Stock Code: 1439

Website of the Company’s annual report

Market Observation Post System: http://mops.twse.com.tw

Company’s website: https://www.ascentglobal.com.tw

ASCENT DEVELOPMENT CO., LTD.

(Previous name: CHUWA WOOL INDUSTRY CO.,(TAIWAN)LTD.)

2023 Annual Report

Published June 4, 2024

I. Names, Titles, Contact Numbers and Email Addresses of the Spokesperson and the Acting Spokesperson

Spokesperson	Acting Spokesperson
Name: Chien-Chang Luo	Name: (vacant now)
Title: Head of Finance and Accounting Department	Title:
Tel: (02)2756-6777	Tel:
Email: IR@ascentglobal.com.tw	Email address:

II. Addresses and Telephone Numbers of the Headquarter, Branches and Factories

Headquarter: 19F, No. 557-1, Sec. 4, Zhongxiao E. Rd., Xinyi Dist., Taipei City 110055

Tel.: (02)2756-6777

Factory: None

Tel.: None

III. Name, Address, Website, and Telephone Number of Stock Registrar Agency

Name: Registrar Agency Department, Grand Fortune Securities

Address: 6F, No. 6, Sec. 1, Zhongxiao W. Rd., Zhongzheng Dist., Taipei City 100

Website: https://www.gfortune.com.tw/

IV. Name of CPA and the name, address, website and contact number of the accounting firm for the latest financial report

CPAs: Chun-Yuan Hsiao and Se-Kai Lin

CPA Office: PwC Taiwan

Address: 27F., No. 333, Sec. 1, Keelung Rd., Xinyi Dist., Taipei City, 110

Website: https://www.pwc.tw/

V. Name of overseas exchange where securities are listed, and method of inquiry: N/A

VI. Company website: https://www.ascentglobal.com.tw/

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One. Report to Shareholders

To our respectful shareholders,

On behalf of Ascent Development Co., Ltd., we would like to thank you for reading the Company's 2023 Business Report.

Over the past year, Ascent Development Co., Ltd. has endeavored to be a professional, innovative, and responsible construction company. Our goal is to become the most trusted and respected construction contractor for our clients, continuously strengthening our competitiveness, developing forward-looking technologies in the industry, and committed to cultivating outstanding professionals in the construction field.

In 2023, we continued to face each challenge with determination and seize every opportunity. In terms of operations, we have not only invested in multiple construction projects in Taipei and New Taipei Cities but have also actively cooperated with the government's policies to develop aging and urban renewal projects. Despite the industry challenges we faced last year, such as fierce market competition, central bank credit control measures, labor shortages, and rising raw material prices, we have been able to respond effectively. In addition, as the values of corporate sustainability and environmental sustainability are gradually accepted by the general public, Ascent will continue to launch innovative, environmentally friendly, and distinctive architectural products that will inspire our customers and lead the company and our living environment toward sustainability. Meanwhile, we will not forget our mission to seek the best interests of our shareholders and other stakeholders. The Company's business results for the 2023 and outlook for the 2024 are as follows:

I. 2023 Business Results

(I) Outcome of the business plan:

The Company's consolidated operating revenue in 2023 was NT$199,191 thousand, and the consolidated net profit for the current period was NT$184,402 thousand (attributable to the owner of the parent company).

(II) Budget implementation

The Company did not disclose the financial forecast in 2023; therefore, there is no budget achievement.

(III) Revenue, expense, and profitability analysis:

1. 2023 revenue and expenses

Expressed in thousands of NTD

Items	Amount
Revenues	199,191
Operating Costs	(144,009)
Gross profit	55,182
Operating expenses	(68,277)
Operating income	(13,095)
Net amount of the non-operating revenue and expenses	212,390
Income before tax	199,295
The current net profit attributed to:	
Owner of parent company	184,402
Non-controlling interests	10,737
Total current net profit after tax	195,139

2. 2023 Profitability

Expressed in thousands of NTD

Items		2023
Financial position (%)	Debt to assets ratio	41.31
	Long-term Fund to Property, Plant and Equipment	2,193,505.63
Ability to repay debts (%)	Current ratio	177.99
	Quick ratio	48.74
	Times interest earned (TIE) ratio	15.79
Profitability	Return on assets (%)	4.06
	Return on equity (%)	6.58
	Pre-tax income to paid-in capital ratio (%)	21.66
	Net profit margin (%)	97.96
	Earnings per share:	
	Owner of parent company	2.00
	Equity owned by the previous holder under the joint control	0.00
	Total EPS (NT$)	2.00

(IV) Research and development

1. Key development projects - plant-office category: Jiuzong Section, Neihu District, Taipei City; Zhongxing Section, Sanchong District, New Taipei City; Zhongyi Section, Tucheng District, New Taipei City; Zhongyuan Section, Zhonghe District, New Taipei City; Jiangbei Section, Xizhi District, New Taipei City; and Emerald Forest Phase IV, Guanqian Section, Tainan City.

2. Plain land category: none.

II. Overview of 2024 business plan

(I) Staying abreast of industry trends and development, the Company will take the internationally recognized environmental, social, and governance (ESG) sustainability concept as the blueprint for corporate development, and strive to enhance the company's sustainable value.

(II) Given the recent strong market demand for office buildings, the Company will focus on office and commercial buildings as its main products. We will carry out relevant business according to the scheduled schedule to ensure that projects can be completed on time and with quality to meet customer needs.

(III) The Company has actively expanded into diversified markets and participates in public-private urban renewal, urban renewal, dilapidated building reconstruction, and block requisition projects to expand its business scope and increase revenue, further enhancing the Company's competitiveness and market position.

III. Impact of the competitive environment, regulatory environment, and the overall business environment

With the gradual implementation and settling of political and policy factors such as the amendment to "The Equalization of Land Rights Act," the presidential election, and the "Real Estate Tax 2.0," the real estate market is gradually returning to the fundamentals of supply and demand. Based on our analysis of the overall domestic housing market environment in recent years, Ascent expects this year to be better than next year. We will also redouble our efforts to achieve our goals, continue to maintain prudent operations, respond prudently to market changes, closely monitor policy changes and market trends, and make timely adjustments to strategies to ensure that the company maintains its competitive edge in a highly competitive market.

IV. Future development strategies

Looking to the future, we are full of confidence and have simultaneously formulated medium and long-term development plans, mainly including the following aspects:

(I) Jointly participate in development projects with strategic partners: We will lead the implementation of multiple development projects, which will not only accumulate experience and reputation but also enhance our core competitiveness. In addition to the office and commercial building development projects currently underway, we will also seek to develop urban renewal and cooperative residential construction products.

(II) Replenish and reserve talent resources: We will actively seek to recruit construction professionals who are in line with The Company's culture and philosophy, and we are committed to developing a knowledge-sharing database as a resource for talent education and training to ensure that the company has a team of excellent talents.

