current－ December 31, 2023	$1,260
Non-current－ December 31, 2023	-
As of December 31, 2023	$1,260
Current－ December 31, 2022	$1,242
Non-current－ December 31, 2022	-
As of December 31, 2022	$1,242

Provisions for employee benefits

The provision for the liability is calculated at year-end based on historical experience, management's judgment, 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.

(15) Equity

A. Common stock

As of December 31, 2023, December 31, 2022, the Company’s authorized capital was all $12,000,000 thousand, and the Paid-up capital was all $8,399,880 thousand with 839,988 thousand shares, respectively, each at a par value of $10 for both dates. Each share has one voting right and a 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 December 31,	
	2023	2022
Additional paid-in capital	$1,247,904	$1,247,904

Exercise disgorgement	1	1
Cash dividend unclaimed for over five years	948	592
Share of changes in net assets of associates and joint ventures accounted for using the equity method	8,587	8,587
Total	$1,257,440	$1,257,084

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 amended on June 28, 2023, current quarter'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 remaining amount shall be distributed in cash by the Board of Directors; if new shares are issued, it shall be reported to the shareholder's meeting for resolution.

If the Company has a surplus in the current quarter (including the previous period), 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 distribution 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 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 on March 15, 2023 and reported in the shareholders’ meeting on June 28, 2023 is 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	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.

The board meeting held on August 11, 2023 resolved not to distribute any surplus for the three months ended June 30, 2023 due to accumulated losses.

The board meeting held on November 10, 2023 resolved not to distribute any surplus due to accumulated losses in the third quarter of 2023.

At the Company's board meeting held on March 29, 2024, a resolution was passed regarding the allocation and distribution of earnings and dividend per share for the fourth quarter of 2023. This was further reported at the shareholders' meeting held on June 25, 2024, as shown below:

	Appropriation of earnings	Dividend per share (NT$)
	Fourth quarter of 2023	Fourth quarter of 2023
Legal reserve	$51,125	$-
Common stock -cash dividend	453,594	0.54

Please refer to Note 6.(19) for details on employees' compensation and remuneration to directors and supervisors.

D. Non-controlling interests

	For the year ended December 31,	
	2023	2022
Beginning balance	$240,310	$246,492
Profit attributable to non-controlling interest (loss)	(7,440)	(6,182)
Ending balance	$232,870	$240,310

(16) Operating revenue

	For the year ended December 31,	
	2023	2022
Revenue from contracts with customers		
Revenue from sales of buildings	$671,977	$480,923
Revenue from sales of Land	1,269,375	1,502,739
Sales of land and buildings	1,941,352	1,983,662
Rental Revenue	10,101	10,619
Total	$1,951,453	$1,994,281

Analysis of revenue from the Group's contracts with customers during the years ended December31, 2023 and 2022 are as follows:

A. Disaggregation of revenue

For the year ended December 31, 2023

	The Company	Huachien	Huajian	Total
Sales of land and buildings	$1,941,352	$-	$-	$1,941,352
Rental Revenue	1,517	8,584	-	10,101

Total	$1,942,869	$8,584	$-	$1,951,453

Timing of revenue recognition:				
At a point in time	$1,941,352	$-	$-	$1,941,352
Over time	1,517	8,584	-	10,101
Total	$1,942,869	$8,584	$-	$1,951,453

For the year ended December 31, 2022

	The Company	Huachien	Huajian	Total
Sales of land and buildings	$1,983,662	$-	$-	$1,983,662
Rental Revenue	2,182	8,437	-	10,619
Total	$1,985,844	$8,437	$-	$1,994,281
Timing of revenue recognition:				
At a point in time	$1,983,662	$-	$-	$1,983,662
Over time	2,182	8,437	-	10,619
Total	$1,985,844	$8,437	$-	$1,994,281

B.Contract balances

Contract assets – current

	As of		
	December 31, 2023	December 31, 2022	January 1, 2022
Sales of land and buildings	$2,143,844	$948,965	$532,459

The significant changes in the Group's balances of contract liabilities for the years ended December 31, 2023 and 2022 are as follows:

	For the year ended December 31	
	2023	2022
The opening balance transferred to revenue	$(352,825)	$(474,929)
Increase in receipts in advance during the period (excluding the amount incurred and transferred to revenue during the period)	1,574,014	891,435
Refund from contract cancellation	(26,310)	-
Total	$1,194,879	$416,506

C. Assets recognized from costs as a result of entering into or performing a contract

Incremental costs of obtaining contracts

	As of December 31,	
	2023	2022
Sales of land and buildings	$460,791	$169,767

(17) Expected credit losses (gains)

	For the year ended December 31,	
	2023	2022
Operating expenses – expected credit losses(gains)		
Notes receivable	$-	$-
Accounts receivables	-	-
Subtotal	$-	$-
Non-operating income and expenses - expected credit losses(gains)		
Other receivables	-	-
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 during the years ended December 31, 2023 and 2022 is as follows:

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 December 31, 2023

	Not yet due (Note)	Overdue <=30 days	31-90 days	91-180 days	>=181 days	Total
Gross carrying amount	$396,039	$-	$-	$-	$-	$396,039
Loss rate	-%	-%	-%	-%	-%	
Lifetime expected credit losses	-	-	-	-	-	-
Subtotal	$396,039	$-	$-	$-	$-	$396,039

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

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

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

(18) 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	
	December 31, 2023	December 31, 2022
Buildings	$717	$3,015

During the years ended December 31, 2023 and 2022, the Group's additions to right-of-use assets amounting to $0 thousand, respectively.

b. Lease liabilities

	As of	
	December 31, 2023	December 31, 2022
Leases liabilities	$738	$3,079
Current	$738	$3,079
Non-current	-	-

Please refer to Note 6.(20)(d) for the interest on lease liabilities recognized during the years ended December 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

	For the year ended December 31,	
	2023	2022
Buildings	$2,324	$2,305

(c) Income and costs relating to leasing activities

	For the year ended December 31,	
	2023	2022
The expenses relating to short-term leases	$335	$1,981
The expenses relating to leases of low-value assets (Not including the expenses relating to short-term leases of low-value assets)	1,881	657

(D) Cash outflow relating to leasing activities

During the years ended December 31, 2023 and 2022, the Group's total cash outflows for leases amounting to NT$4,614 thousand and NT$5,018 thousand, respectively.

B. Group as a lessor

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

	For the year ended December 31,	
	2023	2022
Lease income for operating leases		
Income relating to lease payments	$10,101	$10,619

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 December 31, 2023 are as follow:

	As of	
	December 31, 2023	December 31, 2022
Not later than one year	$5,964	$8,368
Later than one year but not later than two years	3,618	4,941
Later than two years but not later than three years	303	3,359
Later than three years but not later than four years	-	-
Later than four years but not later than five years	-	-
Later than five years	-	-
Total	$9,885	$16,668

(19) Summary statement of employee benefits, depreciation and amortization expenses by function:

	For the year ended December 31,					
	2023			2022		
	Operating costs	Operating expenses	Total amount	Operating costs	Operating expenses	Total amount
Employee benefits expense						
Salaries	$36,558	$51,778	$88,336	$18,860	$61,895	80,755
Labor and health insurance contribution	-	6,715	6,715	-	5,340	5,340
Pension	-	3,098	3,098	-	2,919	2,919
Other employee benefits expense	1,726	2,711	4,437	4,438	3,120	7,558
Depreciation	326	5,742	6,068	129	5,674	5,803
Amortization	54	212	266	64	227	291

According to the Articles of Incorporation, no lower than 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. However, the company's accumulated losses shall have been covered. The Company may, by a resolution adopted by a majority vote at a meeting of Board of Directors 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.

For the years ended December 31, 2023, the Company's compensation to employees and directors remuneration were determined based on profit in the amount of $3,333 thousand and $2,800 thousand, respectively. For the years ended December 31, 2022, the Company's compensation to employees and directors remuneration were determined based on profit in the amount of $1,707 thousand and $3,414 thousand, respectively.

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 a reduction of $1,415 thousand. This amount has been accounted for as a profit or loss in 2023.

(20) Non-operating income and expenses

(a) Other income

	For the year ended December 31,	
	2023	2022
Dividend income	$1,393	$1,747
Income from name change fees	236	17
Income from liquidated damages	13,379	-
Others	2,433	7,572
Total	$17,441	$9,336

(b) Interest income

	For the year ended December 31,	
	2023	2022
Interest on bank deposits	$11,327	$4,692
Other interest income	3	3
Total	$11,330	$4,695

(c) Other gains and losses

	For the year ended December 31,	
	2023	2022
Foreign exchange losses (gains), net	$97	$5,932
Lease contract modification benefits	5	-
Increase in construction contract	(3,249)	-
Other non-operating losses	(3,533)	-
Total	$(6,680)	$5,932

(d) Finance costs

	For the year ended December 31,	
	2023	2022
Interest on borrowings from bank	$237,939	$167,790
Loss: Capitalized interests	(219,179)	(152,333)
Interest on lease liabilities	393	-
Total finance costs	$19,153	$15,457

(21) Components of other comprehensive income

For the year ended December 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:					
Remeasurements of defined benefit plans	$212	$-	$212	$-	$212
Unrealized gains (losses) from equity instruments investments measured at fair value through other comprehensive income	473	-	473	-	473
Total	$685	$-	$685	$-	$685

For the year ended December 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:					
Remeasurements of defined benefit plans	$2,740	$-	$2,740	$-	$2,740
Unrealized gains (losses) from equity instruments investments measured at fair value through other comprehensive income	(657)	-	(657)	-	(657)
Total	$2,083	$-	$2,083	$-	$2,083

(22) Income tax

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

Income tax expense (income) recognized in profit or loss

	For the year ended December 31, 2023	2022
Current income tax expense (income):		
Current income tax charge	$99,722	$5,913
Land value increment tax	21	773
Deferred tax expense (income):		
Deferred tax expense (income) relating to origination and reversal of temporary differences	46,476	(47,913)
Total income tax expense	$146,219	$(41,227)

Reconciliation between income tax expense and the product of accounting profit multiplied by the applicable tax rate of the parent company as follows:

	For the year ended December 31, 2023	2022
Accounting profit (loss) before tax from continuing operations	$675,294	$404,243
Tax at the domestic rates applicable to profits in the country concerned	$135,059	$80,849
Land value increment tax	21	773
Tax effect of revenues exempt from taxation	6,635	(2,502)
Tax effect of non-deductible expenses from taxation	(80)	9,747
Tax effect of deferred tax assets / liabilities	4,584	(130,094)
Total income tax (benefit) expense recognized in profit or loss	$146,219	$(41,227)

Deferred tax assets (liabilities) related to the following:

For the year ended December 31,2023

	Beginning balance	Recognized in profit or loss	Recognized in other comprehensive income	Ending balance
Temporary differences				
Provision for liabilities - current	$242	$(160)	$-	$82
Defined benefit liabilities, non-current	1,368	(18)	-	1,350
Unrealized exchange gains or losses	1,102	(1,076)	-	26
Loss deduction	45,222	(45,222)	-	-
Deferred tax income (expense)		$(46,476)	$-	
Net deferred tax assets (liabilities)	$47,934			$1,458
Balance sheet items as follows:				
Deferred tax assets	$47,934			$1,458
Deferred tax liabilities	$-			$-

For the year ended December 31,2022

	Beginning	Recognized in	Recognized in	Ending

	balance	profit or loss	other comprehensive income	balance
Temporary differences				
Provision for liabilities - current	$21	$221	$-	$242
Defined benefit liabilities, non-current	-	1,368	-	1,368
Unrealized exchange gains or losses	-	1,102	-	1,102
Loss deduction	-	45,222	-	45,222
Deferred tax income (expense)		$47,913	$-	
Net deferred tax assets (liabilities)	$21			$47,934
Reflected in balance sheet as follows:				
Deferred tax assets	$21			$47,934
Deferred tax liabilities	$-			$-

The following table contains information of the unused tax losses of the Group:

		Unused tax losses as of		
Year	Tax losses for the period	December 31, 2023	December 31, 2022	Expiration year
2013	46,730	1,360	1,360	2023
2014	108,974	-	-	2024
2015	175,748	-	-	2025
2016	72,167	-	-	2026
2017	46,828	4,759	39,654	2027
2018	96,935	-	96,753	2028
2019	9,228	-	9,228	2029
2020	21,444	2,197	21,444	2030
2021	68,686	2,701	68,686	2031
2022	1,252	1,252	1,252	2032
2023	776	776	-	2033
Total		$13,045	$238,377	

Note: The differences in the unused balances for the years ended December 31, 2023, and 2022, arise from the discrepancies between the declared amounts and the approved amounts, as well as the expected declared amounts and the actual declared amounts.

Unrecognized deferred tax assets

As of December 31, 2023, and 2022, the total amount of deferred tax assets not recognized by the Group amounted to NT$2,609 thousand and NT$47,682 thousand, respectively.

The assessment of income tax returns

As of December 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
Subsidiaries-Huachien	Assessed and approved up to 2022
Subsidiaries-Huajian	Assessed and approved up to 2021

(23) 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.

	The year ended December 31	
	2023	2022
(1) Basic earnings per share		
Profit attributable to ordinary equity holders of the Company (in thousand NT$)	$511,043	$451,652
Weighted average number of ordinary shares outstanding for basic earnings per share (in thousands)	839,988	809,035
Basic earnings per share (NT$)	$0.61	$0.56
(2) Diluted earnings per share		
Profit attributable to ordinary equity holders of the Company (in thousand NT$)	$511,043	$451,652
Effect of dilution:		
Employee stock options (in thousands)	93	99
Weighted average number of ordinary shares outstanding after dilution (in thousands)	840,081	809,134
Diluted earnings per share (NT$)	$0.61	$0.56

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.

(24) 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 of subsidiaries	Country of Incorporation and operation	As of December 31, 2023	As of December 31, 2022
Huachien	Taiwan	41.64%	41.64%

	As of December 31, 2023	As of December 31, 2022
Accumulated balances of material non-controlling interest:		
Huachien	$232,870	$240,310

	The year ended December 31, 2023	The year ended December 31, 2022
Profit/(loss) allocated to material non-controlling interest:		
Huachien	$(7,440)	$(6,182)

Dividends paid to material non-controlling interest:

	The year ended December 31, 2023	The year ended December 31, 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 year ended December 31, 2023:

	Huachien
Operating revenue	$8,584
Net profit (loss) for the period from continuing operations	$(17,869)
Total comprehensive (loss) income for the period	$(17,869)

Summarized information of profit or loss for the year ended December 31, 2022:

	Huachien
Operating revenue	$8,437
Net profit (loss) for the period from continuing operations	$(14,847)
Total comprehensive (loss) income for the period	$(14,837)

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

	Huachien

Current assets	$1,267,037
Non-current assets	60,592
Current liabilities	(33,015)
Non-current liabilities	(745,556)

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 cash flow information as at December 31, 2023:

	Huachien
Operating activities	$(19,541)
Investing activities	-
Financing activities	14,799
Net increase/(decrease) in cash and cash equivalents	$(4,742)

Summarized cash flow information for the year ended December 31, 2022:

	Huachien
Operating activities	$(14,980)
Investing activities	-
Financing activities	29,500
Net increase/(decrease) in cash and cash equivalents	$14,520

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
He Feng Investment Co., Ltd.	Substantive related party
Pauguo Real Estate Management Co., Ltd.	Substantive related party
Masada Technology Co., Ltd.	Substantive related party

(2) Significant transactions with related parties

(a) Sales

	The year ended December 31,	
	2023	2022
Income from sales of real property		
Other related parties	$-	$29,816

(b) Purchase:

	The year ended December 31,	
	2023	2022
Masada Technology Co., Ltd.	$5,407	$-

(c) Cost of construction in progress

	The year ended December 31,	
	2023	2022
Finance costs		
Pauguo Real Estate Management Co., Ltd.	$1,676	$3,390

(d) Administrative expenses

	The year ended December 31,	
	2023	2022
Miscellaneous expenses		
Pauguo Real Estate Management Co., Ltd.	$27	$41

(e) Notes payable

	As of	
	December 31, 2023	December 31, 2022
Notes payable		
Masada Technology Co., Ltd.	$2,087	$-

Key management personnel compensation

	The year ended December 31,	
	2023	2022
Short-term employee benefits	$11,483	$22,417

8. Assets pledged as security

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

Items	Secured liabilities	Carrying amount December 31, 2023	December 31, 2022
Inventory			
Available-for-sale land	Current borrowings	$20,266	$-
Available-for-sale housing	Current borrowings	43,260	-
Land held for construction site	Current burrowing, non-current borrowings	12,486,823	11,781,985
Construction in progress	Current burrowing, non-current borrowings	3,925,408	2,013,960
Property, plant and equipment			
Land	Current borrowings	94,331	94,331
Buildings	Current borrowings	17,081	18,610
Other equipment	Current borrowings	28	28
Other current financial assets	Trust account	666,511	784,447
Total		$17,253,708	$14,693,361

9. Significant contingencies and unrecognized contractual commitments

(1) As of December 31, 2023, the Group's guarantee notes received from the contractors and customers amounted to $4,388,230 thousand.

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

(3) As of December 31, 2023, the contracts the Company signed for the pre-sale of properties with customers amounted to $17,721,730 thousand (tax included), and $1,809,164 thousand (tax included) has been received according to the contract term and conditions.

(4) As of December 31, 2023, the total price of the contracts on the sale of the remaining housing units that the Group has signed with such units not handed over is $1,278,360 thousand, and the payments received as per the contracts amounted to $326,493 thousand.

(5) As of December 31, 2023, the Group signed material and construction contracts with contractors in the amount of $5,717,628 thousand, of which $2,557,838 thousand was unpaid.

(6) As of December 31, 2023, the total price of the land purchase contracts that the Group has signed with the ownership of the land not yet transferred in the amount of $118,141thousand, of which $81,858 thousand was unpaid.

(7) The Group has recorded a total of NT$14,048 thousand from forfeited penalties related to property sales due to contract breaches. In 2023, the buyer filed a lawsuit with the Shilin District Court, requesting the court to reduce the penalty amount to NT$0 and

also seeking the return of interest on the prepaid amount for the property. Consequently, the Group should pay NT$18,970 thousand. As of the reporting date of these financial statements, the case is still under review.

10. Losses due to major disasters

None.

11. Significant subsequent events

(1) In January 2024, the Company obtained approval from the Board of Directors to sign a contract with the subsidiary, Huajian, for undertaking the extra construction project of the Lejie Section A. The additional amount for the construction contract is NT$340,072 thousand.

(2) In January 2024, the Company obtained approval from the Board of Directors to sign a contract with the subsidiary, Huajian, for undertaking the extra construction project of Sanzuowu Section, Zhongli District, Taoyuan City. The additional amount for the construction contract amounted to NT$225,686 thousand.

(3) In March 2024, the Company obtained approval from the Board of Directors to sign a contract with the subsidiary, Huajian, for undertaking the extra construction project of Sanzuowu Section, Zhongli District, Taoyuan City. The additional amount for the construction contract amounted to NT$149,467 thousand.

12. Other

(1) Financial instruments

A. Categories of financial instruments

Financial assets

	As of	
	December 31, 2023	December 31, 2022
Financial assets measured at fair value through other comprehensive income		
Investments in designated equity instrument	$3,003	$2,530
Financial assets reassured at amortized cost		
Cash and equivalents (excluding cash on hand)	$1,114,378	$2,135,572
Notes receivable	10,390	9,281
Accounts receivables	385,649	306
Other receivables	3	-
Other financial assets	666,511	784,447
Guarantee deposits paid	8,526	28,633
Total	$2,185,457	$2,958,239

Financial liabilities

	As of	
	December 31, 2023	December 31, 2022
Financial liabilities at amortized cost		
Current borrowings	$4,115,776	$3,609,000
Short-term notes and bills payable	99,939	49,960
Notes payable	378,889	137,825
Accounts payable	247,927	98,919
Other payables	187,628	86,058
Long-term borrowings (including current portion)	5,719,935	4,845,935
Guarantee deposits received	1,700	3,592
Total	$10,751,794	$8,831,289
Leases liabilities	$738	$3,079

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 of the end of the reporting period. The Group's foreign currency risk is mainly related to the volatility in the exchange rates for USD. The information of the sensitivity analysis is as follows:

When NTD strengthens/weakens against foreign currency USD by 5%, the profit for the years ended December 31, 2023 and 2022 is increased/decreased by $0 thousand and $58 thousand, respectively, the equity increased/decreased by $88 thousand and $84 thousand, respectively.

<u>Interest rate risk</u>

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 years ended December 31, 2023 and 2022 to increase/decrease by $99,357 thousand and $85,049 thousand, respectively.

<u>Equity price risk</u>

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 unlisted equity securities measured at fair value through profit or loss could increase/decrease the Group's profit for the years ended December 31, 2023 and 2022 by $300 thousand and $253 thousand, respectively.

Please refer to Note 12.(8) 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 trade receivables and notes receivable) 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 counterparties 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 or 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, fixed 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, bank borrowings 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	1 to 3 years	3 to 5 years	over 5 years	Total amount
As of December 31, 2023					
Current borrowings	$1,973,448	$2,259,937	$-	$-	$4,233,385
Short-term notes and bills payable	100,061	-	-	-	100,061
Accounts and other payables	814,444	-	-	-	814,444
Long-term borrowings (including current portion)	271,922	4,105,243	1,656,642	-	6,033,807
Leases liabilities	738	-	-	-	738
Guarantee deposits received	876	824	-	-	1,700
As of December 31, 2022					
Current borrowings	$2,566,491	$1,113,302	$-	$-	$3,679,793
Short-term notes and bills payable	50,040	-	-	-	50,040
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
Leases liabilities	2,345	734	-	-	3,079
Guarantee deposits received	2,509	1,083	-	-	3,592

(6) Reconciliation of liabilities arising from financing activities

Reconciliation of liabilities for the years ended December 31, 2023:

	Current borrowings	Short-term notes and bills payable	Long-term borrowings	Leases liabilities	Guarantee deposits received	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	506,776	49,979	874,000	(2,398)	(1,892)	1,426,465
Non-cash changes	-	-	-	57	-	57
As of December 31, 2023	$4,115,776	$99,939	$5,719,935	$738	$1,700	$9,938,088

Reconciliation of liabilities for the years ended December 31, 2022:

	Current borrowings	Short-term notes and bills payable	Long-term borrowings	Leases liabilities	Guarantee deposits received	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	(381,721)	(38)	738,851	(2,380)	2,425	357,137
Non-cash changes	-	-	-	75	-	75
As of December 31, 2022	$3,609,000	$49,960	$4,845,935	$3,079	$3,592	$8,511,566

(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, trade 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.(8) for fair value measurement hierarchy for financial instruments of the Group.

(8) 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 December 31, 2023

	Level 1	Level 2	Level 3	Total
Financial assets:				
Financial assets at fair value through other comprehensive income				
Unlisted stocks	$-	$-	$3,003	$3,003

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

Transfers between Level 1 and Level 2 during the period

During the years ended December 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
	Measured at fair value through other comprehensive income
	Stocks
Beginning balances as of January 1, 2023	$2,530
Total gains and losses recognized for the years ended December 31, 2023:	
Amount recognized in OCI (presented in "Unrealized gains (losses) from equity instruments investments measured at fair value through other comprehensive income)	473
Acquisition/issues for the years ended December 31, 2023	-
Disposal/settlements for the years ended December 31, 2023	-
Transfer in/(out) of Level 3	-
Ending balances as of December 31, 2023	$3,003

	Assets
	Measured at fair value through other comprehensive income
	Stocks
Beginning balances as of January 1, 2022	$3,187
Total gains and losses recognized for the years ended December 31, 2022:	
Amount recognized in OCI (presented in "Unrealized gains (losses) from equity instruments investments measured at fair value through other comprehensive income)	(657)
Acquisition/issues for the years ended December 31, 2022	-
Disposal/settlements for the years ended December 31, 2022	-
Transfer in/(out) of Level 3	-
Ending balances as of December 31, 2022	$2,530

Total gains and losses recognized in profit or loss for the years ended December 31, 2023 and 2022 in the Table above confine gains and losses related to assets on hands as of December 31, 2023 and 2022 in the amount of $473 thousand and $(657) 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 December 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	40%	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 $500 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	40%	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

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 of the Group's assets and liabilities not measured at fair value but for which the fair value is disclosed

As of December 31, 2023:

None

As of December 31, 2022:

None

(9) Significant assets and liabilities denominated in foreign currencies

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

(In thousands of New Taiwan Dollar)

	As of December 31, 2023		
	Foreign currency	Foreign exchange rate	NTD
Financial assets			
Monetary items:			
USD	$57	30.705	$1,761

	As of December 31, 2022		
	Foreign currency	Foreign exchange rate	NTD
Financial assets			
Monetary items:			
USD	$38	30.710	$1,166
Monetary items:			
USD	55	30.710	1,675

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

(10) 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 sheet less cash and cash equivalents. Total capital is the total component of equity (i.e., share capital, capital surplus, retained earnings, other equity interest, and noncontrolling 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	
	December 31, 2023	December 31, 2022
Total liabilities	$13,049,787	$9,799,367
Less: Cash and cash equivalents	(1,114,378)	(2,135,572)
Net liabilities	11,935,409	7,663,795
Total equity	10,678,142	10,518,533
Capital after adjustment	22,613,551	$18,182,328
Debt-to-capital ratio	52.78%	42.15%

13. Additional Disclosure

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

No.	Items	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 $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.	Table 5
9	Derivatives instruments transactions.	None
10	Significant intercompany transactions between consolidated entities.	Table 6

(2) Information on investees: Please refer to Table 7 for more details.

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

(4) Information on major shareholders: Please refer to Table 8 for more details.

14. Segment information

For management purposes, the Group is organized into business units based on their products and services and has three reportable operating segments as follows:

(1) Construction Department: This department is mainly responsible for entrusting construction contractors and developing public residential housing and commercial buildings for lease or sale.

(2) Movable and Immovable Property Investment and Development Department: Primarily responsible for the development, leasing, and sale of residential properties and buildings, as well as the development of specialized districts.

(3) Building Department: This department is responsible for contracting, managing,

and investing in civil and architectural engineering projects.

No operating segments have been aggregated to form the above reportable operating segments.

Management monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on pretax operating profit or loss and is measured based on significant accounting policies information consistent with those in the consolidated financial statements. However, income taxes are managed on a group basis and are not allocated to operating segments.

Transfer pricing between operating segment are on an arm's length basis in a manner similar to transactions with third parties.

A. Information on the reportable segment's profit or loss, assets, and liabilities

	For the year ended December 31, 2023				
	Construction Department	Movable and Immovable Property Investment and Development Department	Building Department	Adjustment and elimination	Total amount
Revenue					
Net revenue from external customers	$1,942,869	$8,584	$-	$-	$1,951,453
Net intersegment Revenue	314	-	1,783,192	(1,783,506)	-
Total revenue	$1,943,183	$8,584	$1,783,192	$(1,783,506)	$1,951,453
Segment profit	$648,058	$(17,869)	$45,105	$(25,472)	$649,822
Segment assets	$22,820,353	$1,327,629	$1,038,249	$(1,458,302)	$23,727,929
Segment liabilities	$12,375,081	$778,571	$651,590	$(755,455)	$13,049,787

Reconciliation and elimination eliminated inter-segment income, profit and loss, and departmental assets and liabilities.

	For the year ended December 31, 2022				
	Construction Department	Movable and Immovable Property Investment and Development Department	Building Department	Adjustment and elimination	Total amount
Revenue					
Net revenue from external customers	$1,985,844	$8,437	$-	$-	$1,994,281
Net intersegment revenue	314	-	1,104,964	(1,105,278)	-
Total revenue	$1,986,158	$8,437	$1,104,964	$(1,105,278)	$1,994,281
Segment profit	$404,537	$(14,847)	$29,053	$(14,500)	$404,243
Segment assets	$19,196,302	$1,330,169	$601,032	$(809,603)	$20,317,900
Segment liabilities	$8,918,079	$763,242	$243,442	$(125,396)	$9,799,367

Reconciliation and elimination eliminated inter-segment income, profit and loss, and departmental assets and liabilities.

B. Reconciliation for reportable segment revenue, profit or loss, assets, liabilities, and other significant items

The external revenue, segment profit or loss, and total assets provided to the chief operating decision maker are measured using the same methods as those used in the financial statements for revenue, net profit after tax, and total assets, thus no adjustments are required.

C. Geographical Information: The Group does not have any foreign operating segments.

D. Significant Customer Information: The property is sold (or leased) to the general consumer market, therefore, there is no principal customer.

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	$2,089,054	$100,000	$100,000	$100,000	$-	0.96%	$5,222,636	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.

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	December 31,2023				Note
					Share/ Units	Carrying Value	Percentage of ownership (%)	Fair value	
The Company	Stock	Vincera Growth Capital II Limited	None	Non-current financial assets at fair value through other comprehensive income	60,000	$1,761	5.24%	$1,761	
The Company	Stock	Hwa Chi Venture Capital Co., Ltd.	None	Non-current financial assets at fair value through other comprehensive income	7,816	1,242	1.56%	1,242	
						$3,003		$3,003	

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	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
The Company	Land serial No. 178, Lejie Section, Guishan District, Taoyuan City.	2023.07.07 (Signing date)	$351,520	Installment by agreement	Individual surnamed Hsiao	Non-related party	-	-	-	-	1. Refer to the report of a professional real estate appraiser. 2. Negotiation by two parties.	Construction & Building	None
The Company	Land serial No. 1115, Yixin Section, Fengyuan District, Taichung City	2023.10.27	$966,999	In accordance with tender payment terms	Taichung City Government	Non-related party	-	-	-	-	Government open bidding	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 /Sale	Amount	% to Total	Payment Term	Unit price	Credit period	Ending Balance	% to Total	
The Company	Huajian	Subsidiary	Purchase	$1,703,229	37.33% (Individual financial statements)	Installment payment in accordance with the contract	-	-	$(755,336)	87.72%	Note 4
Huajian	The Company	Parent company	Sale	(1,783,192)	100% (Individual financial statements)	Payment collected as per the schedule in contracts	-	-	755,336	100%	Note 5

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: Receivables from related parites amounting to 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	Ending Balance <Note1>	Turover Ratio	Overdue		Amounts Received in Subsequent Period	Allowance for Bad Debts
					Amount	Action Taken		
Huajian	The Company	Parent Company	$755,336	-	$-	-	$569,447	$-

<Note1> Please fill in the column according to the respective categories of accounts receivable from related parties, notes receivable, other receivables, etc.

<Note2> The paid-in capital refers to the paid-in capital of the parent company. If the issuer's stocks have no par value or a per-share par value of less than NTD 10, the 20% transaction amount rule regarding paid-in capital shall be calculated based on 10% of the equity attributable to the owners of the parent company on the balance sheet.

<Note3> Eliminated upon consolidation.

Table 6: 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 Item	Amount	Terms	Percentage of Consolidated Net Revenue or Total Assets
1	Huajian	The Company	2	Contract assets	$235,299	Note 4	0.99%
1	Huajian	The Company	2	Notes receivable and accounts receivable	755,336	Note 4	3.18%
1	Huajian	The Company	2	Operating revenue	1,783,192	Note 4	91.38%

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 7: 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 and products	Original Investment Amount		Balance at The End of Period			Net Income (Loss) of The Investee	Share of Profits (Loss) of Investee	Remark
				December 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%	$320,430	$(17,869)	$(10,428)	
The Company	Huajian	16F, No. 460, Section 5, Chenggong Road, Neihu District, Taipei City	Construction business, Development, sales, and rental business, and Wholesale of Building Materials	339,000	339,000	35,000	100.00%	312,838	35,900	(1,268)	

Table 8: Information on major shareholders

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

Shares / Major shareholders	Total shares owned	Ownership percentage
Chia Chun Investment Co., Ltd.	267,223	31.81%
Da Shuo Investment Co., Ltd.	49,723	5.91%

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.

5. Individual Financial Statement in the Most Recent Year Audited by the CPAs

Independent Auditors' Audit Report

To Delpha Construction Co., Ltd.

Opinion

We have audited the accompanying parent company only balance sheets of Delpha Construction Co., Ltd. (the "Company") as of December 31, 2023, and the related Parent Company Only Statements of Comprehensive Income, changes in equity and cash flows for the years ended December 31, 2023, and notes to the parent company only financial statements, including the summary of significant accounting policies (together "the parent company only financial statements").

In our opinion, the parent company only financial statements referred to above present fairly, in all material respects, the financial position of the Company as of December 31, 2023, and its financial performance and cash flows for the years ended December 31, 2023, in conformity with the requirements of the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Financial Reporting Standards, International Accounting Standards, Interpretations developed by the International Financial Reporting Interpretations Committee or the former Standing Interpretations Committee as endorsed by Financial Supervisory Commission of the Republic of China.

Basis for Opinion

We conducted our audits in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and Standards on Auditing of the Republic of China. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Parent Company Only Financial Statements section of our report. We are independent of the Company in accordance with the Norm of Professional Ethics for Certified Public Accountant of the Republic of China (the "Norm"), and we have fulfilled our other ethical responsibilities in accordance with the Norm. Based on our audits, we believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

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

Valuation of inventories

The inventories of Delpha Construction Co., Ltd. mainly consist of land held for constructionsite, construction in progress, and land and buildings held for sale. As of December 31, 2023, the net inventories of Delpha Construction Co., Ltd. was NT$19,197,265 thousand, representing approximately 84% of the total assets, which is significant for the parent company only financial statements. Additionally, due to the real estate development industry being susceptible to various factors such as policies, tax reform, and market conditions, the management faced a higher level of difficulty and risk in inventory valuation. We considered the valuation of inventories to be significant for the consolidated financial statements and have therefore determined this a key audit matter for this fiscal year.

Our audit procedures included (but were not limited to) evaluating the appropriateness of the inventory valuation accounting policies; obtaining the net realizable value estimation data and investment return analysis for projects of Delpha Construction Co., Ltd. which included appraisal reports provided by professional institutions. We assessed the professional competence, qualification, and objectivity of the external experts appointed by the Company, and understood and evaluated the valuation methods and key assumptions and parameters used in the appraisal reports. For parts not covered by professional institution appraisals, we selected samples to reference contracts of presold properties, researched recent actual transaction prices, and compared them with market transaction prices of similar properties in nearby areas (which included the real estate transaction price inquiry service from the Ministry of the Interior and real estate brokerage websites) to assess the reasonableness of the allowance for inventory losses. Additionally, we considered the appropriateness of the disclosures regarding inventory valuation in Notes 5 and 6 of the consolidated financial statements.

Sales Revenue and cost recognition

Delpha Construction Co., Ltd. primarily engage in the business of commissioning construction contractors to build public residential housing and commercial buildings, which are then presold. As the revenue recognition from the sale of properties by Delpha Construction Co., Ltd. involves determining the point in time when control is transferred to the customer, and given that revenue from property sales constitutes a significant proportion of the operating revenue and has a substantial impact on the parent company only financial statements, we have determined this to be a key audit matter.

The audit procedures for the revenue recognition of property sales by Delpha Construction Co., Ltd. which included (but were not limited to) evaluating the appropriateness of the accounting policy for revenue recognition from property sales; understanding the revenue recognition process of the property transactions during the audit of internal controls and performing tests of control points to confirm their effectiveness; selecting samples to perform test of details of transactions, as well as reviewing significant terms of property sale contracts to identify performance obligations; examining property transfer and handover documentation to confirm the completion of the transfer of ownership, while also verifying transaction terms and matching them with corresponding documents to ascertain the appropriateness of the timing of revenue recognition upon satisfaction of performance obligations through the transfer of control.

We also assessed whether Delpha Construction Co., Ltd. have appropriately disclosed information related to the revenue recognition from property sales in the parent company only financial statements, as detailed in Notes 4 and 6 of the parent company only financial statements.

Other Matters - Audited by Other Accountants in Prior Period

The parent company only financial statements of Delpha Construction Co., Ltd. for the period from January 1, 2022, to December 31, 2022, were audited by other accountants who issued an unqualified audit report on March 15, 2023.

Responsibilities of Management and Those Charged with Governance for the Parent Company Only Financial Statements

Management is responsible for the preparation and fair presentation of the parent company only financial statements in accordance with the requirements of the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Financial Reporting Standards, International Accounting Standards, Interpretations developed by the International Financial Reporting Interpretations Committee or the former Standing Interpretations Committee as endorsed by Financial Supervisory Commission of the Republic of China and for such internal control as management determines is necessary to enable the preparation of parent company only financial statements that are free from material misstatement, whether due to fraud or error.

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

Those charged with governance, including audit committee or supervisors, are responsible for overseeing the financial reporting process of the Company.

Auditor's Responsibilities for the Audit of the Parent Company Only Financial Statements

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

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

1. Identify and assess the risks of material misstatement of the parent company only financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control of the Company.