(III) Develop land accesses toward multiple aspects: the Company actively participates in state-owned or state-owned enterprise tenders, public urban renewal projects, and the renovation of dangerous old houses and urban renewal projects to support national policies. Through these efforts and expanding the company's business scope, increase revenue and enhance competitiveness.

We believe that through the above efforts, Ascent Development Co., Ltd. will be more competitive and better able to meet the expectations of customers and the general public, thereby better seeking the best interests of our shareholders.

Finally, I would like to thank all shareholders and the general public once again for their support and trust in Ascent Development Co., Ltd. Your support is the driving force behind Ascent's progress. We look forward to your valuable feedback and suggestions, let's work together to create a better future. Thank you.

Wish all of our shareholders
health and all the luck

Chairman: Chia-Chi Hou	Managerial Officer: Hsien-Wen Liu	Accounting Officer: Chien-Chang Luo

Two. Company Introduction

I. Date of establishment: October 1, 1964

II. History

1964	October	Zhonghe Wool Co., Ltd. was established, which purchased the land at Liudu Industrial Park of Keelung City to set up a factory to produce wool tops and carbonized wool. The Company was established with a capital of NT$15,000 thousand.
1965	April	Officially put into operation.
1968	April	Capital increase of NT$7,500 thousand in cash, and the accumulated paid-in capital reached NT$22,500 thousand.
1971	April	Products exported to Japan.
	May	Capital increase of NT$4,500 thousand from earnings, and the accumulated paid-in capital reached NT$27,000 thousand.
1972	April	Capital increase of NT$2,700 thousand from earnings, and the accumulated paid-in capital reached NT$29,700 thousand. Purchased additional production equipment was to produce wool grease by recycling wastewater of fleece scouring.
1973	April	Capital increase of NT$11,880 thousand from earnings, and the accumulated paid-in capital reached NT$41,580 thousand.
1974	December	Capital increase of NT$16,632 thousand from earnings, and the accumulated paid-in capital reached NT$58,212 thousand.
1978	September	Capital increase of NT$18,500 thousand from earnings, and the accumulated paid-in capital reached NT$76,712 thousand.
1980	October	Capital increase of NT$7,671 thousand from earnings, and the accumulated paid-in capital reached NT$84,383 thousand.
1981		Installed the wastewater treatment plant to improve the quality of effluent water of the factory.
1983	December	Capital increase of NT$30,617 thousand from earnings, and the accumulated paid-in capital reached NT$115,000 thousand.

1984		Introduced shrink-proof wool top processing technology, and machinery and equipment to produce shrink-proof wool tops.
1986	June	Capital increase of NT$65,000 thousand from capital reserves, and the accumulated paid-in capital reached NT$180,000 thousand.
1987	June	Established new carbonized wool factory and expanded the second set of carbonized wool machinery and equipment.
1988	May	Capital increase of NT$153,000 thousand from earnings, and the accumulated paid-in capital reached NT$333,000 thousand.
	June	Capital increase of NT$72,000 thousand from capital reserves, and the accumulated paid-in capital reached NT$405,000 thousand.
1989	March	Established a new automated production plant for shrink-proof wool products.
	May	Stock listed.
	August	Capital increase of NT$64,800 thousand from earnings, and the accumulated paid-in capital reached NT$469,800 thousand.
1990	December	Capital increase of NT$49,956 thousand in cash and NT$14,094 thousand from earnings, and the accumulated paid-in capital reached NT$533,850 thousand.
		Completed the second phase of wastewater treatment equipment, whose wastewater discharge quality complied with relevant standards.
		The Zhonghe Wool Building was established.
1991	October	Capital increase of NT$100,000 thousand in cash, and the accumulated paid-in capital reached NT$633,850 thousand.
1992	October	Capital increase of NT$63,385 thousand from capital reserves, and the accumulated paid-in capital reached NT$697,235 thousand.
1993	July	Capital increase of NT$139,447 thousand from earnings, NT$3,836 thousand from employee bonuses, and NT$34,862 thousand from capital reserves, and the accumulated paid-in capital reached NT$875,380 thousand.
1994	July	Capital increase of NT$61,277 thousand from earnings, NT$3,374 thousand from employee bonuses, and NT$43,769 thousand from capital reserves, and the accumulated paid-in capital reached NT$983,800 thousand.

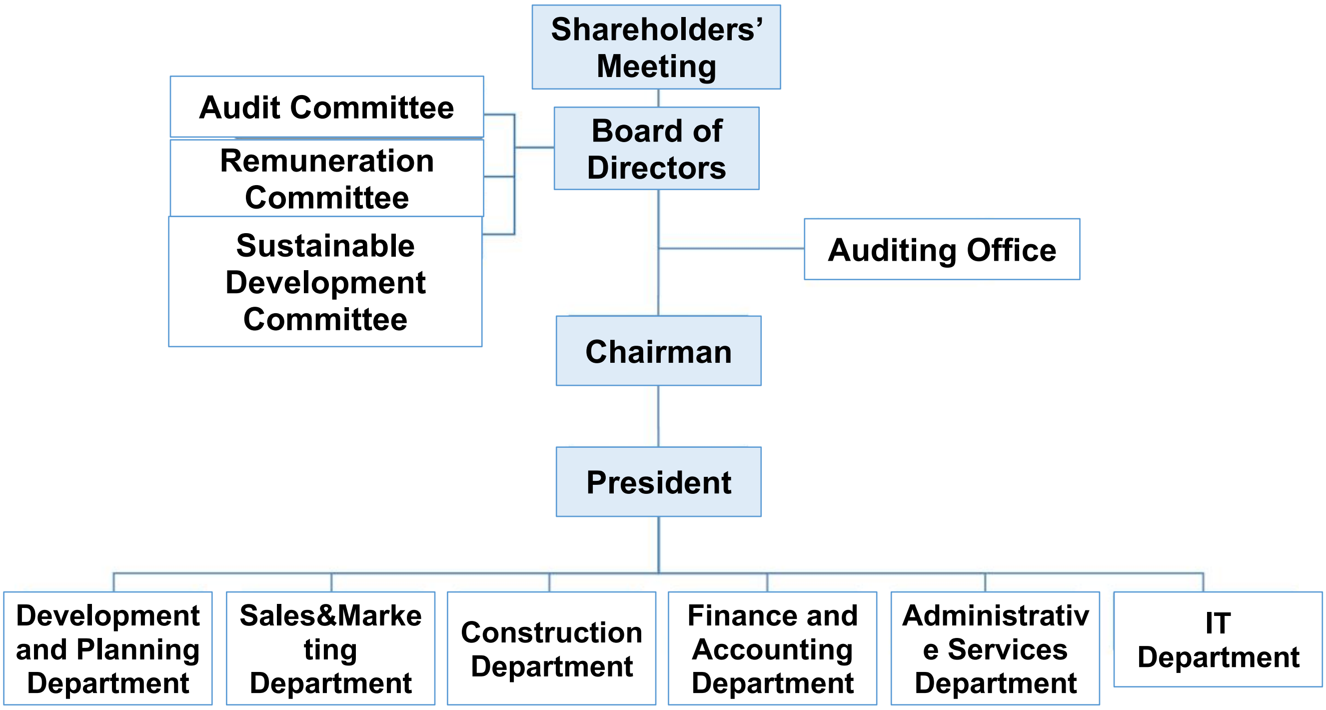
1995	June	Capital increase of NT$59,028 thousand from earnings, NT$3,220 thousand from employee bonuses, and NT$39,352 thousand from capital reserves, and the accumulated paid-in capital reached NT$1,085,400 thousand. Completed the gradual replacement of old and new production equipment.
2003	July	Capital decrease of NT$60,000 thousand, and the accumulated paid-in capital reached NT$1,025,400 thousand.
	October	Capital decrease of NT$8,270 thousand, and the accumulated paid-in capital reached NT$1,017,130 thousand.
	December	Capital decrease of NT$47,130 thousand, and the accumulated paid-in capital reached NT$970,000 thousand.
2004	November	Capital decrease of NT$30,000 thousand, and the accumulated paid-in capital reached NT$940,000 thousand.
2005	July	Capital decrease of NT$20,000 thousand, and the accumulated paid-in capital reached NT$920,000 thousand. Sold the machinery and equipment of Liudu Factory.
2006	April	All the production lines of the Liudu factory were shut down, and the Company was transformed into a company operating triangle trade and real estate lease.
2010	January	Sold the Zhonghe Wool Building.
	September	The Company was relocated at 6F, No. 293, Sec. 2, Tiding Blvd., Neihu Dist., Taipei City.
2018	February	The major shareholder, Roohsing Co., Ltd., indirectly acquired 53.41% of outstanding ordinary shares of the Company by acquiring 100% of equities of Keen Power Investments Limited (Samoa) and Sparkling Asia Limited (Belize).
	July	The Company was relocated at 9F-7, No. 57, Fuxing N. Rd., Zhongshan Dist., Taipei City. The Company made reinvestment to establish a 100%-owned subsidiary “CW Investment One Limited”.
	August	The Company made reinvestment to establish a 100%-owned subsidiary “HCW INVESTMENT CO., LTD.”
	December	Disposed of the land and factory at No. 7, Gongjian W. Rd., Qidu Dist., Keelung City.

2019	December	The subsidiary CW Investment One Limited ceased operations. The major shareholder, Hanshen Asset Management Co., Ltd., indirectly acquired 53.41% of the Company's outstanding ordinary shares by acquiring 100% of equities of Roohsing Global Co., Ltd.
2020	February	The Company relocated to 19F, No. 557-1, Sec. 4, Zhongxiao E. Rd., Xinyi Dist., Taipei City.
	November	Signed a joint investment and development agreement with a cooperative company to obtain "four land parcels at Jiuzong Section, Neihu District, Taipei City".
2021	January	Signed a joint investment and development agreement with a cooperative company to obtain "19 land parcels at Zhongyi Section, Tucheng District, New Taipei City".
	July	Signed a joint investment and development agreement with a cooperative company to obtain "nine land parcels at Zhongxing Section, Sanchong District, New Taipei City".
2022	June	The shareholders' meeting reached a resolution to change the Company's name as "ASCENT DEVELOPMENT CO., LTD."
	August	Signed a joint investment and development agreement with a cooperative company to obtain "12 land parcels at Zhongyuan Section, Zhonghe District, New Taipei City".
	August	Obtained a 33% of equities of Hanlin Development Co., Ltd. and obtained more than half of the seats on its board of directors
2023	July	The stock category was changed to Building Materials and Construction
2024	February	Obtained 18% equity in Hanlin Development Co., Ltd., bringing the total equity to 51%

Three.Corporate Governance Report

I. Organization

(I) Organizational structure of the Company



(II) Business activities of main departments

Main departments	Responsibilities
Development and Planning Department	●Collection of information related to the land market, feasibility and benefit assessment and recommendations, planning and design, coordination and integration, progress control and other related matters.
Sales&Marketing Department	●Business marketing and business administrative operations such as market trend analysis, sales planning recommendations, and housing market surveys, etc.
Construction Department	●Project contract management, construction progress, quality control, on-site supervision and other related matters.
Finance and Accounting Department	●Fund allocation, cashier operations and bank financing debt management. ●Accounting processing, annual accounting planning and execution, and preparation of financial statements.

	●Preparation and control of project budget. ●Tax returns and planning. ●Planning and execution of shareholders services process.
Administrative Services Department	●Utilization of human resource management and development. ●Employee recruitment, rewards and punishments, attendance evaluation, salary, education and training, assessment and promotion, and benefits. ●General procurement and supplier management. ●Asset management and maintenance. ●General affairs administration.
IT Department	●Information demands assessment, cyber security management, outsourced contractor management, and digital development planning, etc.
Auditing Office	●Responsible for the Company's auditing and evaluation the design and effectiveness of the internal control system to ensure compliance with the Company's policies and procedures, and government laws and regulations. ●Provide improvement recommendations, mitigate operational risks, and strengthen management specifications, etc. ●Track and review routine audit works and improvement to abnormalities.

II. Background information of directors, supervisors, the President, vice presidents, assistant vice presidents, and heads of various departments and branches

(I) Directors information

1. Directors information:

April 29, 2024

Title	Nationality of registration place	Name	Gender Age	Date elected/appointed	Term	Date first elected	Shareholding when elected		Current shareholding		Shares held by spouse and underage children		Shares held in the names of others		Main career (academic) achievements	Concurrent duties in the Company and in other companies	Spouse or relatives of second degree or closer acting as directors, supervisors, or department heads			Note
							Number of shares	Shareholdings percentage	Number of shares	Shareholdings percentage	Number of shares	Shareholdings percentage	Number of shares	Shareholdings percentage			Title	Name	Relationship	
Chairman	Republic of China	Xue Yong Co., Ltd.	-	June 23, 2022	3 years	February 17, 2020	10,000	0.01%	3,238,000	3.52%	0	0.00%	0	0.00%	-	-	None	None	None	-
	Republic of China	Corporate Representative, Xue-Yong Co., Ltd. Chia-Chi Hou	FEMALE 30-40	June 23, 2022	3 years	February 17, 2020	0	0.00%	0	0.00%	0	0.00%	0	0.00%	Master and PhD, Department of Bioengineering, Stanford University Master, Department of Applied Computation, Harvard University	Chairman, Ji-Jia Industrial Co., Ltd. Chairman, Zhuo-Jia Industrial Co., Ltd. Corporate Representative and Chairman, Xue-Yong Co., Ltd. Corporate Representative and Chairman, HAN YANG GLOBAL CO.,	None	None	None	-