3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

4. Conclude on the appropriateness of management's use of the going concern basis of accounting, and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability to continue as a going concern of the Company. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the parent company only financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

5. Evaluate the overall presentation, structure and content of the parent company only financial statements, including the accompanying notes, and whether the parent company only financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

6. Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the parent company only financial statements. We are responsible for the direction, supervision and performance of the Company audit. We remain solely responsible for our audit opinion.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of 2023 parent company only financial statements and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Lin, Su-Wen

Huang, Chien-Che

Ernst & Young, Taiwan

March 29, 2024

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.
PARENT COMPANY ONLY BALANCE SHEETS
December 31, 2023 and 2022

(In Thousands of New Taiwan Dollars)

			December 31, 2023		December 31, 2022	
Code	Assets	Note	Amount	%	Amount	%
	Current assets					
1100	Cash and cash equivalents	4.(5), 6.(1)	$1,065,780	5	$1,810,562	9
1150	Notes receivable, net	4.(6), 6.(3)	6,838	-	5,725	-
1170	Accounts receivable, net	4.(6), 6.(4)	385,649	2	300	-
1220	Current tax assets		421	-	595	-
130x	Inventories	4.(8), 6.(6)	19,197,265	84	15,404,870	81
1410	Prepayments		318,720	1	218,298	1
1476	Other current financial assets	4.(6), 6.(8)	666,511	3	784,447	4
1479	Other current assets-others		5,009	-	950	-
1480	Current assets recognized as incremental costs to obtain contract with customers	4.(16), 6.(15)	460,791	2	169,767	1
11xx	Total current assets		22,106,984	97	18,395,514	96
	Non-current assets					
1517	Non-current financial assets at fair value through other comprehensive income	4.(6), 6.(2)	3,003	-	2,530	-
1550	Investments accounted for using the equity method	4.(9), 6.(7)	633,268	3	651,795	4
1600	Property, plant and equipment	4.(10), 6.(9)	54,981	-	57,534	-
1755	Right-of-use assets	4.(11), 6.(17)	59	-	387	-
1840	Deferred tax assets	4.(20), 6.(21)	1,376	-	47,888	-
1915	Prepayments for equipment		470	-	-	-
1920	Guarantee deposits paid		7,525	-	28,267	-
1975	Net defined benefit assets-non-current	4.(19), 6.(12)	7,135	-	6,835	-
1990	Other non-current assets-others		5,552	-	5,552	-
15xx	Total non-current assets		713,369	3	800,788	4
1xxx	Total assets		$22,820,353	100	$19,196,302	100

(Please refer to the accompanying notes to the parent company only financial statements)

Delpha Construction Co., Ltd.
PARENT COMPANY ONLY BALANCE SHEETS (Continued)
December 31, 2023 and 2022

(In Thousands of New Taiwan Dollars)

			December 31, 2023		December 31, 2022	
Code	Liabilities and Equity	Note	Amount	%	Amount	%
	Current liabilities					
2100	Short-term borrowings	4.(17), 6.(10),8	4,088,935	18	$3,584,000	19
2130	Current contract liabilities	4.(16), 6.(15)	2,143,844	10	948,965	5
2150	Notes payable		84,430	-	19,160	-
2160	Notes payable - Related parties	7.(6)	290,086	1	124,756	1
2170	Accounts payable		21,352	-	37,713	-
2180	Accounts payable- Related parties	7.(7)	465,250	2	-	-
2200	Other payable		161,980	1	77,113	-
2230	Current tax liabilities	4.(20)	89,426	-	-	-
2250	Current provisions	4.(15), 6.(13)	831	-	980	-
2280	Current lease liabilities	4.(12), 6.(17)	60	-	393	-
2310	Advance receipts		194	-	1,157	-
2320	Long-term borrowings, current portion	4.(17), 6.(11),8	3,992,055	18	3,499,555	18
2399	Other current liabilities-others		52,614	-	4,872	-
21xx	Total current liabilities		11,391,057	50	8,298,664	43
	Non-current liabilities					
2540	Long-term borrowings	4.(17), 6.(11),8	984,000	4	617,500	3
2645	Guarantee deposits received		24	-	1,915	-
25xx	Total non-current liabilities		984,024	4	619,415	3
2xxx	Total liabilities		12,375,081	54	8,918,079	46
31xx	Equity attributable to owners of parent					
3100	Common shares	6.(14)				
3110	Ordinary shares		8,399,880	37	8,399,880	44
3200	Capital surplus	6.(14)	1,257,440	6	1,257,084	7
3300	Retained earnings	6.(14)				
3310	Legal reserve		275,584	1	237,247	1
3350	Unappropriated retained earnings		511,255	2	383,372	2
	Total retained earnings		786,839	3	620,619	3
3400	Other equity		1,113	-	640	-
3xxx	Total equity		10,445,272	46	10,278,223	54
	Total liabilities and equity		$22,820,353	100	$19,196,302	100

(Please refer to the accompanying notes to the parent company only financial statements)

Delpha Construction Co., Ltd.
PARENT COMPANY ONLY STATEMENTS OF COMPREHENSIVE INCOME
For years ended December 31, 2023 and 2022

(In Thousands of New Taiwan Dollars)

Code	Item	Notes	For the year ended December 31, 2023		For the year ended December 31, 2022	
			Amount	%	Amount	%
4000	Operating revenue	4.(16), 6.(15),7.(1)	$1,943,183	100	$1,986,158	100
5000	Operating costs	6.(6),7.(2)	(1,118,972)	(58)	(1,360,861)	(69)
5900	Gross profit from operating		824,211	42	625,297	31
6000	Operating expenses	7.(4)				
6100	Selling expenses		(97,828)	(5)	(116,868)	(6)
6200	Administrative expenses		(91,616)	(5)	(101,172)	(5)
	Total operating expenses		(189,444)	(10)	(218,040)	(11)
6900	Net operating income		634,767	32	407,257	20
7000	Non-operating income and expenses					
7010	Other income	6.(19)	17,435	1	9,330	-
7100	Interest income	6.(19)	10,710	1	4,353	-
7020	Other gains and losses	6.(19)	(3,147)	-	5,932	-
7050	Financial costs	6.(19)	(11)	-	(703)	-
7070	Share of profit or loss of subsidiaries, associates, and joint ventures accounted for using the equity method		(11,696)	(1)	(21,632)	(1)
	Total non-operating income and expenses		13,291	1	(2,720)	(1)
7900	Profit before tax		648,058	33	404,537	19
7950	Income tax benefit (expense)	4.(20), 6.(21)	(137,015)	(7)	47,115	2
8200	Net profit		511,043	26	451,652	21
8300	Other comprehensive income	4.(6), 6.(20)				
8310	Components of other comprehensive income that will not be reclassified to profit or loss:					
8311	Remeasurements of defined benefit plans		212	-	2,740	-
8316	Unrealized gains (losses) from investments in equity instruments measured at fair value through other comprehensive income		473	-	(657)	-
	Total other comprehensive income, net of tax		685	-	2,083	-
8500	Total comprehensive income		$511,728	26	$453,735	21
	Earnings per share (in dollars)	6.(22)				
9750	Basic earnings per share		$0.61		$0.56	
9850	Diluted earnings per share		$0.61		$0.56	

(Please refer to the accompanying notes to the parent company only financial statements)

Delpha Construction Co., Ltd.

PARENT COMPANY ONLY STATEMENTS OF CHANGES IN EQUITY

For year ended December 31, 2023 and 2022

(In Thousands of New Taiwan Dollars)

Item	Ordinary shares	Capital surplus	Retained earnings: Legal reserve	Retained earnings: Unappropriated retained earnings (accumulated profit or loss)	Other equity interest items: Unrealized gain (loss) on financial assets at fair value through other comprehensive income	Total equity
Balance as of January 1, 2022	$7,207,525	$1,018,613	$237,247	$(71,020)	$1,297	$8,393,662
Net profit	-	-	-	451,652	-	451,652
Other comprehensive income	-	-	-	2,740	(657)	2,083
Total comprehensive income	-	-	-	454,392	(657)	453,735
Issue of shares	1,192,355	238,471	-	-	-	1,430,826
Balance on December 31, 2022	$8,399,880	$1,257,084	$237,247	$383,372	$640	$10,278,223
Balance as of January 1, 2023	$8,399,880	$1,257,084	$237,247	$383,372	$640	$10,278,223
Legal reserve appropriated	-	-	38,337	(38,337)	-	-
Cash dividends of ordinary share	-	-	-	(345,035)	-	(345,035)
Capital surplus transferred from unclaimed dividends	-	356	-	-	-	356
Net profit	-	-	-	511,043	-	511,043
Other comprehensive income	-	-	-	212	473	685
Total comprehensive income	-	-	-	511,255	473	511,728
Balance on December 31, 2023	$8,399,880	$1,257,440	$275,584	$511,255	$1,113	$10,445,272

(Please refer to the accompanying notes to the parent company only financial statements)

Delpha Construction Co., Ltd.
PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS
For the years ended December 31, 2023 and 2022

(In Thousands of New Taiwan Dollars)

Item	For the year ended December 31, 2023	For the year ended December 31, 2022
Cash flows from operating activities:		
Profit before tax	$648,058	$404,537
Adjustments:		
Adjustments to reconcile profit (loss):		
Depreciation expense	3,470	3,318
Amortization expense	212	227
Interest income	(10,710)	(4,353)
Dividend income	(1,393)	(1,747)
Interest expense	11	703
Share of losses of subsidiaries, associates, and joint ventures accounted for using the equity method	11,696	21,632
Changes in operating assets and liabilities:		
Decrease (increase) in notes receivable	(1,113)	(4,074)
Decrease (increase) in accounts receivable	(385,349)	(300)
Decrease (increase) in inventories	(3,573,216)	(2,802,570)
Decrease (increase) in prepayments	(100,634)	(113,798)
Decrease (increase) in other financial assets	117,936	(627,408)
Decrease (increase) in other current assets	(4,059)	-
Decrease (increase) in net defined benefit assets	(88)	(188)
Decrease (increase) in assets recognized as incremental costs to obtain contract with customers	(291,024)	-
Increase (decrease)in contract liabilities	1,194,879	416,506
Increase (decrease)in notes payable	65,270	(7,237)
Increase (decrease) in notes payable-relatedparties	165,330	97,044
Increase (decrease) in accounts payable-relatedparties	465,250	-
Increase (decrease) in accounts payable	(16,361)	(26,740)
Increase (decrease) in other payable	82,926	59,105
Increase (decrease) in provisions	(149)	(10)
Increase (decrease) in receipts in advance	(963)	(25,338)
Increase (decrease) in other current liabilities	47,742	2,789
Other adjustments to reconcile loss	(5)	-
Cash inflow (outflow) generated from operations	(1,582,284)	(2,607,902)
Interest received	10,710	4,353
Interest paid	(217,244)	(150,914)
Dividends received	8,224	1,747
Income taxes refund (paid)	(903)	(1,143)
Net cash flows from (used in) operating activities	(1,781,497)	(2,753,859)
Cash flows from investing activities:		
Acquisition of property, plant and equipment	(564)	(2,565)
Decrease (increase) in guarantee deposits paid	20,742	10,373
Decrease (increase) in prepayments for equipment	(470)	-
Net cash flows from (used in) investing activities	19,708	7,808
Cash flows from financing activities:		
Increase (decrease) in short-term borrowings	504,935	(398,721)
Proceeds from long-term borrowings	884,000	784,951
Repayment of long-term borrowings	(25,000)	(60,000)
Increase (decrease) in guarantee deposits received	(1,891)	1,786
Repayments of lease liabilities	(358)	(340)
Cash dividends paid	(345,035)	-
Proceeds from issuing shares	-	1,430,826
Other financing activities	356	-
Net cash flows from (used in) financing activities	1,017,007	1,758,502
Net increase (decrease) in cash and cash equivalents	(744,782)	(987,549)
Cash and cash equivalents at the beginning of period	1,810,562	2,798,111
Cash and cash equivalents at the end of period	$1,065,780	$1,810,562

(Please refer to the accompanying notes to the parent company only financial statements)

Delpha Construction Co., Ltd
NOTES TO PARENT COMPANY ONLY FINANCIAL STATEMENTS
For the Years Ended December 31, 2023 and 2022
(Amounts in Thousands of New Taiwan Dollars, Unless Otherwise Stated)

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 parent company only financial statements for the years ended December 31, 2023 and 2022 were authorized for issue by the Board of Directors on March 29, 2024.

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 Company has adopted International Financial Reporting Standards, International Accounting Standards, interpretations or explanatory announcements recognized by the Financial Supervisory Commission (hereinafter referred to as the FSC) and applicable for accounting years commencing on or after January 1, 2023. The initial application of these new and amended standards has not had a significant impact on the Company.

(2) Standards or interpretations issued, revised or amended, by International Accounting Standards Board (“IASB”) which are endorsed by FSC, and not yet adopted by the Company 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	Classification of Liabilities as Current or Non-current – Amendments to IAS 1	January 1, 2024
b	Lease Liability in a Sale and Leaseback – Amendments to IFRS 16	January 1, 2024
c	Non-current Liabilities with Covenants – Amendments to IAS 1	January 1, 2024
d	Supplier Finance Arrangements – Amendments to IAS 7 and IFRS 7	January 1, 2024

(a) 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.

(b) 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.

(c) 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 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.

(d) Supplier Finance Arrangements – Amendments to IAS 7 and IFRS 7

The amendments introduced additional information of supplier finance arrangements and added disclosure requirements for such arrangements.

The abovementioned standards and interpretations were issued by IASB and endorsed by FSC so that they are applicable for annual periods beginning on or after January 1, 2024. The new or admended standards and interpretations have no material impact on the Company.

(3) Standards or interpretations issued, revised, or amended, by IASB which are not endorsed by FSC, and not yet adopted by the Company 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 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	Lack of Exchangeability – Amendments to IAS 21	January 1, 2025

(a) IFRS 10 “Consolidated Financial Statements” and 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 January 1, 2023 (from the original effective date of January 1, 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 January 1, 2023.

(c) Lack of Exchangeability – Amendments to IAS 21

These amendments specify whether a currency is exchangeable into another currency and, when it is not, to determining the exchange rate to use and the disclosures to provide. The amendments apply for annual reporting periods beginning on or after January 1, 2025.

The abovementioned standards and interpretations issued by IASB have not yet been endorsed by FSC at the date when the Company's financial statements were authorized for issue, the local effective dates are to be determined by FSC. The remaining new or amended standards and interpretations have no material impact on the Company.

4. Summary of significant accounting policies information

(1) Statement of compliance

The parent company only financial statements of the Company for the years ended December 31, 2023 and 2022 have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers ("the Regulations").

(2) Basis of preparation

The Company prepares the parent company only financial statements based on the Regulations Governing the Preparation of Financial Reports by Securities Issuers. According to the provisions of Article 21, the profit or loss during the period and other comprehensive income presented in parent company only financial reports shall be the same as the allocations of profit or loss during the period and of other comprehensive income attributable to owners of the parent presented in the financial reports prepared on a consolidated basis, and the owners' equity presented in the parent company only financial reports shall be the same as the equity attributable to owners of the parent presented in the financial reports prepared on a consolidated basis. Therefore, the investment of subsidiaries is expressed as "investment using the equity method" and adjusted for necessary evaluation.

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

(3) Foreign currency transactions

The Company's parent company only financial statements are presented in NT$, which is also the Company's functional currency.

Transactions in foreign currencies are initially recorded by the Company 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.

(4) Current and non-current distinction

An asset is classified as current when:

(a) The Company expects to realize the asset, or intends to sell or consume it, in its normal operating cycle.
(b) The Company holds the asset primarily for the purpose of trading.
(c) The Company 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 Company expects to settle the liability in its normal operating cycle.
(b) The Company 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 Company 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 Company 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.

(5) 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.

(6) Financial instruments

Financial assets and financial liabilities are recognized when the Company 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 not at fair value through profit or loss, directly attributable transaction costs.

A. Financial assets: Recognition and Measurement

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

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

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 note receivables, accounts receivables, financial assets measured at amortized cost and other receivables etc., on balance sheet as of the reporting date:

(a) The financial asset is held within a business model whose objective is to hold financial assets 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 asset 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 Company 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 Company 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 Company 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 Company 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 Company 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.

B. Impairment of financial assets

The Company recognizes a loss allowance for expected credit losses on debt instrument investments measured at fair value through other comprehensive income and financial asset 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 Company 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 measures as follow:

(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 Company 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 Company measures the loss allowance at an amount equal to the lifetime expected credit losses.
(d) For lease receivables arising from transactions within the scope of IFRS 16, the Company measures the loss allowance at an amount equal to the lifetime expected credit losses.

At each reporting date, the Company 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.

C. Derecognition of financial assets

A financial asset is derecognized when:

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

D. Financial liabilities and equity

Classification between liabilities or equity

The 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 Company evaluates the terms of the convertible bonds issued to determine whether it contains both a liability and an equity component. Furthermore, the Company 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 “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.

Financial liabilities

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 of 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 of 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 Company 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.

E. 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.

(7) 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 Company.

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 Company 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.

(8) 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 Company 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.

The Company's contract incremental cost is the commission generated by entering into the presold house contracts. When the customers enter into the presold contract, the Company has not fulfilled the performance obligation because the goods promised have not been transferred to the customer. According IFRS 15, the sales commission is the incremental cost of concluding the presold house contract. When the performance obligation is met by transferring the house to the customer, the incremental cost of concluding the contract is amortized.

(9) Investments accounted for using the equity method

The Company'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 Company 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 Company'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 Company 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 Company and the associate or joint venture are eliminated to the extent of the Company'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 affect the Company's percentage of ownership interests in the associate or joint venture, the Company 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 Company 's interest in an associate or a joint venture is reduced or increased as the Company 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 Company disposes the associate or joint venture.

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

The Company 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 Company 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 Company estimates:

(a) 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 or joint venture and the proceeds on the ultimate disposal of the investment; or
(b) 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 Company 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 Company continues to apply the equity method and does not remeasure the retained interest.

The investment in a subsidiary is presented according to “Rule Governing the Preparation of Financial Statements 21 by Securities Issuers”. Therefore, profit for the year and other comprehensive income for the year reported in the parent company only financial statements, shall be equal to profit for the year and other comprehensive income attributable to owners of the parent reported in the consolidated financial statements, equity reported in the parent company only financial statements shall be equal to equity attributable to owners of parent reported in the consolidated financial statements. According to IFRS 10 — Consolidated Financial Statements , agreeing with the amount of net income, other comprehensive income and equity attributable to shareholders of the parent in the consolidated financial statements, the differences of the accounting treatment between the parent company only basis and the consolidated basis are adjusted under the heading of investments accounted for using equity method, share of profits of subsidiaries and associates and share of other comprehensive income of subsidiaries and associates in the parent company only financial statements.

(10) 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 Company 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.

(11) Investment property

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

The Company transfers to or from investment properties when there is a change in use for these assets. Properties are transferred 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.

(12) Leases

The Company 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 Company assesses whether, throughout the period of use, has both of the following:

(a) The right to obtain substantially all of the economic benefits from 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 Company 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 Company 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 Company for that component, or a similar component, separately. If an observable stand-alone price is not readily available, the Company estimates the stand-alone price, maximizing the use of observable information.

Company as a lessee

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

At the commencement date, the Company 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 Company 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 of 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 Company 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 Company 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 Company 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 Company measures the right-of-use asset at cost less any accumulated depreciation and any accumulated impairment losses. That is, the Company measures the right-of-use applying a cost model.

If the lease transfers ownership of the underlying asset to the Company by the end of the lease term or if the cost of the right-of-use asset reflects that the Company will exercise a purchase option, the Company depreciates the right-of-use asset from the commencement date to the end of the useful life of the underlying asset. Otherwise, the Company 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 Company 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 Company accounted for as short-term leases or leases of low-value assets, the Company presents right-of-use assets and lease liabilities in the balance sheet and separately presents lease-related interest expense and depreciation charge in the statements comprehensive income.

For short-term leases or leases of low-value assets, the Company 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.

Company as a lessor

At inception of a contract, the Company 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 Company recognizes assets held under a finance lease in its balance sheet and present 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 Company allocates the consideration in the contract applying IFRS 15.

The Company 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.

(13) 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.

(14) Impairment of non-financial assets

The Company assesses at the end of each reporting period whether there is any indication that an asset 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 Company 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 Company 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.

(15) Provisions

Provisions are recognized when the Company 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 Company 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.

(16) Revenue recognition

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

The Company 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 Company. However, the Company has the legally enforceable right to payment only after the transfer of the ownership to the customers. Therefore, the Company 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 Company 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 Company, the Company 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 Company recognizes the incremental costs (mainly comprised of sales commissions) of obtaining a contract with a customer as an asset if the Company expects to recover those costs. The assets are amortized on a systematic basis that is consistent with the Company's revenue recognition. The Company recognizes an impairment loss to the extent that the carrying amount of the assets exceeds the remaining amount of consideration that the Company 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.

(17) 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.

(18) 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 Company 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.

(19) Post-employment benefits

All regular employees of the Company is 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. Therefore, fund assets are not included in the parent company only 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 obligations and costs based on actuarial assumptions. Re-measurements, 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 Company 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.

(20) Income tax

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

Current income tax

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.

Deferred tax

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 entity, affects neither the accounting profit nor taxable profit or loss at the time of the transaction, and does not give rise to equal taxable and deductible temporary differences and at the time of the transaction.
(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 ONLY entity, affects neither the accounting profit nor taxable profit or loss at the time of the transaction, and does not give rise to equal taxable and deductible temporary differences at the time of the transaction.
(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 Company 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.

According to the temporary exception provided in the Amendments to IAS 12 "International Tax Reform-Pillar Two Model Rules," the deferred tax assets and liabilities related to Pillar Two income tax is not be recognized, and their related information is not disclosed.

(21) Business combinations and goodwill

Business Entity is 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 Company 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 entity 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 arising from a business combination is allocated from the acquisition date to each of the cash-generating units of the group that is expected to benefit from the synergies of the combination, regardless of whether other assets or liabilities of the acquiree are attributed to those cash-generating units. Each unit or group of units to which the goodwill is so allocated represents the lowest level within the Company 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 parent company only financial statements require management to make judgments, 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 assumption and estimate could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in future periods.

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.

(1) Valuation of inventory

Inventories are stated at the lower of cost or net realizable value, and the Company uses judgement and estimates to determine the net realizable value of inventory at the end of each reporting period. The Company 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.

(2) 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.

(3) 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 the determination of the discount rate and changes of the future salary etc.