Title	Nationality of registration place	Name	Gender Age	Date elected/appointed	Term	Date first elected	Shareholding when elected		Current shareholding		Shares held by spouse and underage children		Shares held in the names of others		Main career (academic) achievements	Concurrent duties in the Company and in other companies	Spouse or relatives of second degree or closer acting as directors, supervisors, or department heads			Note
							Number of shares	Shareholdings percentage	Number of shares	Shareholdings percentage	Number of shares	Shareholdings percentage	Number of shares	Shareholdings percentage			Title	Name	Relationship	
															Bachelor, Department of Applied Mathematics and Department of Chemical Engineering, Johns Hopkins University Senior Researcher, Pfizer Inc.	LTD. Corporate Representative and Chairman, Hanshin Shopping Plaza Co., Ltd. Corporate Representative and Chairman, HANSHIN DEPARTMENT STORE CO., LTD. Corporate Representative and Chairman, Lien Chung International Asset Management Co., Ltd. Corporate Representative and Chairman, Chung Shen Development Industrial Co.				

Title	Nationality of registration place	Name	Gender Age	Date elected/appointed	Term	Date first elected	Shareholding when elected		Current shareholding		Shares held by spouse and underage children		Shares held in the names of others		Main career (academic) achievements	Concurrent duties in the Company and in other companies	Spouse or relatives of second degree or closer acting as directors, supervisors, or department heads			Note
							Number of shares	Shareholdings percentage	Number of shares	Shareholdings percentage	Number of shares	Shareholdings percentage	Number of shares	Shareholdings percentage			Title	Name	Relationship	
																Ltd. Corporate Representative and Chairman, Aquas Sports Culture Co., Ltd. Corporate Representative and Chairman, HCW INVESTMENT CO., LTD. Corporate Representative Director, GRAND HI-LAI HOTEL CO., LTD. Corporate Representative Director, Kaohsiung Arena Development Corporation Corporate Representative Director, Ji Yang Construction and Development Co.				

Title	Nationality of registration place	Name	Gender Age	Date elected/appointed	Term	Date first elected	Shareholding when elected		Current shareholding		Shares held by spouse and underage children		Shares held in the names of others		Main career (academic) achievements	Concurrent duties in the Company and in other companies	Spouse or relatives of second degree or closer acting as directors, supervisors, or department heads			Note
							Number of shares	Shareholdings percentage	Number of shares	Shareholdings percentage	Number of shares	Shareholdings percentage	Number of shares	Shareholdings percentage			Title	Name	Relationship	
																Ltd. President, Hanshen Asset Management Co., Ltd. Corporate Representative Director, Hanshin Investment Co., Ltd. Corporate Representative Director, KUO YANG CONSTRUCTION CO.,LTD. Corporate Representative Director, SHUNGEI INT'L CO., LTD. Corporate Representative Director, Jollify4ever Ltd. Corporate Representative Director, Jollify				

Title	Nationality of registration place	Name	Gender Age	Date elected/appointed	Term	Date first elected	Shareholding when elected		Current shareholding		Shares held by spouse and underage children		Shares held in the names of others		Main career (academic) achievements	Concurrent duties in the Company and in other companies	Spouse or relatives of second degree or closer acting as directors, supervisors, or department heads			Note
							Number of shares	Shareholdings percentage	Number of shares	Shareholdings percentage	Number of shares	Shareholdings percentage	Number of shares	Shareholdings percentage			Title	Name	Relationship	
																Creative, Ltd. Director, VERISIK INC. Independent Director, Gamania Digital Entertainment Co., Ltd.				
Director	Republic of China	Zu Sheng International Co., Ltd.	-	June 23, 2022	3 years	February 17, 2020	10,000	0.01%	2,233,000	2.43%	0	0.00%	0	0.00%	-	-	None	None	None	-
	Republic of China	Corporate Representative of Zu Sheng International Co., Ltd. Ming-Yu Huang	MALE 60-70	June 23, 2022	3 years	December 23, 2019	0	0.00%	0	0.00%	0	0.00%	0	0.00%	Department of Accounting, Soochow University Deputy Principal, PwC Taiwan Vice Chairman, PwC Management	Chairman, Chuang-Cheng Investment Consultancy Co., Ltd. Chairman, Chuang-Cheng Won-Won Investment Consultancy Co., Ltd. Independent Director, HOTAI FINANCE CO., LTD.	None	None	None	-

Title	Nationality of registration place	Name	Gender Age	Date elected/appointed	Term	Date first elected	Shareholding when elected		Current shareholding		Shares held by spouse and underage children		Shares held in the names of others		Main career (academic) achievements	Concurrent duties in the Company and in other companies	Spouse or relatives of second degree or closer acting as directors, supervisors, or department heads			Note
							Number of shares	Shareholdings percentage	Number of shares	Shareholdings percentage	Number of shares	Shareholdings percentage	Number of shares	Shareholdings percentage			Title	Name	Relationship	
															Consulting Co. Ltd. Director, 2nd term of the 1st Board, 2nd Supervisor, National Federation of CPA Associations of the R.O.C.	Independent Director, ZINWELL CORPORATION Independent Director, TRK Corporation Independent Director, Solomon Technology Corporation Corporate Representative Director, Bole Film Co., Ltd. Corporate Representative Director, Jollify4ever Ltd. Corporate Representative Director, Jollify Creative, Ltd.				
Director	Republic of China	Yuan-Zhong Co., Ltd.	-	June 23, 2022	3 years	February 17, 2020	10,000	0.01%	4,083,000	4.44%	0	0.00%	0	0.00%	-	-	None	None	None	-
	Republic	Corporate	MALE	June	3	February	0	0.00%	0	0.00%	0	0.00%	0	0.00%	Master of	None	None	None	None	-

Title	Nationality or place of registration	Name	Gender Age	Date elected/appointed	Term	Date first elected	Shareholding when elected		Current shareholding		Shares held by spouse and underage children		Shares held in the names of others		Main career (academic) achievements	Concurrent duties in the Company and in other companies	Spouse or relatives of second degree or closer acting as directors, supervisors, or department heads			Note
							Number of shares	Shareholdings percentage	Number of shares	Shareholdings percentage	Number of shares	Shareholdings percentage	Number of shares	Shareholdings percentage			Title	Name	Relationship	
	of China	Representative, Yuan-Zhong Co., Ltd. Hung Hsu	60-70	23, 2022	years	17, 2020									Crime Prevention and Corrections, Central Police University Commander, Military Police, Ministry of Defense COMMANDER, SPECIAL SERVICE CENTER, NATIONAL SECURITY BUREAU					
Director	Republic of China	Zu Sheng International Co., Ltd.	-	June 23, 2022	3 years	February 17, 2020	10,000	0.01%	2,233,000	2.43%	0	0.00%	0	0.00%	-	-	None	None	None	-
	Republic of China	Corporate Representative of Zu Sheng International	MALE 50-60	June 23, 2022	3 years	February 17, 2020	0	0.00%	0	0.00%	0	0.00%	0	0.00%	Master, Institute of Business Administr	Director, CELXPERT ENERGY CORPORATION	None	None	None	-