(4) 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 Company 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 December 31,	
	2023	2022
Cash on hand and working capital	$160	$160
Check deposits and demand deposits	1,065,620	1,810,402
Total	$1,065,780	$ 1,810,562

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

Item	As of December 31, 2023	As of December 31, 2022
Equity instrument investments measured at fair value through other comprehensive income – Non-current:		
Unlisted stocks	$3,003	$ 2,530
Current	$-	$-
Non-current	3,003	2,530
Total	$3,003	$ 2,530

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

(3) Notes receivables

Item	As of December 31, 2023	As of December 31, 2022
Notes receivables arising from operating activities	$6,838	$ 5,725
Notes receivables arising from non-operating activities	-	-
Subtotal (total carrying amount)	6,838	5,725
Less: loss allowance	-	-
Total	$6,838	$ 5,725

Notes receivables were not pledged.

The Company 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 December 31, 2023	As of December 31, 2022
Accounts receivables	$385,649	$300
Less: loss allowance	-	-
Subtotal	385,649	300
Accounts receivables from related parties	-	-
Less: loss allowance	-	-
Subtotal	-	-
Total	$385,649	$300

Accounts receivables were not pledged.

The Company applies a simplified approach to estimate the expected credit losses on all notes receivables and accounts receivable, which is to use a lifetime expected credit loss measurement. For the measurement, such notes receivables and accounts receivable are grouped based on shared credit risk characteristics according to the type of product and customer credit rating and incorporate forward-looking information. For information related to the allowance for losses as of December 31, 2023 and 2022, please refer to Notes 6.(16); for information related to credit risk, please refer to Note 12.

(5) Other receivables

	As of December 31,	
	2023	2022
Other receivables	$16,245	$16,245
Less: loss allowance	(16,245)	(16,245)
Total	$-	$-

For the Company's allowance for credit losses information as of December 31, 2023 and 2022 (corresponding to 2023 and 2022 in the Gregorian calendar), please refer to Notes 6.(16); for information related to credit risk, please refer to Note 12.

(6) Inventories

	As of December 31,	
	2023	2022
Land and buildings held for sale	$1,017,975	$72,813
Land held for construction site and construction in progress	18,396,810	15,680,273
Land held for floor-area-ratio transfer	124,667	261
Prepayment for land purchases	36,283	29,993
Less: Allowance for inventory valuation loss	(378,470)	(378,470)
Total	$19,197,265	$15,404,870

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

	As of December 31,	
Project name	2023	2022
Delpha Dream House A	$1,762	$1,762
Delpha Living's Home A	1,192	5,346
Athens Era A	456	456
Athens Era B	1,722	1,722
Shitan Section Case A	63,527	63,527
Xinbi Section Case A	949,316	-
Total	$1,017,975	$72,813

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

Project name	As of December 31, 2023	As of December 31, 2022
Shulin Case	$198,192	$198,192
Delpha Living's Home B	9,153	9,153
Xindian He Feng Case	632,155	632,155
Fu De Section Case B	423	423
Xinguang Road Case B	2,217	2,217
Huaisheng Urban Renewal Project	1,469,495	1,467,918
Yun He Jie Case B	1,712	1,712
Wenlin N. Road Case	494,890	444,394
Xinbi Section Case A	-	1,434,771
Xinbi Section Case B	870,159	841,691
Lejie Section Case A	1,022,070	871,658
Lejie Section Case B	629,022	612,808
Lejie Section Case C	943,172	-
Qingxi Section Case A	625,226	525,361
Qingxi Section Case B	1,797,442	1,491,895
Shanjie Section	662,069	451,791
Xinzhan Section	491,056	327,233
Wuri New High-Speed Railway Section	6,131,743	5,258,451
Qing'an Section	749,335	696,018
Sanzuowu Section	424,316	412,432
Fuxi Section Case	275,918	-
Yisin Section Case	967,045	-
Total	$18,396,810	$15,680,273

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

Project name	As of December 31, 2023	As of December 31, 2022
Zheng Ying Section	$261	$261
Lejie Section Case C	82,060	-
Yisin Section Case	42,346	-
Total	$124,667	$261

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

Project name	As of December 31, 2023	As of December 31, 2022
Wenlin N. Road Case	$-	$29,993
Lejie Section Case C	34,171	-
Yisin Section Case	2,112	-
Total	$36,283	$29,993

E. The capitalized amounts of interest on land held for construction site and construction in progress for the years ended December 31, 2023 and 2022, were $219,179 thousand, and $152,333 thousand, respectively, with capitalized interest rates of 2.52%, and 2.0186%, respectively.

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

G. Cost incurred on inventories for the years ended December 31, 2023 and 2022 were as follows:

	For the year ended December 31,	
	2023	2022
Cost of selling land and buildings	$1,099,437	$1,371,787
Inventory valuation losses	-	(10,926)
Total	$1,099,437	$1,360,861

H. Current assets recognized as incremental costs to obtain contract with customers:

The cost incurred for entering into contracts with customers is the incremental cost of the contract. The incremental cost of the contract is amortized when the house is handed over to the customers.

(7) Investments accounted for using the equity method

A. The following table lists the investments accounted for using the equity method of the Company:

	As of December 31,			
	2023		2022	
Investees	Carrying amount	Percentage of ownership (%)	Carrying amount	Percentage of ownership (%)
Investments in subsidiaries:				
Huachien	$320,430	58.36%	$330,858	58.36%
Huajian	312,838	100.00%	320,937	100.00%
Total	$633,268		$651,795	

B. Investments in subsidiaries:

Investments in subsidiaries were for using the equity method when preparing the parent company only financial statements. The differences of accounting treatment are adjusted.

(8) Other current financial assets

Items	As of December 31, 2023	As of December 31, 2022
Bank deposits	$666,511	$784,447
Current	$666,511	$784,447
Non-current	-	-
Total	$666,511	$784,447

Other financial assets included deposits from presold housings and lands held in trust accounts. Please refer to Note 8 for more details on other current financial assets under pledge.

(9) Property, plant and equipment

	Land	Buildings	Transportation equipment	Office equipment	Leasehold Improvements	Others	Total
Cost:							
As of January 1, 2023	$36,006	$35,872	$2,257	$8,772	$1,851	$257	$85,015
Additions	-	-	-	451	-	113	564
Disposal and scrap	-	(249)	-	-	-	-	(249)
Transfer	-	-	-	(378)	-	-	(378)
As of December 31, 2023	$36,006	$35,623	$2,257	$8,845	$1,851	$370	$84,952
As of January 1, 2022	$36,006	$35,656	$639	$8,134	$1,851	$257	$82,543
Additions	-	216	1,618	731	-	-	2,565
Disposal and scrap	-	-	-	(93)	-	-	(93)
As of December 31, 2022	$36,006	$35,872	$2,257	$8,772	$1,851	$257	$85,015
Depreciation and impairment:							
As of January 1, 2023	$-	$18,827	$761	$6,688	$976	$229	$27,481
Depreciation	-	1,229	343	909	617	19	3,117
Disposal and scrap	-	(249)	-	-	-	-	(249)
Transfer	-	-	-	(378)	-	-	(378)
As of December 31, 2023	$-	$19,807	$1,104	$7,219	$1,593	$248	$29,971
As of January 1, 2022	$-	$17,605	$439	$5,956	$360	$229	$24,589
Depreciation	-	1,222	322	825	616	-	2,985
Disposal and scrap	-	-	-	(93)	-	-	(93)
As of December 31, 2022	$-	$18,827	$761	$6,688	976	$229	$27,481
Carrying Amount							
December 31, 2023	$36,006	$15,816	$1,153	$1,626	$258	$122	$54,981
December 31, 2022	$36,006	$17,045	$1,496	$2,084	$875	$28	$57,534

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

(10) Short-term borrowings

	As of December 31,	
	2023	2022
Unsecured bank borrowings	$383,000	$583,000
Secured bank borrowings	3,705,935	3,001,000
Total	$4,088,935	$3,584,000
Range of interest rates	2.36%~3.12%	2.10%~2.46%

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

(11) Long-term borrowings

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

Type	As of December 31, 2023	Interest Rate (%)	Maturity date and terms of repayment
The Company Long-term secured borrowings	$4,976,055	2.43%~2.86%	Effective May 2021 to November 2027, repayments on due day.
Less: current portion	(3,992,055)		
Total	$984,000		

Type	As of December 31, 2022	Interest Rate (%)	Maturity date and terms of repayment
The Company Long-term secured borrowings	$4,117,055	1.95%~2.73%	Effective May 2021 to December 2026, repayments on due day.
Less: current portion	(3,499,555)		
Total	$617,500		

The unused total borrowing limits of the Company as of December 31, 2023 and 2022 were approximately $4,887,260 thousand and $4,436,945 thousand, respectively.

(12) Post-employment benefits

Defined contribution plan

The Company adopted a defined contribution plan in accordance with the Labor Pension Act of the R.O.C. Under the Labor Pension Act, the Company would make monthly contributions to the employees' individual pension accounts at the amounts not less than 6% of the employees' monthly wages. The Company have made monthly contributions of 6% of each individual employee's salaries or wages to employees' pension accounts.

Expenses under the defined contribution plan for the years ended December 31, 2023 and 2022 were NT$1,913 thousand and NT$1,678 thousand, respectively.

Defined Benefit Plan

The Company adopt a defined benefit plan in accordance with the Labor Standards Act of the R.O.C. The pension benefits are disbursed based on the units of service years and the average salaries in the last six months of the service year. Two units per year are awarded for the first 15 years of services while one unit per year is awarded after the completion of the 15th year. The total units shall not exceed 45 units. Under the Labor Standards Act, the Company contributes an amount equivalent to 2% of the employees' total salaries and wages on a monthly basis to the pension fund deposited at the Bank of Taiwan in the name of the administered pension fund committee. Before the end of each year, the Company assesses the balance in the designated labor pension fund. If the amount is inadequate to pay pensions calculated for workers retiring in the same year, the Company will make up the difference in one appropriation before the end of March the following year.

The Ministry of Labor is in charge of establishing and implementing the fund utilization plan in accordance with the Regulations for Revenues, Expenditures, Safeguard and Utilization of the Labor Retirement Fund. The pension fund is invested in-house or under a mandate, based on a passive-aggressive investment strategy for long-term profitability. The Ministry of Labor establishes checks and risk management mechanism based on the assessment of risk factors including market risk, credit risk and liquidity risk, in order to maintain adequate manager flexibility to achieve targeted return without over-exposure of risk. With regard to utilization of the pension fund, the minimum earnings in the annual distributions on the final financial statement shall not be less than the earnings attainable from the amounts accrued from two-year time deposits with the interest rates offered by local banks. Treasury Funds can be used to cover the deficits after the approval of the competent authority. As the Company does not participate in the operation and management of the pension fund, no disclosure on the fair value of the plan assets categorized in different classes could be made in accordance with paragraph 142 of IAS 19. The Company expects to contribute NT$0 thousand to its defined benefit plan during the 12 months beginning after December 31, 2023.

As of December 31, 2023 and 2022, the Company's defined benefit plans are both expected to expire in 2029.

Defined benefit plan costs recognized in profit or loss are as follows:

	For the year ended December 31,	
	2023	2022
Current service cost	$-	$-
Net interest of net defined benefit liabilities (assets)	(224)	(109)
Total	$(224)	$(109)

Reconciliations of liabilities (assets) of the defined benefit obligation and plan assets at fair value are as follows:

	As of December 31,	
	2023	2022
Present value of a defined benefit obligation	$12,787	$17,337
Plan assets at fair value	(19,922)	(24,172)
Net defined benefit assets-non-current	$(7,135)	$(6,835)

Reconciliations of the net defined benefit liabilities (assets):

	Present value of a defined benefits obligation	Plan assets Fair Value	Net defined benefit liabilities (assets)
As of January 1, 2022	$19,759	$(23,666)	$(3,907)
Current service cost	-	-	-
Interest expenses (income)	109	(130)	(21)
Subtotal	19,868	(23,796)	(3,928)
Remeasurement of Defined Benefit Liability/Asset:			
Actuarial gains and losses from changes in financial assumptions	(1,210)	-	(1,210)
Experience adjustments	288	(1,818)	(1,530)
Remeasurement of Defined Benefit Asset	-	-	-
Subtotal	(922)	(1,818)	(2,740)
Payments from the plan	(1,609)	1,609	-
Contributions by employer	-	(167)	(167)
As of December 31, 2022	$17,337	$(24,172)	$(6,835)
Current service cost	-	-	-
Interest expenses (income)	224	(312)	(88)
Subtotal	17,561	(24,484)	(6,923)
Remeasurement of Defined Benefit Liability/Asset:			
Actuarial gains and losses arising from changes in demographic assumptions	-	-	-
Actuarial gains and losses from changes in financial assumptions	96	-	96
Experience adjustments	(203)	-	(203)
Remeasurement of Defined Benefit Asset	-	(105)	(105)
Subtotal	(107)	(105)	(212)
Payments from the plan	(4,667)	4,667	-
Contributions by employer	-	-	-
As of December 31, 2023	$12,787	$(19,922)	$(7,135)

The principal assumptions used in determining the Group’s defined benefit plan are shown below:

	As of December 31,	
	2023	2022
Discount rate	1.21%	1.29%
Expected rate of salary increases	3.00%	3.00%
Expected long-term rate of return on defined benefit plan assets	1.21%	1.29%

Sensitivity analysis for significant actuarial assumptions is shown below:

	For the year ended December 31,			
	2023		2022	
	Defined benefits obligation			
	increase	decrease	increase	decrease
Discount rate increases by 0.5%	$-	$586	$-	$753
Discount rate decreases by 0.5%	622	-	799	-
Future salary increases by 0.5%	608	-	782	-
Future salary decreases by 0.5%	-	579	-	745

The sensitivity analysis above is based on a change in a significant assumption (for example: change in discount rate or future salary), keeping all other assumptions constant. The sensitivity analysis may not be representative of an actuarial change in the defined benefit obligation as it is unlikely that changes in assumptions would occur in isolation of one another.

There was no change in the methods and assumptions used in preparing the sensitivity analysis compared to the previous period.

(13) Provisions

	Provisions for employee benefits
As of January 1, 2023	$980
Arising dining the period	831
Utilized	(980)
As of December 31, 2023	$831
As of January 1, 2022	$990
Arising dining the period	980
Utilized	(990)
As of December 31, 2022	$980
Current－ December 31, 2023	$831
Non-current－ December 31, 2023	-
As of December 31, 2023	$831
Current－ December 31, 2022	$980
Non-current－ December 31, 2022	-
As of December 31, 2022	$980

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) Equity

A. Common stock

As of December 31, 2023 and 2022 the Company’s authorized capital was all $12,000,000 thousand, and the issued capital was all $8,399,880 thousand with 839,988 thousand shares, respectively, each at a par value of $10 for both dates. Each share has one voting right and a 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 December 31,	
	2023	2022
Additional paid-in capital	$1,247,904	$1,247,904
Exercise disgorgement	1	1
Cash dividend unclaimed for over five years	948	592
Share of changes in net assets of associates and joint ventures accounted for using the equity method	8,587	8,587
Total	$1,257,440	$1,257,084

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 amended on June 28, 2023, current quarter'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 rest shall be distributed in cash by the Board of Directors; if it is issued new shares, it shall be reported to the shareholder's meeting Resolution.

If the Company has a surplus in the current quarter (including the previous period), 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 distribution 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 on March 15, 2023 and reported in the shareholders' meeting on June 28, 2023 is as follows:

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

The Board of Director's 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.

The Board of Director's meeting held on August 11, 2023 resolved not to distribute any surplus for the three months ended June 30, 2023 due to accumulated losses.

The Board of Director's meeting held on November 10, 2023 resolved not to distribute any surplus for the three months ended September 30, 2023 due to accumulated losses.

The Board of Director's meeting held on March 29, 2024 resolved the appropriation and distribution of profits and the dividend per share for the fourth quarter of 2023. This was reported at the shareholders' meeting on June 25, 2024 and is listed as follows:

	Appropriation of earnings	Dividend per share (NT$)
	Fourth Quarter of 2023	Fourth Quarter of 2023
Legal reserve	$51,125	$-
Cash dividend of common stock	453,594	0.54

Please refer to Note 6.(18) for details on employees' compensation and remuneration to directors and supervisors.

(15) Operating revenue

	For the year ended December 31,	
	2023	2022
Revenue from contracts with customers		
Revenue from sales of buildings	$671,977	$480,923
Revenue from sales of land	1,269,375	1,502,739
Subtotal	1,941,352	1,983,662
Rental income	1,831	2,496
Total	$1,943,183	$1,986,158

Analysis of revenue from contracts with customers during the years ended December 31, 2023 and 2022 is as follows:

A. Disaggregation of revenue

	For the year ended December 31,	
	2023	2022
Sales of land and buildings	$1,941,352	$1,983,662
Rental income	1,831	2,496
Total	$1,943,183	$1,986,158
Timing of revenue recognition:		
At a point in time	$1,941,352	$1,983,662
Over time	1,831	2,496
Total	$1,943,183	$1,986,158

B. Contract balances

Contract liabilities - current

	As of		
	December 31, 2023	December 31, 2022	January 1, 2022
Sales of land and buildings	$2,143,844	$948,965	$532,459

The significant changes in the balances of contract liabilities for the years ended December 31, 2023 and 2022 are as follows:

	For the year ended December 31,	
	2023	2022
The opening balance transferred to revenue	$(352,825)	$(110,087)
Increase in receipts in advance during the period (excluding the amount incurred and transferred to revenue during the period)	1,574,014	526,593
Refund from contract cancellation	(26,310)	-
Total	$1,194,879	$416,506

C. Assets recognized from costs to fulfil a contract

Current assets recognized as incremental costs to obtain contract with customers

	As of December 31,	
	2023	2022
Sales of land and buildings	$460,791	$169,767

(16) Expected credit losses (gains)

	For the year ended December 31,	
	2023	2022
Operating expenses – expected credit losses(gains)		
Notes receivables	$-	$-
Accounts receivables	-	-
Subtotal	-	-
Non-operating income and expenses - expected credit losses(gains)	-	-
Other receivables	-	-
Total	$-	$-

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

The Company 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 Company's loss allowance during the years ended December 31, 2023 and 2022 is as follows:

A. The Company 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 Company, we do not differentiate between subgroups. Details are as follows:

As of December 31, 2023

		Overdue				
	Not yet due (Note)	<=30 days	31-90 days	91-180 days	>=181 days	Total
Gross carrying amount	$392,487	$-	$-	$-	$-	$392,487
Loss rate	-%	-%	-%	-%	-%	
Lifetime expected credit losses	-	-	-	-	-	-
Subtotal	$392,487	$-	$-	$-	$-	$392,487

As of December 31, 2022

		Overdue				
	Not yet due (Note)	<=30 days	31-90 days	91-180 days	>=181 days	Total
Gross carrying amount	$6,025	$-	$-	$-	$-	$6,025
Loss rate	-%	-%	-%	-%	-%	
Lifetime expected credit losses	-	-	-	-	-	-
Subtotal	$6,025	$-	$-	$-	$-	$6,025

B. The movement in the provision for impairment of contract assets, note receivables, accounts receivables and other receivables during the years ended December 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 December 31, 2023	$16,245	$-	$-
Bal. as of January 1, 2022	$16,245	$-	$-
Addition(reversal) for the current period	-	-	-
Bal. as at December 31, 2022	$16,245	$-	$-

(17) Leases

A. Company as a lessee

The Company leases various properties, including real estate such as land and buildings. The lease terms range 1 year. 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 Company'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	
	December 31, 2023	December 31, 2022
Buildings	$59	$387

During the years ended December 31, 2023 and 2022, the Company's additions to right-of-use assets amounting to $0 thousand, respectively.

b. Lease liabilities

	As of	
	December 31, 2023	December 31, 2022
Leases liabilities	$60	$393
Current	$60	$393
Non-current	-	-

Please refer to Note 6.(19)(d) for the interest on lease liabilities recognized during the years ended December 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 charged for right-of-use assets

	For the year ended December 31,	
	2023	2022
Buildings	$353	$333

(C) Income and costs relating to leasing activities

	For the year ended December 31,	
	2023	2022
The expenses relating to short-term leases	$335	$555
The expenses relating to leases of low-value assets (Not including the expenses relating to short-term leases of low-value assets)	334	192

(D) Cash outflow relating to leasing activities

During the years ended December 31, 2023 and 2022, the Company's total cash outflows for leases amounting to NT$1,027 thousand and NT$1,087 thousand, respectively.

B. Company as a lessor

Please refer to Note 6.(8) for details on the Company's owned property, plant and equipment (Buildings).The Company has entered into leases on certain equipment with lease terms range from three months to three years. Leases of owned property, plant and equipment are classified as operating leases as they do not transfer substantially all the risks and rewards incidental to ownership of underlying assets.

	For the year ended December 31,	
	2023	2022
Lease income for operating leases		
Income relating to lease payments	$1,831	$2,496

Please refer to Note 6 (9) for relevant disclosure of property, plant and equipment for operating leases under IFRS 16. For operating leases entered by the Company, the undiscounted lease payments to be received and a total of the amounts for the remaining years as of December 31, 2023 are as follow:

	As of	
	December 31, 2023	December 31, 2022
Not later than one year	$158	$-
Later than one year but not later than two years	34	1, 535
Later than two years but not later than three years	25	-
Later than three years but not later than four years	-	-
Later than four years but not later than five years	-	-
Later than five years	-	-
Total	$217	$1,535

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

Function / Description	For the year ended December 31,					
	2023			2022		
	Operating costs	Operating expenses	Total Amount	Operating costs	Operating expenses	Total Amount
Employee benefits expense						
Salaries and wages	$117	$48,288	$48,405	$99	$ 57,045	$57,144
Labor and health insurance	-	3,695	3,695	-	3, 192	3, 192
Pension	-	1,689	1,689	-	1, 919	1, 919
Other employee benefits expense	-	2,558	2,558	-	2, 753	2, 753
Remuneration to directors	-	6,625	6,625	-	7, 354	7, 354
Depreciation	-	3,470	3,470	-	3, 318	3, 318
Amortization	-	212	212	-	227	227

Additional information regarding the number of employees and the amount of employee benefits expenses for the Company for the years ended December 31, 2023 and 2022 as follows:

	For the year ended December 31,	
	2023	2022
Number of employees	43	46
Number of Directors not Serving as Employees	7	7
Average Employee Benefits Expense	$1,565	$1,667
Average Employee Salaries	1,345	1,465
Adjustments to Average Employee Salary Expenses	(8.19%)	38.34%
Supervisors' Remuneration (Note)	$-	$-

(Note): The Company has established on Audit Committee in replacement of supervisors.

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. In addition to basic salaries, the Company provides bonuses based on operational performance to motivate and retain outstanding employees. Annual salary adjustments are based on employees' job grades and performance evaluations, and are benchmarked against industry salary levels. The Company may provide a monthly remuneration to its directors, which is deliberated by the Remuneration Committee and determined by the Board of Directors. The remuneration of the Company's managers is determined by the Board of Directors after deliberation by the Company's Compensation Committee. The remuneration of the managers is determined by the Board of Directors in accordance with the statutory procedures set forth in the Company's Compensation Committee bylaws. 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.

For the years ended December 31, 2023, the Company's compensation to employees and directors remuneration were determined based on profit in the amount of $3,333 thousand and $2,800 thousand, respectively. For the years ended December 31, 2023, the Company's compensation to employees and directors remuneration were determined based on profit in the amount of $1,707 thousand and $3,414 thousand, respectively.

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 a reduction of $1,415 thousand. This amount has been accounted for as a profit or loss in 2023.

(19) Non-operating income and expenses

(a) Other income

	For the year ended December 31,	
	2023	2022
Dividend income	$1,393	$1,747
Income from Name Change Fees	236	17
Penalty Income	13,379	-
Others	2,427	7,566
Total	$17,435	$9,330

(b) Interest income

	For the year ended December 31,	
	2023	2022
Interest on bank deposits	$10,707	$4,350
Other interest income	3	3
Total	$10,710	$4,353

(c) Other gains and losses

	For the year ended December 31,	
	2023	2022
Foreign exchange losses (gains), net	$97	$5,932
Lease contract modification benefits	5	-
Increase in construction contract	(3,249)	-
Total	$(3,147)	$5,932

(d) Finance costs

	For the year ended December 31,	
	2023	2022
Interest on borrowings from bank	$219,179	$153,036
Loss: Capitalized interests	(219,179)	(152,333)
Interest on lease liabilities	11	-
Total finance costs	$11	$703

(20) Components of other comprehensive income

The year ended December 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:					
Remeasurements of defined benefit plans	$212	$-	$212	$-	$212
Unrealized gains (losses) from equity instruments investments measured at fair value through other comprehensive income	473	-	473	-	473
Total	$685	$-	$685	$-	$685

The year ended December 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:					
Remeasurements of defined benefit plans	$2,740	$-	$2,740	$-	$2,740
Unrealized gains (losses) from equity instruments investments measured at fair value through other comprehensive income	(657)	-	(657)	-	(657)
Total	$2,083	$-	$2,083	$-	$2,083

(21) Income tax

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

Income tax expense (income) recognized in profit or loss

	For the year ended December 31	
	2023	2022
Current income tax expense (income):		
Current income tax payable	$90,482	$-
Land value increment tax	21	773
Deferred tax expense (income):		
Deferred tax expense (income) relating to origination and reversal of temporary differences	46,512	(47,888)
Income tax expense	$137,015	$(47,115)

Reconciliation between tax expense and the product of accounting profit multiplied by applicable tax rates is sa follows:

	For the year ended December 31,	
	2023	2022
Accounting profit (loss) before tax from continuing operations	$648,058	$404,537
Tax at the domestic rates applicable to profits in the country concerned	129,611	80,907
Land value increment tax	21	773
Tax effect of revenues exempt from taxation	6,635	4,055
Tax effect of expenses not deductible for tax purposes	(3,836)	(2,756)
Tax effect of deferred tax/liabilities	4,584	(130,094)
Income tax expense (income)	$137,015	$(47,115)

Deferred tax assets (liabilities) related to the following:

For the year ended December 31, 2023

	Beginning balance	Recognized in profit or loss	Recognized in other comprehensive income	Ending Balance
Deferred tax assets				
Provisions-current	$196	$(196)	$-	$-
Net defined benefit liabilities non-current	1,368	(18)	-	1,350
Unrealized exchange gains or losses	1,102	(1,076)	-	26
Loss Carryforward	45,222	(45,222)	-	-
	$47,888	$(46,512)	$-	$1,376

For the year ended December 31, 2022

	Beginning balance	Recognized in profit or loss	Recognized in other comprehensive income	Ending Balance
Deferred tax assets				
Provisions-current	$-	$196	$-	$196
Net defined Benefit Liabilities non-current	-	1,368	-	1,368
Unrealized exchange gains or losses	-	1,102	-	1,102
Loss Carryforward	-	45,222	-	45,222
	$-	$47,888	$-	$47,888

The following table contains information of the unused tax losses of the Company:

Year	Tax losses for the period	Unused tax losses as at December 31, 2023	Unused tax losses as at December 31, 2022	Expiration year
2013	$45,137	$-	$-	2023
2014	108,974	-	-	2024
2015	175,748	-	-	2025
2016	72,167	-	-	2026
2017	42,069	-	34,895	2027
2018	96,935	-	96,753	2028
2019	9,228	-	9,228	2029
2020	19,247	-	19,247	2030
2021	65,985	-	65,985	2031
		$-	$226,108	

Unrecognized deferred tax assets

As of 31 December 2023 and 2022, deferred tax assets that have not been recognized amounted to NT$0 and NT$45,222, respectively.

The assessment of income tax returns

As of December 31, 2023, the assessment of the income tax returns of the is as follows:

	The assessment of income tax returns
The Company	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.

	For the year ended December 31,	
	2023	2022
(1) Basic earnings per share		
Profit attributable to ordinary equity holders of the Company (in thousand NT$)	$511,043	$451,652
Weighted average number of ordinary shares outstanding for basic earnings per share (in thousands)	839,988	809,035
Basic earnings per share (NT$)	$0.61	$0.56
(2) Diluted earnings per share		
Profit attributable to ordinary equity holders of the Company (in thousand NT$)	$511,043	$451,652
Effect of dilution:		
Employee compensation－ stock (in thousands)	93	99
Weighted average number of ordinary shares outstanding after dilution (in thousands)	840,081	809,134
Diluted earnings per share (NT$)	$0.61	$0.56

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.

7. Related party transactions

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

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

Name of the related parties	The Relationship with the Company
Huachien Development Co., Ltd.	Subsidiary
Huajian Construction Co., Ltd.	Subsidiary
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
He Feng Investment Co., Ltd.	Substantive related party
Pauguo Real Estate Management Co., Ltd.	Substantive related party

(2) Significant transactions with the related parties

(a) Sales:

	For the year ended December 31,	
	2023	2022
Income from sales of real property		
Other related parties	$-	$29,816
Rental income		
Huachien Development Co., Ltd.	$28	$28
Huajian Construction Co., Ltd.	286	286
Total	$314	$314

(b) Purchase:

	For the year ended December 31,	
	2023	2022
New Construction - Lump-Sum Contract Work		
Huajian Construction Co., Ltd.	$1,703,229	$ 1,041,884

(c) Cost of construction in progress:

	For the year ended December 31,	
	2023	2022
Financial Expense		
Pauguo Real Estate Management Co., Ltd.	$1,676	$3,390

(d) Administrative expenses:

	For the year ended December 31,	
	2023	2022
Miscellaneous expenses		
Pauguo Real Estate Management Co., Ltd.	$27	$41

(e) Notes receivable:

	For the year ended December 31,	
	2023	2022
Notes receivables		
Huachien Development Co., Ltd.	$8	$8
Huajian Construction Co., Ltd.	50	50
Total	$58	$58

(f) Notes payable:

	For the year ended December 31,	
	2023	2022
Notes payable		
Huajian Construction Co., Ltd.	$290,086	$124,756

(g) Accounts payable:

	For the year ended December 31,	
	2023	2022
Accounts payable		
Huajian Construction Co., Ltd.	$465,250	$-

(h) Other Advance Receipts:

	For the year ended December 31,	
Other receivables:	2023	2022
Huachien Development Co., Ltd.	$8	$8
Huajian Construction Co., Ltd.	50	50
Total	$58	$58

Key management personnel compensation

	For the year ended December 31,	
	2023	2022
Short-term employee benefits	$11,433	$22,317

8. Assets pledged as security

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

		Carrying amount	
Assets	Secured liabilities	December 31, 2023	December 31, 2022
Inventory			
Available-for-sale land	Short-term borrowings	$20,266	$-
Available-for-sale housing	Short-term borrowings	43,260	-
Land held for construction site	Current burrowing, Long-term borrowings	11,652,491	11,027,826
Construction in progress	Short-term borrowings	3,885,415	1,977,808
Property, plant and equipment			
Land	Short-term borrowings	36,006	36,006
Buildings	Short-term borrowings	15,817	17,045
Other equipment	Short-term borrowings	28	28
Investments accounted for using the equity method	Long-term borrowings	316,837	320,937
Other current financial assets	Trust account	666,511	784,447
Total		$16,636,631	$14,164,097

9. Significant contingencies and unrecognized contractual commitments

(1) As of December 31, 2023, the Company's guarantee notes received from the contractors and customers amounted to $4,275,490 thousand.

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

(3) As of December 31, 2023, the contracts the Company signed for the pre-sale of properties with customers amounted to $17,721,030 thousand (tax included), and $1,809,164 thousand (tax included) has been received according to the contract term and conditions.

(4) As of December 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 $1,278,360 thousand, and the payments received as per the contracts amounted to $326,493 thousand.

(5) As of December 31, 2023, The Company signed material and construction contracts with contractors in the amount of $9,638,824 thousand, of which $6,226,983 thousand was unpaid.

(6) As of December 31, 2023, the total price of the land purchase contracts that The Company has signed with the ownership of the land not yet transferred in the amount of $118,141 thousand, of which $81,858 thousand was unpaid.

(7) The Company has recognized a penalty for breach of contract in property sales in the amount of NT$14,048 thousand. In 2023, the buyer filed a lawsuit at the Shilin District Court, requesting the court to reduce this penalty to NT$0 and further requesting the Company to refund the interest on the prepaid property payments; accordingly, the claim against the Company amounted to NT$18,970 thousand. As of the reporting date of these financial statements, the case is still being heard in court.

10. Losses due to major disasters

None.

11. Significant subsequent events

(1) In March 2024, the Company obtained approval from the board of Directors to sign a contract with the subsidiary, Huajian, for undertaking the extra construction project of Lejie Section Case A . The project value did not exceed $340,072 thousand.

(2) In March 2024, the Company obtained approval from the board of directors to sign a contract with the subsidiary, Huajian, for undertaking the construction project of the Sanzuowu Section in Zhongli District, Taoyuan City. The project value did not exceed $225,686 thousand.

(3) In March 2024, the Company obtained approval from the board of directors to sign a contract with the subsidiary, Huajian, for undertaking the construction project of the Sanzuowu Section in Zhongli District, Taoyuan City. The project value did not exceed $149,467 thousand.

12. Other

(1) Financial instruments

A. Categories of financial instruments

Financial assets

	As of	
	December 31, 2023	December 31, 2022
Financial assets measured at fair value through other comprehensive income		
Investments in designated equity instrument	$3,003	$2,530
Financial assets measured at amortized cost		
Cash and cash equivalents	$1,065,780	$1,810,562
Notes receivables	6,838	5,725
Trade receivables	385,649	300
Other financial assets	666,511	784,447
Refundable deposits	7,525	28,267
Total	2,132,303	$2,629,301

Financial liabilities

	As of	
	December 31, 2023	December 31, 2022
Financial liabilities at amortized cost		
Short-term borrowings	$4,088,935	$3,584,000
Notes payable	374,516	143,916
Accounts payable	486,602	37,713
Other payables	161,980	77,113
Long-term borrowings (including current portion)	4,976,055	4,117,055
Guarantee deposits received	24	1,915
Total	$10,088,112	$7,961,712
Leases liabilities	$60	$393

B. Financial risk management objectives and policies

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

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

The Company has certain foreign currency receivables to be denominated in the same foreign currency with certain foreign currency payables, therefore natural hedge is received. The Company 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 Company.

The foreign currency sensitivity analysis of the possible change in foreign exchange rates on the Company's profit is performed on significant monetary items denominated in foreign currencies as at the end of the reporting period. The Company'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:

When NTD strengthens/weakens against foreign currency USD by 5%, the profit for the year ended December 31, 2023 and 2022 is increased/decreased by \$0 thousand and \$58 thousand, respectively, the equity is increased/decreased by \$88 thousand and \$84 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 Company's exposure to the risk of changes in market interest rates relates primarily to the Company's debt instrument investments at variable interest rates, bank borrowings with fixed interest rates and variable interest rates.

The Company 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 year ended December 31, 2023 and 2022 to increase/decrease by \$90,650 thousand and \$77,011 thousand, respectively.

Equity price risk

The fair value of the Company'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 Company'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 Company 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 Company's senior management on a regular basis. The Company'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 Company's profit for the years ended December 31, 2023 and 2022 by $300 thousand and $253 thousand, respectively.

Please refer to Note 12.(8) 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 Company 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 limits are established for all counterparties based on their financial position, rating from credit rating agencies, historical experience, prevailing economic condition and the Company's internal rating criteria etc. Certain counter parties' credit risk will also be managed by taking credit enhancing procedures, such as requesting for prepayment or insurance.

The main account receivables of the Company 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 Company's treasury in accordance with the Company's policy. The Company 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 Company'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 Company'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	1 to 3 years	3 to 5 years	> 5 years	Total Amount
As of December 31, 2023					
Short-term borrowings	$1,946,424	$2,259,937	$-	$-	$4,206,361
Accounts and other payables	1,023,098	-	-	-	1,023,098
Long-term borrowings	253,824	4,069,046	894,663	-	5,217,533
(including current portion)					
Leases liabilities	60	-	-	-	60
Guarantee deposits received	18	6	-	-	24
As of December 31, 2022					
Short-term borrowings	$2,541,471	$1,113,302	$-	$-	$3,654,773
Notes payable	143,916	-	-	-	143,916
Accounts payable	37,713	-	-	-	37,713
Other payables	77,113	-	-	-	77,113
Leases liabilities	336	57	-	-	393
Long-term borrowings	123,460	3,616,485	625,073	-	4,365,018
(including current portion)					
Guarantee deposits received	1,915	-	-	-	1,915

(6) Reconciliation of liabilities arising from financing activities

Reconciliation of liabilities for the year ended December 31, 2023:

	Short-term borrowings	Long-term borrowings	Leases liabilities	Guarantee deposits received	Total liabilities from financing activities
As of January 1, 2023	$3,584,000	$4,117,055	$393	$1,915	$7,703,363
Cash flows	504,935	859,000	(358)	(1,891)	1,361,686
Non-cash changes	-	-	25	-	25
As of December 31, 2023	$4,088,935	$4,976,055	$60	$24	$9,065,074

Reconciliation of liabilities for the year ended December 31, 2022:

	Short-term borrowings	Long-term borrowings	Leases liabilities	Guarantee deposits received	Total liabilities from financing activities
As of January 1, 2022	$ 3,982,721	3,392,104	724	129	$7,375,678
Cash flows	(398,721)	724,951	(340)	1,786	327,676
Non-cash changes	-	-	9	-	9
As of December 31, 2022	$3,584,000	$4,117,055	$393	$1,915	$7,703,363

(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 Company to measure or disclose the fair values of financial assets and financial liabilities:

a. The carrying amount of cash and cash equivalents, trade 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 Company 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.(8) for fair value measurement hierarchy for financial instruments of the Company.

(8) 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 Company 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 Company's assets and liabilities

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

As of December 31, 2023	Level 1	Level 2	Level 3	Total
Financial assets:				
Financial assets at fair value through				
other comprehensive income				
Unlisted stocks	$-	$-	$3,003	$3,003

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

Transfers between Level 1 and Level 2 during the period

During the years ended December 31, 2023 and 2022, the Company'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
	Measured at fair value through other comprehensive income
	Stocks
Beginning balances as of January 1, 2023	$ 2,530
Total gains and losses recognized for the year ended December 31, 2023:	
Amount recognized in OCI (presented in "Unrealized gains (losses) from equity instruments investments measured at fair value through other comprehensive income)	473
Acquisition/issues for the year ended December 31, 2023	-
Disposal/settlements for the year ended December 31, 2023	-
Transfer in(out) of Level 3	-
Ending balances as of December 31, 2023	$3,003

	Assets
	Measured at fair value through other comprehensive income
	Stocks
Beginning balances as of January 1, 2022	$3,187
Total gains and losses recognized for the year ended December 31, 2022:	
Amount recognized in OCI (presented in “Unrealized gains (losses) from equity instruments investments measured at fair value through other comprehensive income)	(657)
Acquisition/issues for the year ended December 31, 2022	-
Disposal/settlements for the year ended December 31, 2022	-
Transfer in/(out) of Level 3	-
Ending balances as of December 31, 2022	$2,530

Total gains and losses recognized in profit or loss for the year ended December 31, 2023 and 2022 in the Table above confine gains and losses related to assets on hands as of December 31, 2023 and 2022 in the amount of $473 thousand and $(657) 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 December 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	40%	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 Company’s equity by $500 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	40%	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 Company's equity by $421 thousand

<u>Valuation process used for fair value measurements categorized within Level 3 of the fair value hierarchy</u>

The Company'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 Company's accounting policies at each reporting date.