Title	Nationality of registration place	Name	Gender Age	Date elected/appointed	Term	Date first elected	Shareholding when elected		Current shareholding		Shares held by spouse and underage children		Shares held in the names of others		Main career (academic) achievements	Concurrent duties in the Company and in other companies	Spouse or relatives of second degree or closer acting as directors, supervisors, or department heads			Note
							Number of shares	Shareholdings percentage	Number of shares	Shareholdings percentage	Number of shares	Shareholdings percentage	Number of shares	Shareholdings percentage			Title	Name	Relationship	
		Co., Ltd. Chien-Ting Chen													ation, National Taiwan University Department of Electrical Engineering, National Taiwan University VICE PRESIDENT, CHINA DEVELOPMENT FINANCIAL HOLDING CORPORATION/DEVELOPMENT TECHNOLOGY CONSUL	Corporate Representative Director, Visual Photonics Epitaxy Co., Ltd Remuneration Committee Member, Shih Wei Navigation Co., Ltd.				

Title	Nationality or place of registration	Name	Gender Age	Date elected/appointed	Term	Date first elected	Shareholding when elected		Current shareholding		Shares held by spouse and underage children		Shares held in the names of others		Main career (academic) achievements	Concurrent duties in the Company and in other companies	Spouse or relatives of second degree or closer acting as directors, supervisors, or department heads			Note
							Number of shares	Shareholdings percentage	Number of shares	Shareholdings percentage	Number of shares	Shareholdings percentage	Number of shares	Shareholdings percentage			Title	Name	Relationship	
															TANCY CO, LTD. SENIOR VICE PRESIDENT, LIEN CHUANG INVESTMENT CO., LTD SUPERVISOR, AMICCOM ELECTRONICS CORPORATION					
Independent Director	Republic of China	Teng-Cheng Liu	MALE 70-80	June 23, 2022	3 years	February 17, 2020	0	0.00%	0	0.00%	0	0.00%	0	0.00%	Master, Department of International Business (Administration), National Taiwan	Independent Director, BES Engineering Inc. Independent Director, High-Tek Harness Enterprise Co., Ltd.	None	None	None	-

Title	Nationality or place of registration	Name	Gender Age	Date elected/appointed	Term	Date first elected	Shareholding when elected		Current shareholding		Shares held by spouse and underage children		Shares held in the names of others		Main career (academic) achievements	Concurrent duties in the Company and in other companies	Spouse or relatives of second degree or closer acting as directors, supervisors, or department heads			Note
							Number of shares	Shareholdings percentage	Number of shares	Shareholdings percentage	Number of shares	Shareholdings percentage	Number of shares	Shareholdings percentage			Title	Name	Relationship	
															University Bachelor, Department of Law, National Taiwan University Chairman of various financial holdings and banks, including Taiwan Cooperative Bank, Bank of Taiwan, and Hua Nan Bank Director-General and Deputy Minister Chairman, National					

Title	Nationality or place of registration	Name	Gender Age	Date elected/appointed	Term	Date first elected	Shareholding when elected		Current shareholding		Shares held by spouse and underage children		Shares held in the names of others		Main career (academic) achievements	Concurrent duties in the Company and in other companies	Spouse or relatives of second degree or closer acting as directors, supervisors, or department heads			Note
							Number of shares	Shareholdings percentage	Number of shares	Shareholdings percentage	Number of shares	Shareholdings percentage	Number of shares	Shareholdings percentage			Title	Name	Relationship	
															Credit Card Center of R.O.C.					
Independent Director	Republic of China	Chieh-Min Liu	MALE 70-80	June 23, 2022	3 years	February 17, 2020	0	0.00%	0	0.00%	0	0.00%	0	0.00%	Master, Insitute of Law, Chinese Culture University Judge, Supreme Court	Principal Lawyer, Diao-Ding Law Firm	None	None	None	-
Independent Director	Republic of China	Hung-Mao Tien	MALE 80-90	June 23, 2022	3 years	June 8, 2018	0	0.00%	0	0.00%	0	0.00%	0	0.00%	PhD of Political Science, University of Wisconsin, the U.S. Chairman, Straits Exchange Foundation	Senior Advisors to the President Chairman and Chief Director, Institute for National Policy Research Independent Director, Cal-Comp Electronics (Thailand) Public Company Limited	None	None	None	-

2. Major shareholders of corporate shareholders: (The shareholder will be updated subject to providing information after the suspension on April 29, 2024.)

April 29, 2024

Name of Corporate Director	Major shareholders of corporate shareholders	Ownership held by the Company
Xue Yong Co., Ltd.	Chia-Chi Hou	80.00%
	Wei Jun International Development Co., Ltd.	19.80%
	Hsi-Feng Hou	0.20%
Zu Sheng International Co., Ltd.	Da Yong Co., Ltd.	80.00%
	Hsi-Feng Hou	20.00%
Yuan-Zhong Co., Ltd.	Wei Jun International Development Co., Ltd.	97.74%
	Han Guang Co., Ltd.	1.21%
	Hsi-Feng Hou	1.05%

3. The major shareholders of corporate shareholders are the major shareholders of the legal persons (the names of the top ten shareholders and their ownership):

April 29, 2024

Name of Corporates	Major shareholders of corporate shareholders	Ownership held by the Company
Wei Jun International Development Co., Ltd.	Zhuo Jia Enterprise Co., Ltd.	19.66%
	Qi Sheng International Co., Ltd.	19.66%
	Xuan Guang Development Co., Ltd.	19.66%
	Hui Shang Co., Ltd.	19.66%
	Da Yong Co., Ltd.	19.66%
	Hsi-Feng Hou	1.70%
Da Yong Co., Ltd.	Hsi-Feng Hou	100.00%
Han Guang Co., Ltd.	Guo Pin Development Construction Enterprise Co., Ltd.	99.90%
	Hsi-Feng Hou	0.10%