(c) Fair value measurement hierarchy of the Company's assets and liabilities not measured at fair value but for which the fair value is disclosed

As of December 31, 2023:

None

As of December 31, 2022:

None

(9) Significant assets and liabilities denominated in foreign currencies

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

	As of December 31, 2023		
	Foreign currencies	Foreign exchange rate	NTD
Financial assets			
Non-monetary items:			
USD	$57	30.705	$1,761

	December 31, 2022		
	Foreign currencies	Foreign exchange rate	NTD
Financial assets			
Monetary items:			
USD	$38	30.710	$1,166
Non-monetary items:			
USD	55	30.710	1,675

The foreign currency sensitivity analysis reports on the significant monetary items denominated in foreign currencies as of the end of the reporting period, and the impact of the related depreciation/appreciation of the foreign currencies on the Company's profit/loss and equity.

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

(10) Capital management

The Company'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 Company 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 Company 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 sheet less cash and cash equivalents. Total capital is the total component of equity (i.e., share capital, capital surplus, retained earnings, other equity interest, and noncontrolling interests) plus net liabilities.

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

The debt-to-capital ratio is as follows:

	As of	
	December 31, 2023	December 31, 2022
Total liabilities	$12,375,081	$8,918,079
Less: Cash and cash equivalents	(1,065,780)	(1,810,562)
Net liabilities	11,309,301	7,107,517
Total equity	10,445,272	10,278,223
Capital after adjustment	$21,754,573	$17,385,740
Debt-to-capital ratio	51.99%	40.88%

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 $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.	Table 5
9	Derivatives instruments transactions.	None
10	Significant interCompany transactions between consolidated entities.	Table 6

(2) Information on investees: Please refer to Table 7 for more details.

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

(4) Information on major shareholders: Please refer to Table 8 for more details.

Delpha Construction Co., Ltd.
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	$2,089,054	$100,000	$100,000	$100,000	$-	0.96%	$5,222,636	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.

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	December 31,2023				Note
					Share/ Units	Carrying Value	Percentage of ownership (%)	Fair value	
The Company	Stock	Vincera Growth Capital Ⅱ Limited	None	Non-current financial assets at fair value through other comprehensive income	60,000	$1,761	5.24%	$1,761	
The Company	Stock	Hwa Chi Venture Capital Co., Ltd.	None	Non-current financial assets at fair value through other comprehensive income	7,816	1,242	1.56%	1,242	
						$3,003		$3,003	

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	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
The Company	Land serial No. 178, Lejie Section, Guishan District, Taoyuan City.	2023.07.07 (Signing date)	$351,520	Installment by agreement	Individual surnamed Hsiao	Non-related party	-	-	-	-	1. Refer to the report of a professional real estate appraiser. 2. Negotiation by two parties.	Construction & Building	None
The Company	Land serial No. 1115, Yixin Section, Fengyuan District, Taichung City	2023.10.27	$966,999	In accordance with tender payment terms	Taichung City Government	Non-related party	-	-	-	-	Government open bidding	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 /Sale	Amount	% to Total	Payment Term	Unit price	Credit period	Ending Balance	% to Total	
The Company	Huajian	Subsidiary	Purchase	$1,703,229	37.33% (Individual financial statements)	Installment payment in accordance with the contract	-	-	$(755,336)	87.72%	Note 4
Huajian	The Company	Parent company	Sale	(1,783,192)	100% (Individual financial statements)	Payment collected as per the schedule in contracts	-	-	755,336	100%	Note 5

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: Receivables from related parites amounting to 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	Ending Balance <Note1>	Turover Ratio	Overdue		Amounts Received in Subsequent Period	Allowance for Bad Debts
					Amount	Action Taken		
Huajian	The Company	Parent Company	$755,336	-	$-	-	$569,447	$-

<Note1> Please fill in the column according to the respective categories of accounts receivable from related parties, notes receivable, other receivables, etc.

<Note2> The paid-in capital refers to the paid-in capital of the parent company. If the issuer's stocks have no par value or a per-share par value of less than NTD 10, the 20% transaction amount rule regarding paid-in capital shall be calculated based on 10% of the equity attributable to the owners of the parent company on the balance sheet.

<Note3> Eliminated upon consolidation.

Table 6: 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 Item	Amount	Terms	Percentage of Consolidated Net Revenue or Total Assets
1	Huajian	The Company	2	Contract assets	$235,299	Note 4	0.99%
1	Huajian	The Company	2	Notes receivable and accounts receivable	755,336	Note 4	3.18%
1	Huajian	The Company	2	Operating revenue	1,783,192	Note 4	91.38%

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 7: 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 and products	Original Investment Amount		Balance at The End of Period			Net Income (Loss) of The Investee	Share of Profits (Loss) of Investee	Remark
				December 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%	$320,430	$(17,869)	$(10,428)	
The Company	Huajian	16F, No. 460, Section 5, Chenggong Road, Neihu District, Taipei City	Construction business, Development, sales, and rental business, and Wholesale of Building Materials	339,000	339,000	35,000	100.00%	312,838	35,900	(1,268)	

Table 8: Information on major shareholders

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

Major shareholders \ Shares	Total shares owned	Ownership percentage
Chia Chun Investment Co., Ltd.	267,223	31.81%
Da Shuo Investment Co., Ltd.	49,723	5.91%

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.

The Contents of Statements of Major Accounting Items

Delpha Construction Co., Ltd.

1. Statement of Cash and Cash Equivalents

As of December 31, 2023

(In Thousands of New Taiwan Dollars)

Item	Description	Amount
Petty cash		$160
Cash in banks		
Check deposits		140,846
Demand deposits		924,767
Foreign Currency deposits		7
Subtotal		1,065,620
Total		$1,065,780

Delpha Construction Co., Ltd.

2. Statement of Inventories

As of December 31, 2023

(In Thousands of New Taiwan Dollars)

Item	Description	Amount	
		Cost	Net Realizable Value
Land and buildings held for sale		$1,017,975	$1,595,675
Land held for construction site and construction in progress		18,396,810	36,033,628
Land held for floor-area-ratio transfer		124,667	124,667
Prepayment for land purchases		36,283	36,283
Subtotal		19,575,735	37,790,253
Less: Allowance for inventory valuation loss		(378,470)	(378,470)
Total		$19,197,265	$37,411,783

Delpha Construction Co., Ltd.
3. Statement of Construction in Progress
For the year ended December 31, 2023

(In Thousands of New Taiwan Dollars)

Project name	As of January 1, 2023	Additions		Decrease		As of December 31 2023
		Land and Construction Costs	Interest Capitalization	Cost of Land Transferred to Sold Properties	Transferred to Construction Land	
Shulin Case	$85,821	$-	$-	$-	$-	$85,821
Delpha Living's Home B	1,350	-	-	-	-	1,350
Xindian He Feng Case	148,391	-	-	-	-	148,391
Huaisheng Urban Renewal Project	49,001	1,577	-	-	-	50,578
Wenlin N. Road Case	976	-	-	-	-	976
Xinbi Section Case A	633,479	629,362	-	1,262,841	-	-
Xinbi Section Case B	189,499	10,657	17,810	-	-	217,966
Lejie Section Case A	395,056	150,412	-	-	-	545,468
Lejie Section Case B	105,407	2,937	13,276	-	-	121,620
Lejie Section Case C	-	-	1,875	-	-	1,875
Qingxi Section Case A	221,980	99,866	-	-	-	321,846
Qingxi Section Case B	358,488	271,392	34,155	-	-	664,035
Shanjie Section	118,612	198,261	12,017	-	-	328,890
Xinzhan Section	151,271	155,548	8,274	-	-	315,093
Wuri New High-Speed Railway Section	1,362,642	764,985	108,307	-	-	2,235,934
Qing'an Section	39,595	38,103	15,214	-	-	92,912
Sanzuowu Section	24,344	3,634	8,251	-	-	36,229
Total	$3,885,912	$2,326,734	$219,179	$1,262,841	$-	$5,168,984

Delpha Construction Co., Ltd.

4. Statement of Prepayment

As of December 31, 2023

(In Thousands of New Taiwan Dollars)

Item	Description	Amount	Note
Prepayments			
Prepayments to Suppliers		$124,400	
Prepaid other Expenses		2,038	
Deferred Tax Assets		178,173	
Other Prepayment		14,109	
Total		$318,720	

Delpha Construction Co., Ltd.

5. Statement of other financial assets - current

As of December 31, 2023

(In Thousands of New Taiwan Dollars)

Name	Description	Book Value (NTD)	Note
NTD：			
Trust account (NTD)	Taiwan Cooperative Bank	$7,769	
Trust account (NTD)	Taiwan Cooperative Bank	35,878	
Trust account (NTD)	Taiwan Cooperative Bank	14,442	
Trust account (NTD)	Mega International Commercial Bank Co., Ltd.	502,890	
Trust account (NTD)	Taiwan Cooperative Bank	13,099	
Reserve Account (NTD)	Bank of Panshin	9,920	
Trust account (NTD)	Mega International Commercial Bank Co., Ltd.	33,413	
Trust account (NTD)	First Commercial Bank	49,100	
Total		$666,511	

Delpha Construction Co., Ltd.
6. Statement of Other Current Assets - Miscellaneous
As of December 31, 2023

(In Thousands of New Taiwan Dollars)

Item	Description	Amount	Note
Payments on Behalf	Advances for Joint Owners' Sales Services and Others	$5,009	

Delpha Construction Co., Ltd.

7. Statement of Financial Assets at Fair Value Through Other Comprehensive Income, non-current

For the year ended December 31, 2023

(In Thousand shares / Thousands of New Taiwan Dollars)

Name	As of January 1, 2023		Additions		Decrease		Unrealized Valuation Gains and Losses	As of December 31, 2023		Pledged as Security	Note
	Shares	Fair value	Shares	Amount	Shares	Amount	Amount	Shares	Fair value		
Unlisted and Unquoted Shares:											
Vincera Growth Capital II Limited	60	$1,675	-	$-	-	$-	$86	60	$1,761	None	
Hwa Chi Venture Capital Co., Ltd.	8	855	-	-	-	-	387	8	1,242	None	
Total		$2,530		$-		$-	$473		$3,003		

Delpha Construction Co., Ltd.

8. Statement of Changes in Investments Accounted for Using the Equity Method

For the year ended December 31, 2023

(In Thousand shares / Thousands of New Taiwan Dollars)

	As of January 1, 2023			Additions		Decrease		As of December 31, 2023			Fair Value			
Name	Shares	Percentage of ownership (%)	Amount	Shares	Amount	Shares	Amount	Shares	Percentage of ownership (%)	Amount	Unit price	Unit price	Basis of Valuation	Pledged as Security
Huachien	18,208	58.36%	$330,858	-	$-	-	$10,428 (Note 1)	18,208	58.36%	$320,430	$549,058	$17.60	Equity method	None
Huajian	35,000	100%	320,937	-	-	-	8,099 (Note 1、Note 2、Note 3)	35,000	100%	312,838	386,659	11.05	Equity method	Yes

Note 1: Represents investment income recognized using the equity method.

Note 2: Represents cash dividends distributed by the investee company.

Note 3: Represents the recognition of unrealized sales profits.

Delpha Construction Co., Ltd.

9. Statement of Right-of-Use Assets Cost and Accumulated Depreciation

As of December 31, 2023

(In Thousands of New Taiwan Dollars)

Item	As of January 1, 2023	Additions	Decrease	As of December 31, 2023	Note
Cost					
Buildings	$996	$357	$(996)	$357	
Accumulated Depreciation and Impairment					
Buildings	(609)	(353)	664	(298)	
Net Book Value	$387	$4	$(332)	$59	

Delpha Construction Co., Ltd.

10. Statement of Other Non-current Assets

As of December 31, 2023

(In Thousands of New Taiwan Dollars)

Item	Description	Amount	Note
Prepayment for equipment		$470	
Guarantee deposits paid			
Joint Venture Guarantee Deposits		$400	
Lease Security Deposits		58	
Construction Guarantees or Construction Guarantee Deposits		7,067	
Total		$7,525	
Other Non-current Assets - others			
Furnishings and Decorations		$5,552	

Delpha Construction Co., Ltd.

11. Statement of Short-term Borrowings

As of December 31, 2023

(In Thousands of New Taiwan Dollars)

Creditor	Nature of Borrowing	Borrowed Amount	Contract Term	Interest Rate	Note
The Shanghai Commercial & Savings Bank, Ltd.	Secured Loan	$100,000	2023.11～2024.10	Note 2	
First Commercial Bank	Secured Loan	65,000	2023.10～2026.05	〃	
Hwatai Bank	Secured Loan	733,000	2020.11～2024.05	〃	
Mega International Commercial Bank Co., Ltd.	Secured Loan	389,600	2022.12～2025.05	〃	
Mega International Commercial Bank Co., Ltd.	Secured Loan	526,000	2023.02～2025.05	〃	
Mega International Commercial Bank Co., Ltd.	Secured Loan	420,920	2023.07～2025.05	〃	
Mega International Commercial Bank Co., Ltd.	Secured Loan	49,000	2023.06～2025.09	〃	
Mega International Commercial Bank Co., Ltd.	Secured Loan	33,000	2023.03～2025.09	〃	
Mega International Commercial Bank Co., Ltd.	Secured Loan	62,150	2023.10～2025.09	〃	
Taiwan Cooperative Bank	Secured Loan	221,000	2021.03～2024.12	〃	
Taiwan Cooperative Bank	Secured Loan	380,000	2021.03～2024.12	〃	
Taiwan Cooperative Bank	Secured Loan	28,000	2021.06～2024.12	〃	
Taiwan Cooperative Bank	Secured Loan	50,245	2023.04～2025.03	〃	
Taiwan Cooperative Bank	Secured Loan	52,000	2023.02～2025.03	〃	
Taiwan Cooperative Bank	Secured Loan	17,600	2022.01～2024.08	〃	
Taiwan Cooperative Bank	Secured Loan	122,280	2022.11～2024.08	〃	
Taiwan Cooperative Bank	Secured Loan	188,640	2022.10～2025.03	〃	
CTBC Bank Co., Ltd.	Secured Loan	8,500	2023.07～2026.06	〃	
Shin Kong Commercial Bank Co., Ltd.	Secured Loan	210,000	2023.03～2024.03	〃	
Taishin International Bank Co., Ltd.	Secured Loan	49,000	2023.12～2024.01	〃	
Bank of Panshin	Unsecured Loan	95,500	2023.03～2026.03	〃	
Far Eastern International Bank Co., Ltd.	Unsecured Loan	287,500	2023.04～2026.04	〃	
Total		$4,088,935			

Note 1: For details on collateral or guarantees, please refer to Note 8.

Note 2: The interest rate range is from 2.36% to 2.86%.

Delpha Construction Co., Ltd.

12. Statement of Contract Liabilities - Current

As of December 31, 2023

(In Thousands of New Taiwan Dollars)

Item	Description	Amount	Note
Advances from Customers for Properties	Xinbi Section Case A	$324,321	
	Xinbi Section Case B	76,900	
	Lejie Section Case A	338,781	
	Qingxi Section Case A	186,400	
	Qingxi Section Case B	111,130	
	Shanjie Section	59,629	
	Xinzhan Section	53,730	
	Wuri New High-Speed Railway Section	992,953	
Total		$2,143,844	

Delpha Construction Co., Ltd.

13. Statement of Notes Payable (including related parties)

As of December 31, 2023

(In Thousands of New Taiwan Dollars)

Item	Description	Amount	Note
Not related parties			
A Company	Construction Payables	$25,608	
B Company	Construction Payables	25,093	
C Company	Construction Payables	9,390	
D Company	Construction Payables	6,802	
Others	Construction Payables	17,537	(Amounts less than 5% of the respective account)
Total		$84,430	
Related parties			
Huajian	Construction Payables	$290,086	

Delpha Construction Co., Ltd.

14. Statement of Accounts Payable (including related parties)

As of December 31, 2023

(In Thousands of New Taiwan Dollars)

Item	Description	Amount	Note
Not related parties			
A Company	Construction Payables	$12,272	
B Company	Construction Payables	4,517	
C Company	Construction Payables	1,891	
Others		2,672	(Amounts less than 5% of the respective account)
Total		$21,352	
Related parties			
Huajian	Construction Payables	$465,250	

Delpha Construction Co., Ltd.

15. Statement of Other Payables

As of December 31, 2023

(In Thousands of New Taiwan Dollars)

Item	Descriotion	Amount	Note
Salaries and Bonuses Payable		$20,621	
Interest Payable		8,280	
Planning Service Fees		48,503	
Others	Accrued Expenses and Other Payables	84,576	(Amounts less than 5% of the respective account)
Total		$161,980	

Delpha Construction Co., Ltd.

16. Statement of Other Current Liabilities - Miscellaneous

As of December 31, 2023

(In Thousands of New Taiwan Dollars)

Item	Descriotion	Amount	Note
Collections on Behalf	Withholding Taxes Payable	$52	
	Collections on Behalf of Others	52,538	
	Other Collections on Behalf	24	
Total		$52,614	

Delpha Construction Co., Ltd.

17. Statement of Lease Liabilities

As of December 31, 2023

(In Thousands of New Taiwan Dollars)

Item	Lease Period	Discount Rate	Description	Amount	Note
Buildings	March 2023 to February 2024	2.32%	Current	$60	
			Non-current	-	
			Total	$60	

Delpha Construction Co., Ltd.

18. Statement of Long-term Borrowings

As of December 31, 2023

(In Thousands of New Taiwan Dollars)

Creditor	Description	Borrowing Amount	Contract period	Interest Rate	Collateral or Guarantee	Note
Taiwan Cooperative Bank	Secured Borrowings	$1,101,155	2021.05~2025.03	Note1	Inventory - Construction Land and Work in Progress	
Bank of Panshin	Secured Borrowings	175,000	2021.12~2026.12	〃	Subsidiary Shares	
Mega International Commercial Bank Co., Ltd	Secured Borrowings	2,424,400	2021.06~2027.10	〃	Inventory - Construction Land and Work in Progress	
First Commercial Bank	Secured Borrowings	350,000	2022.05~2026.05	〃	Inventory - Construction Land and Work in Progress	
CTBC Bank Co., Ltd.	Secured Borrowings	142,500	2022.12~2026.06	〃	Inventory - Construction Land and Work in Progress	
Far Eastern International Bank Co., Ltd.	Secured Borrowings	390,000	2023.03~2027.01	〃	Inventory - Construction Land and Work in Progress	
The Shanghai Commercial & Savings Bank, Ltd.	Secured Borrowings	393,000	2023.09~2027.11	〃	Inventory - Construction Land and Work in Progress	
Subtotal		4,976,055				
Less: Amounts due within one year		(3,992,055)				
Total		$984,000				

Note 1: The interest rate range is 2.43% to 2.86%.

Delpha Construction Co., Ltd.

19. Statement of Operating Revenues

For the year ended December 31, 2023

(In Thousands of New Taiwan Dollars)

Item	Description	Amount		Note
		Subtotal	Total	
Sales revenue – lands and buildings				
Delpha Living's Home A		$1,455		
Xinbi Section Case A		1,939,897	$1,941,352	
Rental income				
Sanzuowu Section		1,391		
Reading Europe		314		
Shulin Case		34		
Shitan Section Case A		92	1,831	
Total			$1,943,183	

Delpha Construction Co., Ltd.

20. Statement of Operating Costs

For the year ended December 31, 2023

(In Thousands of New Taiwan Dollars)

Item	Description	Amount	Note
Cost of goods sold – lands and buildings			
Delpha Living's Home A		$4,154	
Xinbi Section Case A		1,114,818	
Total		$1,118,972	

Delpha Construction Co., Ltd.

21. Statement of Operating Expenses

For the year ended December 31, 2023

(In Thousands of New Taiwan Dollars)

Item	Description	Amount	Note
Advertising Expenses		$96,658	
Others		1,170	(Amounts less than 5% of the respective account)
Total		$97,828	

Delpha Construction Co., Ltd.

22. Statement of Operating Expenses

For the year ended December 31, 2023

(In Thousands of New Taiwan Dollars)

Item	Description	Amount	Note
Salary		$54,352	
Service Charges		5,657	
Taxes and Contributions		5,419	
Others		26,188	(Amounts less than 5% of the respective account)
Total		$91,616	

6. Financial Difficulties of the Company and Its Subsidiaries in the Latest Year and as of the Annual Report Publication Date, and the Impact on the Financial Status of the Company: None.

【Review of Financial Conditions, Operating Results, and Risk Management】

1. Financial Status

Comparative analysis table of financial status in the last two fiscal years (consolidated reports):

Unit: NT$1,000

Item \ Year	2023	2022	Difference	
			Amount	%
Current assets	23,574,016	20,093,673	3,480,343	17%
Non-current assets	153,913	224,227	(70,314)	-31%
Total assets	**23,727,929**	**20,317,900**	**3,410,029**	**17%**
Current liabilities	11,320,207	8,449,395	2,870,812	34%
Non-current liabilities	1,729,580	1,349,972	379,608	28%
Total liabilities	**13,049,787**	**9,799,367**	**3,250,420**	**33%**
Other equity interest	10,445,272	10,278,223	167,049	2%
Total equity	**10,678,142**	**10,518,533**	**159,609**	**2%**

Main reasons of material changes:

1. The decrease in non-current assets in the current period is due to the decrease in deferred tax assets and guarantee deposits paid.
2. The increase in current liabilities is mainly due to the increase in contract liabilities in the current period.
3. The increase in non-current liabilities is mainly due to the increase in long-term borrowings.

2. Financial Performance

(1) Comparative analysis table of financial performance in the last two fiscal years (consolidated reports):

Unit: NT$1,000

Item \ Year	2023	2022	Difference (Amount)	Difference (%)
Net operating income	1,951,453	1,994,281	(42,828)	-2%
Operating cost	1,099,437	1,360,861	(261,424)	-19%
Gross profit	852,016	633,420	218,596	35%
Operating expense	205,132	233,683	(28,551)	-12%
Operating profit/loss	646,884	399,737	247,147	62%
Non-operating income and expenditure	2,938	4,506	(1,568)	-35%
Net income (loss) before tax	649,822	404,243	245,579	61%
Current net income (loss)	503,603	445,470	58,133	13%

1. Main reasons of material changes:
   The increase in gross profit in the current period was mainly due to the higher profit margin of housing units handed over in the current period, which resulted in an increase in operating profit and net profit before tax.
2. Expected sales volume and its basis, the possible impact on the Company's future financial business, and the response plan:
   Please refer to the 2024 Operation Plan on page 4 of this annual report.

3. Cash Flow

(1) Liquidity analysis for the last two fiscal years

Unit: NT$1,000

Item \ Year	2023	2022	Increase/decrease (%)
Cash flow ratio (%)	-	-	
Cash adequacy ratio (%)	0.00	4.88	(100%)
Cash reinvestment ratio (%)	(2.78)	0.00	NA

Analysis of changes:
Cash flow ratio: As the net cash flow outflow from operating activities for the period is not analyzed.
Cash adequacy ratio: The decrease in the ratio is due to the decrease in net cash inflow from operating activities

(2) Cash liquidity analysis for the next year:

Unit: NT$1,000

Beginning cash balance (1)	Cash flow from operating activities expected in the whole year (2)	Cash inflow (outflow) expected in the whole year (3)	Amount of cash balance (shortage) (1)+(2)-(3)	Cash shortage contingency plan	
				Investment Plan	Financing plan
1,114,378	(26,313)	574,469	1,662,535	-	-
Analysis of changes in cash flow in 2024: The net cash outflow from operating activities was mainly due to the purchase of land and development expenses of new projects.					

4. Impact of Major Capital Expenditure in the Current Year on Financial Status: None.

5. Re-investment Policy in the Current Year, the Main Reason for Profit or Loss, Improvement Plan and Investment Plan for the Next Year: None.

6. Analysis and Assessment of Risk Issues:

(1) The effect upon the Company's profits (losses) of interest and exchange rate fluctuations and changes in the inflation rate, and response measures to be taken in the future:

The effect upon the Company's profits (losses)

Item	2023(NT$1,000；%)
Net amount of interest income (Expenditure)	(7,823)
Net amount of exchange gain(loss)	97
Ratio of interest income (Expenditure) to net operating income	(0.40%)
Ratio of interest income (Expenditure) to pre-tax net profit/loss	(1.55%)
Ratio of net interest income and expenses to total assets	(0.03%)
Ratio of exchange gain(loss) to net operating income	0.00%
Ratio of exchange gain(loss) to pre-tax net profit/loss	0.02%
Ratio of net profit and loss on exchange to total assets	0.00%

1. Impact of changes in interest rate on the Company’s profits and losses and future response measures

   The Company has good credit and is a popular client for major banks and cooperatives. The current liabilities and liability ratios are lower than that of competitors. The Finance Department evaluates changes in interest rates based on the financing information of banks and requests banks to provide the most favorable interest rate for business transactions with the Company. The measures have been effective in reducing interest expenses for the Company.

2. Impact of changes in exchange rate on the Company’s profits and losses and future response measures:

   The Company is a real estate development company and provides services to the domestic market. The regular payments are mainly in NTD and exchange rate fluctuations have no significant impact on the Company.

3. Impact of inflation on the Company’s profits and losses and future response measures:

   Real estate has long been seen as a valuable asset that can retain or even appreciate in value. It has a certain sales market. Inflation may be reflected in the sales price, but a certain level of profits can still be maintained. Thus, inflation has no significant impact on the Company's profit.

(2) The Company's policy regarding high-risk investments, highly leveraged investments, loans to other parties, endorsements, guarantees, and derivatives transactions; the main reasons for the profits/losses generated thereby; and response measures to be taken in the future:

1. High-risk and highly leveraged investments

   The Company has not conducted any high-risk or highly leveraged investments.

2. Loans to others

   The Company established the "Procedures for Extending Loans to Others" which were passed in resolutions of the Board of Directors and shareholders' meeting and used as the basis for the Company's related transactions. The Company has not lent funds to others in the most recent fiscal year up to the publication date of the Annual Report.

3. Endorsements and guarantees

   The Company has established the "Procedures for Endorsement and Guarantee", which has been approved by the Board of Directors and the shareholders' meeting as the basis for the Company to engage in relevant transactions.

   In response to the need of the Company's subsidiary, Huajian Construction Co., Ltd., to undertake the operational turnaround of the Company's construction projects, the Company endorsed the guarantee, which was approved by the

Audit Committee and the Board of Directors.

Details for endorsements/guarantees up to Dec 31st, 2023 as below：

Year	Endorsements		Maximum balance for the period	Ending Balance	Endorsement guarantee limit for a single enterprise	The maximum amount of endorsement guarantee
	Company Name	Relationship				
2023	Huajian Construction Co., Ltd.	The Company's Subsidiary	$100,000	$100,000	$2,089,054	$5,222,636

4. Derivative trading

The Company established the "Procedures for Acquisition or Disposal of Assets" which included related regulations on derivative trading. They were passed by the Board of Directors and shareholders' meeting and used as the basis for the Company's related transactions. The Company has not engaged in any derivatives trading in the most recent fiscal year up to the publication date of the Annual Report.

(3) Research and development work to be carried out in the future, and further expenditures expected for research and development work:

The Company is engaged in the construction industry. Since the industry doesn’t require the development of new products like general manufacturing industry or other industries do, it has no expenditure for research and development.

(4) Effect on the Company's financial operations of important policies adopted and changes in the legal environment home and abroad, and measures to be taken in response:

Real estate is closely connected to the economic cycle and heavily influenced by the general economic and financial environment. Taiwan's real estate cycles in the past decade have been affected by changes in laws and regulations with significant impact on the real estate transaction volume. Government policies are also an important factor for the industry. To solve the problem of rapid increase in housing prices in metropolitan areas in Taiwan, the government has introduced measures to curb speculation in the housing market and contain the rapid rise in housing prices. Although changes in laws and regulations often reduces the transaction volume in the housing market, its main purpose is to counter the actions of investors who seek to own the properties for a short period of time and reduce real estate speculation. Therefore, the amendments of related real estate regulations will support the long-term development of the real estate industry. The Company operates in compliance with the relevant laws and regulations and pays close attention to the changes in government policies and laws in order to respond to potential impact on the real estate industry. We actively start planning after land purchases, and rigorously monitor the progress of construction projects and case schedules to maintain the Company's overall competitiveness. There has been no significant adverse impact on the Company's financial conditions due to significant changes in domestic and foreign policies and changes in laws in the most recent year.

(5) Effect on the company's financial operations of developments in science and technology (Including cybersecurity risks) as well as industrial change, and measures to be taken in response:

The Company main businesses include the commissioned construction of commercial buildings and the lease and sales of public housing units. When designing individual projects, the Company adopts the latest building technologies to reduce construction time and uses new high-tech products in individual cases to make products more attractive. The Company's land development personnel have a professional and keen sense of the market. They obtain industry information from a variety of sources to monitor development trends. They actively seek land with potential for investment and development.

The Company has implemented a Cybersecurity Policy and Management Plan to mitigate cybersecurity risks. This plan provides adequate protection measures for our information assets and protects our information systems from unauthorized access, use, leaks, and damage.

Therefore, the changes in technologies and the industry as of the publication date of the Annual Report have had no significant adverse impact on the Company's financial and business operations.

(6) Effect on the company's crisis management of changes in the corporate image, and measures to be taken in response:

The Company upholds the business philosophy and implements corporate governance based on the values of integrity, accountability, and compliance with laws. As of the publication date of the Annual Report, the Company has not been subject to any change in corporate image that incurred a crisis in business management.

(7) Expected benefits and possible risks associated with any merger or acquisition, and mitigation measures to be taken:

The Company doesn't perform acquisition in the most current year and as of the Annual Report publication date.

(8) Expected benefits and possible risks associated with any plant expansion, and mitigation measures to be taken:

The Company doesn't perform any plant expansion in the most current year and as of the Annual Report publication date.

(9) Risks associated with any consolidation of sales or purchases, and mitigation measures to be taken:

As the Company is a real estate developer, the suppliers consist of landowners and construction companies. The Company's purchase of land for construction is based on the Company's internal consultation and evaluation and we select land with development value on the market. Since there are numerous and dispersed sources for land purchases, there is no risk of concentration of supply or interruption of supply shortage. For the construction contracts, the Company compares companies and prices and selects companies with abundant experience in construction and sufficient capital to take on the projects. We could also select the Company's subsidiary Huajian Construction Co., Ltd. for construction. To effectively control the quality and progress of the projects, the Company specifies relevant regulations in the contracts and maintains good partnerships with contractors. Therefore, the Company does not face risks in concentrated procurements due to the abundant supply of construction companies.

The Company sells products to the general public and does not face risks in concentrated sales.

(10) Effects of risks relating to large share transfers or changes in shareholdings by directors, supervisors, or shareholders with shareholdings of over 10%, and measures to be taken: None.

(11) Effect on the Company as well as risks associated with any change in management officers or top management: None.

(12) Litigation or non-litigation matters as of the Annual Report publication date:

Refund case

(1) Plaintiff: Lin ○○

(2) Overview of case:

A. Due to a real estate sales case, the buyer who breached the contract sued the Company to request the return of all liquidated damages.
B. The Taiwan Shilin District Court is currently adjudicating the first instance of this case.

(13) Other important risks: None

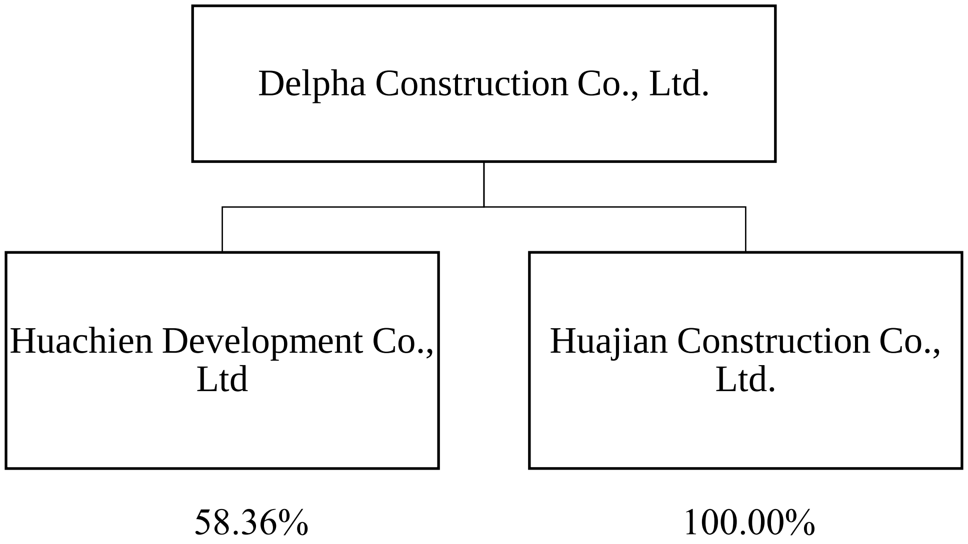
7. Other Important Matters: None

【Special Disclosures】

1. Summary of Affiliated Companies

(1) Consolidated Operation Report of the Affiliates

1. Organizational chart of affiliates (2022/12/31)



2. Basic data of affiliates:

Unit: NT$1,000; Date: 2023/12/31

Name of company	Date of incorporation	Address	Paid-in capital (NT$1,000)	Major businesses or products
Huachien Development Co., Ltd.	1998/06/23	16F, No. 460, Section 5, Chenggong Road, Neihu District, Taipei City	312,015	Development, lease and sale of houses and buildings
Huajian Construction Co., Ltd.	1982/01/12	16F, No. 460, Section 5, Chenggong Road, Neihu District, Taipei City	350,000	Comprehensive Construction Industry, Housing and building developing and leasing industry、Architectural Materials Wholesale Industry

●All affiliates should be disclosed (including the presumptive controlled and affiliated companies)

●If the plant is set up by the affiliate, and the sales volume of the products produced by that plant exceeds 10% of the revenue of the controlling company, it should also list the related data of the Company.

●If any affiliate is a foreign company, it should be listed in English, calendar year and foreign currency (The exchange rate on the report date should be specified).

3. For the presumptive controlled and affiliated companies, the same data of the directors: None.

4. Directors, Supervisors and General Manager of Affiliates

Unit: share; %; Date: 2023/12/31

Name of affiliate	Title (Note 1)	Name	Name or representative	Shareholding (Note 2)(Note 3)	
				Shares	Percent
Huachien Development Co., Ltd.	Chairperson	Cheng, Ssu-Tsung	Delpha Construction Co., Ltd	18,207,735	58.36%
	Director	Huang, Jyh-Jen			
	Director	Wang, Ying-Quan			
	Director	Hsu, Kai	Hongyu Construction Co., Ltd	9,606,830	30.79%
	Director	Chen, Jing-Xin			
	Supervisor	Lee, Jun-Xian		0	0%
Huajian Construction Co., Ltd.	Chairperson	Huang, Hsin-Te	Delpha Construction Co., Ltd	35,000,000	100.00%

Notes: (1) If the relationship company is a foreign company, it should list the equivalent position.

(2) If the invested company is not a holding company, it should fill in the shares and percent of shareholding.

(3) When the director or supervisor is a company, it should also list the related data of the representatives.

5. Operations of the affiliates:

Unit: NT$1,000; Date: 2023/12/31

Name of company	Amount of paid-in capital	Total amount of assets	Total amount of liabilities	Net value	Operating income	Operating profit	Profit (loss) of the current term (after tax)	EPS (after tax)
Delpha Construction Co., Ltd	8,399,880	22, 820, 353	12, 375, 081	10, 445, 272	1, 943, 183	634, 767	511, 043	0. 61
Huachien Development Co., Ltd.	312,015	1, 327, 628	778, 570	549, 058	8, 584	303	(17, 869)	(0. 57)
Huajian Construction Co., Ltd.	350,000	1, 038, 249	651, 590	386, 659	1, 783, 192	48, 983	35, 900	1. 03

(1) All affiliates should be disclosed.

(2) If the relationship company is a foreign company, it should list the related figures in NT$ converted based on the exchange rate on the report date.

6. If the industries and overall businesses engaged by the affiliates are correlated, list the labor division situation

Unit: NT$1,000

Name of company	Industries covered by the businesses	Business relationship	Business partner	Amount	Reason for business relationship	Remarks
Delpha Construction Co., Ltd	Construction industry	Restock	Huajian Construction Co., Ltd.	1,703,229	None	
Huachien Development Co., Ltd.	Development, lease and sale of houses and buildings	None	None	None	None	
Huajian Construction Co., Ltd.	Comprehensive Construction Industry、Housing and building developing and leasing industry、Architectural Materials Wholesale Industry	Sales	Delpha Construction Co., Ltd	1,783,192	Consigned to build commercial buildings and public housing	

2. Transaction on the company’s private placement of securities in the most recent year and as of the Annual Report publication date:

1.Private Placement of Securities in 2021

(1) As resolved at the shareholders' meeting on August 8, 2021, the Company conducted capital increase by private placement of common shares within the line of 200,000 thousand shares in three installments within 1 year from the date of resolution.

(2) The first private placement in 2021 was revoked upon board resolution. The Company issued a total of 200,000 thousand shares through private placement in August and September 2021. Details are as follows:

	Second Session of the First Private Placement in 2021	Third Session of the First Private Placement in 2021
Item	Issuing Date: 2021/10/15 Total Shares: 83,000,000 shares	Issuing date: 2021/10/27 Number of shares: 117,000,000 shares
Security Category for Private Placement	Common shares	
Date and Amount approved in the General Shareholders' Meeting	The line of issuance was approved no more than 200,000,000 shares in the General Shareholders' Meeting dated August 5, 2021	
The basis and rationality of price setting	The date convening the Board of Directors' Meeting, August 11, 2021, is set as the price determination date. (1) In the simple arithmetic method, its resulted average amid the closing prices of common shares on the 1st, 3rd or 5th business days prior to the price determination date were NT$13.70, NT$13.78 and NT$13.85 respectively. Chosen from one of them, the stock price in the preceding day is subject to the average from the result of deducting free allotment ex-rights and dividends, then adding back to the stock price, NT$13.70, after capital reduction reversing ex-rights. (2) The stock price, NT$13.84, is subject to the resulted average in the simple arithmetic method among the closing prices of common shares in 30 business days prior to the price determination date, deducting free allotment ex-rights and dividends, then, adding back to price after capital reduction reversing ex-rights. The higher one was selected between above two prices of calculations as the price referenced in this private place, NT$13.84. Combined as above, NT$11.8 was proposed to be the price in the actual private placement herein, which accounts for 85.26% of the reference price, not lower than 80% of that determined in the General Shareholders' Meeting.	The date convening the Board of Directors' Meeting, September, 3, 2021, is set as the price determination date. (1) In the simple arithmetic method, its resulted average amid the closing prices of common shares on the 1st, 3rd or 5th business days prior to the price determination date were NT$14.00, NT$13.88 and NT$13.84 respectively. Chosen from one of them, the stock price among 5 preceding day is subject to its average from the result of deducting free allotment ex-rights and dividends, then adding back to the stock price, NT$13.84, after capital reduction reversing ex-rights. (2) The stock price, NT$13.83, is subject to the resulted average in the simple arithmetic method among the closing prices of common shares in 30 business days prior to the price determination date, deducting free allotment ex-rights and dividends, then, adding back to price after capital reduction reversing ex-rights. The higher price selected between above two prices of calculations as the price referenced in this private place, NT$13.84. Combined as above, NT$11.80 was proposed to be the price in actual private placement, accounting for 85.26% of the reference price, not lower than 80% of that determined in the General Shareholders' Meeting.
Selective	The subscribers for private placement shall meet the qualifications for	The subscribers for private placement shall meet the qualifications for special

method of subscribers	specified persons listed in Article 43-6 of the Securities and Exchange Act and the Explanation (91) Tai Cai Zheng Yi No. 0910003455 in June 13, 2002 by the Financial Supervisory Commission about the regulation of the specified persons. The related background information check is proposed to be reviewed by the Board of Directors. Subscribers／Relationship Wang, Mu-Fan／Independent Director Yan, Ming-Hung／Director Guo, Ming-Zhen／Spouse of the manager Lee, Jun-Xian／Manager Wang, Chen-Kang／Manager Chien, Lin-Chin／Manager Wu, Sing-Suei／Manager Chia Chun Investment Co., Ltd.／Majority shareholder Hong Yi Investment Ltd.／Related party Da Shuo Investment Co., Ltd.／Related party Hou, Bo-Yao/None Shih, Gang-Hong /None Lee, Mei-Chan /None Hou, Su-Fen /None Liu, Sin-Hai /None Wang, Pei-Yu /None Tsong Bo Consulting Co., Ltd. /None Fong, Sin-Yi /None Siao, Yu-Jie /None Hiyes International Co., Ltd./None Neng Hong Investment Holdings Co., Ltd./None Yang, Jhih-Cheng /None Chen, Chia-Ling/None Wu, Lou-Ho/None Chou, Tsung-Yueh/None Lin, Hsing-Yu/None Huang Yueh Enterprise Co., Ltd. /None Song, Pei-Ching/None	persons listed in Article 43-6 of the Securities and Exchange Act and the Explanation (91) Tai Cai Zheng Yi No. 0910003455 in June 13, 2002 by the Financial Supervisory Commission about the regulation of the specified persons. The related background information check is proposed to be reviewed by the Board of Directors. Subscribers／Relationship Chia Chun Investment Co., Ltd.／Majority shareholder Chen, Chia-Ling/None Lin, Hsing-Yu/None Lin, Zheng-Yung/None Chung Hou Co., Ltd. /None