4. Directors' expertise and independence:

Criteria / Name	Professional qualifications and experience	Independence status	Number of positions as independent director in other public companies
XUE YONG CO., LTD. Representative: Chia-Chi Hou	Graduated from the Department of Bioengineering of Stanford University with a Ph.D. degree, currently serving as the chairman of the Company, the representative and chairman of Hanshin Shopping Plaza, and the representative and director of several other listed and public companies. She has relevant work experience of more than five years and the ability of professional leadership, marketing, operation management, and strategic planning, allowing her to lead the Company towards sustainable operation.	Does not meet any of the conditions stated in Article 30 of The Company Act.	0
ZU SHENG INTERNATIONAL CO., LTD. REPRESENTATIVE: MING-YU HUANG	Graduated from the Department of Accounting of Soochow University, currently serving as the chairman of Chuancheng Investment Consulting Co., Ltd., the chairman of Chuancheng Wangwang Investment Co., Ltd., and the representative and director of several other companies. He is a certified public accountant with work experience of more than five years in business, finance, accounting, and corporate business, specializing in corporate finance and accounting with rich experience in industrial planning.	Does not meet any of the conditions stated in Article 30 of The Company Act.	3

Criteria / Name	Professional qualifications and experience	Independence status	Number of positions as independent director in other public companies
YUAN-ZHONG CO., LTD. Representative: Hung Hsu	Graduated from the Department of Crime Prevention and Corrections of Central Police University with a master’s degree, he is currently serving as the company's director. He has more than five years of work experience in business, legal affairs, and corporate business and has legal expertise and ability in corporate strategy planning.	Does not meet any of the conditions stated in Article 30 of The Company Act.	0
ZU SHENG INTERNATIONAL CO., LTD. REPRESENTATIVE: CHIEN-TING CHEN	Graduated from the Department of Business Administration of National Taiwan University with a master’s degree, he is currently serving as the director of CELXPERT ENERGY CORPORATION, has more than five years of work experience in business, finance and corporate business, and is specialized in market strategies and investment planning, and responsible for providing professional recommendations on investment planning by the Company.	Does not meet any of the conditions stated in Article 30 of The Company Act.	0
Teng-Cheng Liu	Graduated from the National Taiwan University with a master's degree in International Business (Administration), he has more than five years of work experience in business, legal affairs, finance, accounting and corporate business, and is specialized in corporate operations and professional financial planning.	During the two-year period before the election and during the tenure, the following independent evaluation conditions have been fully met: (1) Not an employee of the company or any of its affiliates. (2) Not a director or supervisor of the Company or any of its affiliated companies (this restriction	2

Name \ Criteria	Professional qualifications and experience	Independence status	Number of positions as independent director in other public companies
Chieh-Min Liu	Graduated from the Graduate Institute of Laws of the Chinese Culture University with a master's degree, he is currently the Managing Partner of Tiaoding Law Office, a certified lawyer, and has more than five years of work experience in business, legal affairs, finance, accounting, and corporate business, and is specializing in finance and laws, which can provide the Company with professional legal consultation.	does not apply to concurrent independent director positions in the Company, its parent Company, subsidiary, or another subsidiary of the parent that is compliant with the Securities and Exchange Act or local laws). (3) Does not hold more than 1% of the Company's outstanding shares in their own names or under the name of spouse,	0

Hung-Mao Tien	Graduated from the University of Wisconsin with a Ph.D. degree in Political Science, currently serving as the chairman and president of the Institute for National Policy Research, the Cultural, and the chief consultant of the Chinese National Federation of Industries. He has a work experience of more than five years in business, finance, accounting, and corporate business, a rich international perspective, and is specializing in financial professional fields and industrial planning.	underage children, or proxy shareholder; nor is a top-10 natural-person shareholder of the Company. (4) Not a spouse, relative within the second degree of kinship or lineal relative within the third degree of kinship, of any of the above persons listed in (2) and (3) or of the manager listed in (1). (5) Not a director, supervisors or employee of any corporate shareholder that holds 5% or more of the Company's outstanding shares; is a top-5 shareholder; or appoints director/supervisors representative in the Company according to Paragraph 1 or 2, Article 27 of The Company Act. (This excludes concurrent independent director positions held within the Company and its parent/subsidiary, or in other subsidiaries of the parent Company that are compliant with the Act or local laws). (6) Not a director, supervisors or employee of any other Company that controls directorship in the Company or where more than half of total voting rights are controlled by a single party (this excludes concurrent independent director positions held within the Company and its parent/subsidiary, or in other subsidiary of the parent Company that are compliant with the Act or local laws). (7) Does not assume concurrent duty as Chairman, President or equivalent role, and is not a director, supervisors or employee of another Company or institution owned by spouse. (This excludes concurrent independent director positions held within the Company and its parent/subsidiary, or in other subsidiary of the parent Company that are compliant with the Act or local laws). (8) Not a director, supervisor, manager, or shareholder with more than 5% ownership interest in any Company or institution that has	1

Criteria / Name	Professional qualifications and experience	Independence status	Number of positions as independent director in other public companies
		a financial or business relationship with the Company (however, this excludes concurrent independent director positions held within companies or institutions that hold more than 20% but less than 50% outstanding shares of the Company, or in the Company's parent or subsidiary, or in another subsidiary of the parent that is compliant with the Act or local laws). (9) Not a professional individual or an owner, partner, director, supervisor or managerial officers of a sole proprietorship, partnership, company or institution that, provides auditing or commercial, legal, financial, accounting services, which receive less than NT$500,000 in accumulated remuneration the most recent two years, to the company or to any affiliated company, or a spouse thereof. This excludes roles as Remuneration Committee, Public Acquisition Review Committee or M&A Special Committee member appointed in accordance with the Securities and Exchange Act or Business Mergers And Acquisitions Act. (10) Not a spouse or relative of second degree or closer to any other directors. (11) Does not meet any of the conditions stated in Article 30 of The Company Act. (12) Not elected as a government or corporate representative, as described in Article 27 of The Company Act.	

5. Diversity and independence of Board of Directors:

(1) Diversification of the board of directors: Article 20 of the "Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies" states that diversity shall be considered in terms of the composition of the board of directors. The Company does not have over one*third of the total directors who concurrently serve as the managers of the Company, and the Company has also formulated adequate diversification guidelines for business operation model and development needs, which would include but not limited to the standards for the following two major aspects:

A. Basic requirements and values: Gender, age, nationality, and culture.

B. Professional knowledge and skills: A professional background (e.g., law, accounting, industry, finance, marketing or technology), professional skills, and industry experience.

Title	Nationality	Name	Gender	Age (Y.O.)			Professionalism			Overall ability							
				59 or less	60 to 69	70 or above	Legal	Accounting/ finance	Information technology	Operating judgement	Accounting and financial analysis	Business Management	Crisis management	Knowledge of the industry.	International market perspective	Leadership	Decision-making
Chairman	Republic of China	Xue Yong Co., Ltd. Representative: Chia-Chi Hou	Female	◎					◎	Great	Great	Great	Great	Great	Great	Great	Great
Director	Republic of China	Zu Sheng International Co., Ltd. Representative: Ming-Yu Huang	Male		◎			◎		Great	Great	Good	Great	Great	Great	Great	Great
Director	Republic of China	Yuan-Zhong Co., Ltd. Representative: Hung Hsu	Male		◎		◎			Great	Good	Great	Great	Good	Great	Great	Great
Director	Republic of China	Zu Sheng International Co., Ltd. Representative: Chien-Ting Chen	Male	◎				◎		Great	Great	Good	Good	Great	Great	Great	Great
Independent Director	Republic of China	Teng-Cheng Liu	Male			◎	◎	◎		Great	Great	Great	Great	Great	Great	Great	Great
Independent Director	Republic of China	Chieh-Min Liu	Male			◎	◎			Great	Good	Great	Great	Great	Great	Great	Great
Independent Director	Republic of China	Hung-Mao Tien	Male			◎		◎		Great	Great	Great	Great	Great	Great	Great	Great

(2) The management objectives and achievement of the Company's diversification policies are as follows:

Management objectives	Achievement status
No more than one third of the directors are concurrently serving as the managers of the Company	Achieved
No more than three consecutive terms of office for independent directors	Achieved
At least one seat of the director is a female	Achieved
Sufficient and diversified professional knowledge and skills and professional background	Achieved

(3) Independence of the Board of Directors:

There is one female director (accounting for 14%) for the current board of directors; 3 independent directors (accounting for 43%) have a tenure of 3 years or less; and there are no directors being concurrently the employee; 3 of the directors are 70 years old or above, 2 are between 60 and 69 years old and 2 are under 59 years old, and neither of them has any of the conditions specified in Paragraphs 3 and 4 of Article 26-3 of the Securities and Exchange Act.

(II) Background information of the president, vice presidents, assistant vice presidents, and heads of departments and branch offices

April 29, 2024

Title	Nationality	Name	Gender	Date elected/appointed	Shareholding		Shares held by spouse, underage dependents		Shares held in the names of others		Main career (academic) achievements	Concurrent positions in other companies	Spouse or relatives of second degree or closer acting as managers			Note
					Number of shares	Shareholdings percentage	Number of shares	Shareholdings percentage	Number of shares	Shareholdings percentage			Title	Name	Relationship	
President	Republic of China	Hsien-Wen Liu	Female	December 23, 2019	0	0.00%	0	0.00%	0	0.00%	President, CROWELL DEVELOPMENT CORP. Associate Vice President, Kaohsiung Arena Development Corporation Special Assistant to President, Sales Associate Vice President, Power International Development Co., Ltd. Special Assistant to President, KUO YANG CONSTRUCTION CO.,LTD	Corporate Representative Director, Kuo Hsieh Construction Industrial Co., Ltd. Corporate Representative Director, Pu-Li Management Consulting Co. Ltd. Corporate Representative Director, HCW INVESTMENT CO., LTD. President, Hanlin Development Co., Ltd.	None	None	None	-

Title	Nationality	Name	Gender	Date elected/appointed	Shareholding		Shares held by spouse, underage dependents		Shares held in the names of others		Main career (academic) achievements	Concurrent positions in other companies	Spouse or relatives of second degree or closer acting as managers			Note
					Number of shares	Shareholdings percentage	Number of shares	Shareholdings percentage	Number of shares	Shareholdings percentage			Title	Name	Relationship	
Manager, Finance and Accounting Department Accounting Officer Finance Officer Corporate Governance Officer	Republic of China	Chien-Chang Luo	Male	September 17, 2021	0	0.00%	0	0.00%	0	0.00%	Master in Finance, George Washington University Vice President, Hanshen Asset Management Co., Ltd. Assistant Vice President, Strategic Development Department, Shin Kong Life Insurance Co., Ltd. Chief, M&A Consultancy Team, EY Transaction Advisory Services Inc. Senior Advisor, KPMG Assurance Services Co., Ltd.	Corporate Representative Director, HCW INVESTMENT CO., LTD. Corporate Representative Director, Hanlin Development Co., Ltd. Supervisor, Jollify4ever Ltd. Supervisor, Jollify Creative, Ltd.	None	None	None	-
Vice Manager, Construction Department	Republic of China	Pen-Chieh Huang	Male	March 1, 2023	0	0.00%	0	0.00%	0	0.00%	Electrical and Mechanical Officer, Jingteng Construction Co., Ltd. Electrical and Mechanical Officer, Hsin Tung Yang Construction Co., Ltd. Chief of Electromechanical Section, Sotai Real Estate Co., Ltd. Chief of Electromechanical Section, Jifu Dev. Co., Ltd.	None	None	None	None	-

Title	Nationality	Name	Gender	Date elected/appointed	Shareholding		Shares held by spouse, underage dependents		Shares held in the names of others		Main career (academic) achievements	Concurrent positions in other companies	Spouse or relatives of second degree or closer acting as managers			Note
					Number of shares	Shareholdings percentage	Number of shares	Shareholdings percentage	Number of shares	Shareholdings percentage			Title	Name	Relationship	
Manager, IT and Administrative Service Dept.	Republic of China	Chih-Wei Tsai	Male	July 10, 2023	0	0.00%	0	0.00%	0	0.00%	Master of Information Management, National Chung Cheng University Manager of Information Department, Weili International Development Co., Ltd. Chief of Information Division, Transcend Information Systems Corporation	None	None	None	None	-
Assistant Vice President, Auditing Office	Republic of China	Yu-Wen Hsia	Female	October 30, 2023	0	0.00%	0	0.00%	0	0.00%	Bachelor, Department of Finance, Chihlee University of Technology Stock Affair Officer, Ascent Development Co., Ltd. Administrator, Goldtek Technology Co., Ltd. Assistant Specialist, Ennoconn Corporation	None	None	None	None	-

(III) Remuneration paid to directors, supervisors, general Manager, and vice presidents for the most recent fiscal year (2023)

1. Remuneration to non-independent and independent directors

Unit: NT$ thousand; Share

Title	Name	Director remuneration								Sum of A, B, C and D as a percentage of net income (%)			Compensation received as employee								Sum of A, B, C, D, E, F and G as a percentage of net income (%)			Compensation from invested businesses other than subsidiaries
		Remuneration (A)		Retirement Pension (B)		Director remuneration (C)		Fees for services rendered (D)					Salaries, bonuses, special allowances etc. (E)		Retirement Pension (F)		Employee remuneration (G)							
		The Company	All companies included in the financial statements	The Company	All companies included in the financial statements	The Company	All companies included in the financial statements	The Company	All companies included in the financial statements	Sum of A, B, C and D	The Company	All companies included in the financial statements	The Company	All companies included in the financial statements	The Company	All companies included in the financial statements	The Company: Cash amount	The Company: Stock amount	All companies included in the financial statements: Cash amount	All companies included in the financial statements: Stock amount	The sum of A, B, C, D, E, F, and G	The Company	All companies included in the financial statements	
Chairman	Xue Yong Co., Ltd. Representative: Chia-Chi Hou	600	600	0	0	0	0	0	0	600	0.32	0.32	3,059	3,059	0	0	0	0	0	0	3,659	1.98	1.98	0
Director	Zu Sheng International Co., Ltd.	600	600	0	0	0	0	0	0	600	0.32	0.32	0	0	0	0	0	0	0	0	600	0.32	0.32	0