<table>
<tr><td></td><td colspan="3">Chen, Chien-Fu/None
Honey Ll Limited Corporation/None
Chen, Ying/None
Chen, Zheng-Lin/None
Yuan Hsiang International Development Co., Ltd./None</td><td colspan="3"></td></tr>
<tr><td>Reasons for necessity of private placement</td><td colspan="6">The Company evaluates the fund market condition and consider factors including but not limited to time efficiency, convenience, issuing costs and equity steadiness in the fundraising process, so common shares were issued via private placement.</td></tr>
<tr><td>Payoff Date of Price</td><td colspan="3">2021/08/25</td><td colspan="3">2021/09/17</td></tr>
<tr><td rowspan="16">Subscriber profile</td><td colspan="3">Subscribers listed below are all qualified pursuant to Article 43-6 of the Securities and Exchange Act.</td><td colspan="3">Subscribers listed below are all qualified pursuant to Article 43-6 of the Securities and Exchange Act.</td></tr>
<tr><td>Name</td><td>Number of shares subscribed</td><td>Relationship</td><td>Name</td><td>Number of shares subscribed</td><td>Relationship with the Company</td></tr>
<tr><td>Wang, Mu-Fan</td><td>100,000</td><td>Independent Director</td><td>Chia Chun Investment Co., Ltd</td><td>111,267,700</td><td>Majority shareholder</td></tr>
<tr><td>Yan, Ming-Hung</td><td>400,000</td><td>Director</td><td>Chen, Chia-Ling</td><td>500,000</td><td>None</td></tr>
<tr><td>Guo, Ming-Zhen</td><td>3,000,000</td><td>Spouse of the manager</td><td>Lin, Hsing-Yu</td><td>1,690,000</td><td>None</td></tr>
<tr><td>Lee, Jun-Xian</td><td>200,000</td><td>Manager</td><td>Lin, Zheng-Yung</td><td>1,000,000</td><td>None</td></tr>
<tr><td>Wang, Chen-Kang</td><td>320,000</td><td>Manager</td><td>Chung Hou Co., Ltd.</td><td>2,542,300</td><td>None</td></tr>
<tr><td>Chien, Lin-Chin</td><td>150,000</td><td>Manager</td><td colspan="3" rowspan="9"></td></tr>
<tr><td>Wu, Sing-Suei</td><td>100,000</td><td>Manager</td></tr>
<tr><td>Chia Chun Investment Co., Ltd.</td><td>14,750,000</td><td>Majority shareholder</td></tr>
<tr><td>Hong Yi Investment Ltd.</td><td>4,220,000</td><td>Related party</td></tr>
<tr><td>Da Shuo Investment Co., Ltd.</td><td>8,000,000</td><td>Related party</td></tr>
<tr><td>Hou, Bo-Yao</td><td>600,000</td><td>N/A</td></tr>
<tr><td>Shih, Gang-Hong</td><td>100,000</td><td>N/A</td></tr>
<tr><td>Lee, Mei-Chan</td><td>100,000</td><td>N/A</td></tr>
<tr><td>Hou, Su-Feng</td><td>300,000</td><td>N/A</td></tr>
</table>

	Liu, Sin-Hai	800,000	N/A	
	Wang, Pei-Yu	1,000,000	N/A	
	Tsong Bo Consulting Co., Ltd.	1,000,000	N/A	
	Fong, Sin-Yi	400,000	N/A	
	Siao, Yu-Jie	1,200,000	N/A	
	Hiyes International Co., Ltd.	12,700,000	N/A	
	Neng Hong Investment Holdings Co., Ltd.	16,940,000	N/A	
	Yang, Jhih-Cheng	4,230,000	N/A	
	Wu, Liou-Ho	1,000,000	N/A	
	Zhou, Tsung-Yueh	1,010,000	N/A	
	Huang Yueh Enterprise Co., Ltd.	1,000,000	N/A	
	Song, Pei-Ching	420,000	N/A	
	Chen, Chien-Fu	3,050,000	N/A	
	Honey Ll Limited Corporation	500,000	N/A	
	Chen, Ying	1,690,000	N/A	
	Chen, Zheng-Lin	2,030,000	N/A	
	Yuan Hsiang International Development Co., Ltd.	1,690,000	N/A	
Actual price subscribed	NT$11.80			NT$ 11.80
Difference between actual subscription price and reference price	The actual price subscribed accounts for 85.26% of the reference price, NT$13.84			The actual price subscribed accounts for 85.26% of the reference price, NT$13.84
The effect of private placement on the equity	Enhance the Company's financial structure, reduce cost funding here to expand the operational scale in future, and upgrade long-term competitiveness for shareholder rights and interests as a whole.			Enhance the Company's financial structure, reduce cost funding here to expand the operational scale in future, and upgrade long-term competitiveness for shareholder rights and interests as a whole.
Progress in the use of fund from private placement (Currency: NTD1,000)				

Purpose of fund by private placement	Expected amount for use	Actual amount used	Aggregated actual amount used and its proportion (%)	Amount of balance reserved and its purpose	Reason for ahead of or beyond schedule and improvement plan	Expected amount for use	Actual amount used	Aggregated actual amount used and its proportion (%)	Amount of balance reserved and its purpose	Reason for ahead of or beyond schedule and improvement plan
Replenish business capital	-	80,000	100.00%	-	Not applicable	-	-	-	-	-
Repaying for bank loans	-	149,400	100.00%	-	Not applicable	-	-	-	-	-
Miscellaneous	-	750,000	100.00%	-	Not applicable	-	1,380,600	100%	-	Not applicable
Closing date for completion of fund utilization plan	May,2022					May,2022				
Efficiency of private placement	Enhance business performance and overall competitive									

2. Private Placement of Securities in 2021
   (1) As resolved at the special shareholders' meeting on November 30, 2021, the Company conducted capital increase by private placement of common shares within the line of 140,000 thousand shares in three installments within 1 year from the date of resolution.
   (2) The Company issued a total of 119,235,534 thousand shares through private placement in February and May 2022, and this session of private placement will end on November 29, 2022. The Board resolved on November 11, 2022 to discontinue of this round of private placement. Details are as follows:

	First Session of the First Private Placement in 2022	**Second Session of the First Private Placement in 2022**
Item	Issuing Date: 2022/03/31 Total Shares: 53,571,000 shares	Issuing Date: 2022/06/15 Total Shares: 65,664,534 shares
Security Category for Private	Common Share	

Placement		
Date and Amount approved in the General Shareholders' Meeting	The line of issuance was approved no more than 140,000,000 shares in the Special Shareholders' Meeting dated November 30, 2021	
The basis and rationality of price setting	The date convening the Board of Directors' Meeting, February 10, 2022, is set as the price determination date. (1) In the simple arithmetic method, its resulted average amid the closing prices of common shares on the 1st, 3rd or 5th business days prior to the price determination date were NT$14.55, NT$14.45 and NT$14.48 respectively. Chosen from one of them, the stock price in the preceding day is subject to the average from the result of deducting free allotment ex-rights and dividends, then adding back to the stock price, NT$14.55, after capital reduction reversing ex-rights. (2) The stock price, NT$14.63, is subject to the resulted average in the simple arithmetic method among the closing prices of common shares in 30 business days prior to the price determination date, deducting free allotment ex-rights and dividends, then, adding back to price after capital reduction reversing ex-rights. The higher one was selected between above two prices of calculations as the price referenced in this private place, NT$14.63. Combined as above, NT$12 was proposed to be the price in the actual private placement herein, which accounts for 82.03% of the reference price, not lower than 80% of that determined in the General Shareholders' Meeting.	The date convening the Board of Directors' Meeting, April 25, 2023, is set as the price determination date. (1) In the simple arithmetic method, its resulted average amid the closing prices of common shares on the 1st, 3rd or 5th business days prior to the price determination date were NT$14.50, NT$14.53 and NT$14.58 respectively. Chosen from five of them, the stock price in the preceding day is subject to the average from the result of deducting free allotment ex-rights and dividends, then adding back to the stock price, NT$14.58, after capital reduction reversing ex-rights. (2) The stock price, NT$14.66, is subject to the resulted average in the simple arithmetic method among the closing prices of common shares in 30 business days prior to the price determination date, deducting free allotment ex-rights and dividends, then, adding back to price after capital reduction reversing ex-rights. The higher one was selected between above two prices of calculations as the price referenced in this private place, NT$14.66. Combined as above, NT$12 was proposed to be the price in the actual private placement herein, which accounts for 81.86% of the reference price, not lower than 80% of that determined in the General Shareholders' Meeting.
Selective method of subscribers	The subscribers for private placement shall meet the qualifications for specified persons listed in Article 43-6 of the Securities and Exchange Act and the Explanation (91) Tai Cai Zheng Yi No. 0910003455 in June 13, 2002 by the Financial Supervisory Commission about the regulation of the specified persons. The related background information check is proposed to be reviewed by the Board of Directors. Subscribers／Relationship Li, Jin-Yi / the Company’s director	The subscribers for private placement shall meet the qualifications for specified persons listed in Article 43-6 of the Securities and Exchange Act and the Explanation (91) Tai Cai Zheng Yi No. 0910003455 in June 13, 2002 by the Financial Supervisory Commission about the regulation of the specified persons. The related background information check is proposed to be reviewed by the Board of Directors. Subscribers／Relationship Wu, Sing-Suei / the Company’s manager

	Ye, Jian-Wei /the Company's independent director Wang, Mu-Fan / the Company's independent director Guo, Ming-Zhen /the spouse of the Company's manager Chien, Lin-Chin / the Company's manager Wu, Sing-Suei / the Company's manager Hou, Su-Fen /None Hung Yi Investment Co., Ltd. / the Company' s related party Hou ,Bo-Yao / None Shi, Gang-Hong/ None Liu,Xin-Hai / None Yang, Xue-E/None Chen, Ying/None Neng Hong Investment Holdings Co., LTD. / None Zhong Bo Consultant Co., Ltd./ None Wang, Pei-Yu / None Zhou, Chong-Yue / None Feng, Xin-Yi /None Hiyes International Co., Ltd./ None Xiao, Yu-Jie/None Chung Hou Investment Co., LTD. / None Chen, Zheng-Yao / None Lin, Zhi-Hong / None Zhang, Xiu-Zhen / None Han Lin Investment Co., Ltd./ None Huang, Zong-Yuan / None Huang, Zao-Rong / None Huang, Ling-Ru / None Bai, Shu-Zhen / None Peng, Shu-Ing / None Huang, Xiao-Jing / None Xu, Zhen-Hua / None Chen, Shih-Yang / None Gao, Ru-Xin / None Chang Yun Investment Co., LTD. / None	Hung Yi Investment Co., Ltd. / the Company' s related party Chia Chun Investment Co., Ltd.／Majority shareholder Neng Hong Investment Holdings Co., Ltd./None Chung Hou Co., Ltd./None K VENTURES CO., LTD /None Hou, Su-Feng /None Chen, Zheng-Lin /None Lin, Zheng-Yung /None Tsai,Yu-Chen /None Huang, Zong-Yuan /None Huang, Zao-Rong /None Huang, Ling-Ru /None Chen, Cheng-Yao /None Wu, Ying /None Tsai, Hsuan-Ya /None Tsai, Yi-Ru /None Liu, Jung-Lung/None Hung, Hui-Ching /None Lai, Cheng-Chia /None Chung, Hung-Cheng /None Sum, Chi-Chin/None Liao, Tung-Shun/None Lai, Chin-Hsian/None
Reasons for	The Company evaluates the fund market condition and consider factors including but not limited to time efficiency, convenience, issuing costs and equity	

<table>
<tr><td>necessity of private placement</td><td colspan="6">steadiness in the fundraising process, so common shares were issued via private placement.</td></tr>
<tr><td>Payoff Date of Price</td><td colspan="3">2022/02/24</td><td colspan="3">2022/05/09</td></tr>
<tr><td rowspan="16">Subscriber profile</td><td colspan="6">Subscribers listed below are all qualified pursuant to Article 43-6 of the Securities and Exchange Act.</td></tr>
<tr><td>Name</td><td>Number of shares subscribed</td><td>Relationship</td><td>Name</td><td>Number of shares subscribed</td><td>Relationship</td></tr>
<tr><td>Li, Jin-Yi</td><td>100,000</td><td>Director</td><td>Wu, Sing-Suei</td><td>105,534</td><td>Manager</td></tr>
<tr><td>Ye, Jian-Wei</td><td>150,000</td><td>Independent Director</td><td>Hong Yi Investment Ltd.</td><td>2,000,000</td><td>Related party</td></tr>
<tr><td>Wang,Mu-Fan</td><td>50,000</td><td>Independent Director</td><td>Chia Chun Investment Co., Ltd.</td><td>34,160,000</td><td>Majority shareholder</td></tr>
<tr><td>Guo, Ming-Zhen</td><td>600,000</td><td>the spouse of the Company’s manager</td><td>Neng Hong Investment Holdings Co., Ltd</td><td>8,000,000</td><td>N/A</td></tr>
<tr><td>Chien, Lin-Chin</td><td>35,000</td><td>Manager</td><td>Chung Hou Co., Ltd.</td><td>800,000</td><td>N/A</td></tr>
<tr><td>Wu, Sing-Suei</td><td>150,000</td><td>Manager</td><td>K VENTURES CO., LTD</td><td>2,500,000</td><td>N/A</td></tr>
<tr><td>Hou, Su-Fen</td><td>138,000</td><td>N/A</td><td>Hou, Su-Feng</td><td>100,000</td><td>N/A</td></tr>
<tr><td>Hung Yi Investment Co., Ltd.</td><td>1,800,000</td><td>Majority shareholder</td><td>Chen, Zheng-Lin</td><td>800,000</td><td>N/A</td></tr>
<tr><td>Hou, Bo-Yao</td><td>200,000</td><td>Related party</td><td>Lin, Zheng-Yung</td><td>500,000</td><td>N/A</td></tr>
<tr><td>Shi, Gang-Hong</td><td>100,000</td><td>Related party</td><td>Tsai, Yu-Chen</td><td>200,000</td><td>N/A</td></tr>
<tr><td>Liu, Xin-Hai</td><td>1,200,000</td><td>N/A</td><td>Huang, Zong-Yuan</td><td>1,250,000</td><td>N/A</td></tr>
<tr><td>Yang, Xue-E</td><td>1,000,000</td><td>N/A</td><td>Huang, Zao-Rong</td><td>625,000</td><td>N/A</td></tr>
<tr><td>Chen, Ying</td><td>3,330,000</td><td>N/A</td><td>Huang, Ling-Ru</td><td>625,000</td><td>N/A</td></tr>
<tr><td>Neng Hong Investment Holdings Co., LTD.</td><td>16,638,000</td><td>N/A</td><td>Chen, Cheng-Yao</td><td>3,500,000</td><td>N/A</td></tr>
</table>

	Zhong Bo Consultant Co., Ltd.	500,000	N/A	Wu, Ying	500,000	N/A
	Wang, Pei-Yu	1,000,000	N/A	Tsai, Hsuan-Ya	500,000	N/A
	Zhou, Chong-Yue	1,000,000	N/A	Tsai, Yi-Ru	600,000	N/A
	Feng, Xin-Yi	400,000	N/A	Liu, Jung-Lung	500,000	N/A
	Hiyes International Co., Ltd.	8,330,000	N/A	Hung, Hui-Ching	200,000	N/A
	Xiao, Yu-Jie	1,000,000	N/A	Lai, Cheng-Chia	3,333,000	N/A
	Chung Hou Investment Co., LTD.	1,650,000	N/A	Chung, Hung-Cheng	250,000	N/A
	Chen, Zheng-Yao	2,200,000	N/A	Sum, Chi-Chin	250,000	N/A
	Lin, Zhi-Hong	1,000,000	N/A	Liao, Tung-Shun	200,000	N/A
	Zhang, Xiu-Zhen	300,000	N/A	Lai, Chin-Hsian	4,166,000	N/A
	Han Lin Investment Co., Ltd.	1,000,000	N/A			
	Huang, Zong-Yuan	2,500,000	N/A			
	Huang, Zao-Rong	1,250,000	N/A			
	Huang, Ling-Ru	1,250,000	N/A			
	Bai, Shu-Zhen	500,000	N/A			
	Peng, Shu-Ing	600,000	N/A			
	Huang, Xiao-Jing	800,000	N/A			
	Xu, Zhen-Hua	400,000	N/A			
	Chen, Shih-Yang	200,000	N/A			
	Gao, Ru-Xin	200,000	N/A			
	Chang Yun Investment Co., LTD.	2,000,000	N/A			
Actual price subscribed	NT$12			NT$12		
Difference between actual subscription price and reference price	The actual price subscribed accounts for 82.03% of the reference price, NT$14.63			The actual price subscribed accounts for 81.86% of the reference price, NT$14.66		
The effect of private	Enhance the Company's financial structure, reduce cost funding here to expand the operational scale in future, and upgrade long-term competitiveness for shareholder rights and interests as a whole.					

placement on the equity										
Progress in the use of fund from private placement (Currency: NTD1,000)										
Purpose of fund by private placement	Expected amount for use	Actual amount used	Aggregated actual amount used and its proportion (%)	Amount of balance reserved and its purpose	Reason for ahead of or beyond schedule and improvement plan	Expected amount for use	Actual amount used	Aggregated actual amount used and its proportion (%)	Amount of balance reserved and its purpose	Reason for ahead of or beyond schedule and improvement plan
Replenish business capital	-	-	-	-	Not applicable	-	-	-	-	-
Repaying for bank loans	-	-	-	-	Not applicable	-	-	-	-	-
Miscellaneous	-	642,852	100%	Not applicable	Not applicable	-	787,974	100%	Not applicable	Not applicable
Closing date for completion of fund utilization plan		May,2022				May,2022				
Efficiency of private placement		Enhance business performance and overall competitive								

3. Holding or disposal of company shares by the Company's subsidiaries in the most recent year and the Annual Report publication date: None.

4. Other matters that require additional description: None.

5. Matters Stated in Article 36, Paragraph 2, Subparagraph 2 of the Securities and Exchange Act, Specifying Their Substantial Impact on Owner’s Equity: None.

Delpha Construction Co., Ltd

Chairman: Cheng Ssu-Tsung

Printed on: April 30, 2024

Plowing Space, Care for Land

Delpha Construction Co., Ltd.

16F, No. 460, Section 5, Chenggong Road, Neihu

District, Taipei City