Title	Name	Director remuneration								Sum of A, B, C and D as a percentage of net income (%)			Compensation received as employee								Sum of A, B, C, D, E, F and G as a percentage of net income (%)			Compensation from invested businesses other than subsidiaries
		Remuneration (A)		Retirement Pension (B)		Director remuneration (C)		Fees for services rendered (D)					Salaries, bonuses, special allowances etc. (E)		Retirement Pension (F)		Employee remuneration (G)							
																	The Company		All companies included in the financial statements					
		The Company	All companies included in the financial statements	The Company	All companies included in the financial statements	The Company	All companies included in the financial statements	The Company	All companies included in the financial statements	Sum of A, B, C and D	The Company	All companies included in the financial statements	The Company	All companies included in the financial statements	The Company	All companies included in the financial statements	Cash amount	Stock amount	Cash amount	Stock amount	The sum of A, B, C, D, E, F, and G	The Company	All companies included in the financial statements	
	Representative: Ming-Yu Huang																							
Director	Yuan-Zhong Co., Ltd. Representative: Hung Hsu	600	600	0	0	0	0	0	0	600	0.32	0.32	0	0	0	0	0	0	0	0	600	0.32	0.32	0
Director	Zu Sheng International Co., Ltd. Representative: Chien-Ting Chen	600	600	0	0	0	0	0	0	600	0.32	0.32	0	0	0	0	0	0	0	0	600	0.32	0.32	0

Title	Name	Director remuneration								Sum of A, B, C and D as a percentage of net income (%)			Compensation received as employee								Sum of A, B, C, D, E, F and G as a percentage of net income (%)			Compensation from invested businesses other than subsidiaries
		Remuneration (A)		Retirement Pension (B)		Director remuneration (C)		Fees for services rendered (D)					Salaries, bonuses, special allowances etc. (E)		Retirement Pension (F)		Employee remuneration (G)							
		The Company	All companies included in the financial statements	The Company	All companies included in the financial statements	The Company	All companies included in the financial statements	The Company	All companies included in the financial statements	Sum of A, B, C and D	The Company	All companies included in the financial statements	The Company	All companies included in the financial statements	The Company	All companies included in the financial statements	The Company		All companies included in the financial statements		The sum of A, B, C, D, E, F, and G	The Company	All companies included in the financial statements	
																	Cash amount	Stock amount	Cash amount	Stock amount				
Independent Director	Teng-Cheng Liu	900	900	0	0	0	0	80	80	980	0.53	0.53	0	0	0	0	0	0	0	0	980	0.53	0.53	0
Independent Director	Chieh-Min Liu	900	900	0	0	0	0	80	80	980	0.53	0.53	0	0	0	0	0	0	0	0	980	0.53	0.53	0
Independent Director	Hung-Mao Tien	900	900	0	0	0	0	80	80	980	0.53	0.53	0	0	0	0	0	0	0	0	980	0.53	0.53	0

Note: 1. The remuneration of the directors of the Company complies with Article 26 of the Company's Articles of Incorporation, that the remuneration within 2% of the year's profit may be provided to the directors for the same year, and the remuneration will be submitted to the Remuneration Committee and the Board for review.

2. In addition to the information disclosed in the above table, the remuneration received by the Company’s directors in the most recent fiscal year of service provision to all entities in the financial statements (including serving as the non-employee consultants of the parent company/all companies included in the financial statements/reinvested businesses): None.

2. Remuneration Paid to General Manager and Vice Presidents:

Unit: Share; NT$1 thousand

Title	Name	Salary (A)		Retirement Pension (B)		Bonuses, and Allowances (C)		Employee Earnings Distribution (D)				Sum of A, B, C and D as a percentage of net income (%)			Compensation from invested businesses other than subsidiaries
								The Company		All companies included in the financial statements					
		The Company	All companies included in the financial	The Company	All companies included in the financial	The Company	All companies included in the financial	Cash amount	Stock amount	Cash amount	Stock amount	Sum of A, B, C and D	The Company	All companies included in the financial statements	
President	Hsien-Wen Liu	2,188	2,188	0	0	612	612	51	0	51	0	2,851	1.54%	1.54%	0

3. The remuneration of the top five highest paid executives of listed/public companies:

Expressed in thousands of NTD

Title	Name	Salary (A)		Retirement Pension (B)		Bonuses, and Allowances (C)		Employee Earnings Distribution (D)				Sum of A, B, C and D as a percentage of net income (%)			Compensation from invested businesses other than subsidiaries
								The Company		All companies included in the financial statements					
		The Company	All companies included in the financial statements	The Company	All companies included in the financial statements	The Company	All companies included in the financial statements	Cash amount	Stock amount	Cash amount	Stock amount	Sum of A, B, C and D	The Company	All companies included in the financial statements	
President	Hsien-Wen	2,188	2,188	0	0	612	612	51	0	51	0	2,851	1.54%	1.54%	0
Manager, Finance and Accounting Department Accounting Officer Finance Officer Corporate Governance Officer	Chien-Chang Luo	1,199	1,199	0	0	245	245	51	0	51	0	1,495	0.81%	0.81%	0

4. Employee Remuneration Distributed to Managerial Officers and Distribution Situation:

Expressed in thousands of NTD

	Title	Name	Stock amount	Cash amount	Total	Total as a percentage of net income after tax (%)
Managers	President	Hsien-Wen Liu	0	51	51	0.02%
	Manager, Finance and Accounting Department Accounting Officer Finance Officer Corporate Governance Officer	Chien-Chang Luo	0	51	51	0.02%

(IV) Amount of compensation paid in the last 2 years by the company and all companies included in the consolidated financial statements to the company's directors, president, and vice presidents and their respective percentages to net income, as well as the policies, standards, and packages by which they were paid, the procedures through which compensations were determined, and their association with business performance and future risks.

1. Analysis of the total remuneration paid by the Company and all firms disclosed in the consolidated financial statements, as a percentage of net income in the standalone financial reports, to directors of the board, the President and vice presidents during the most recent two years:

Expressed in thousands of NTD

Items \ Year	2022	2023
Net income after tax	105,395	184,402
Percentage of Remuneration Paid to Directors	4.84	4.55
Percentage of Remuneration Paid to President and Vice Presidents	2.59	1.54

2. Description of the policies, criteria and composition of compensation; the procedures to determine compensation, and their interrelationship with business performance and future risks:

(1) Remuneration policies, standards, and packages

The Company's independent directors receive fixed remunerations; for the remaining directors, their remunerations are handled in accordance with Articles 15 and 18 of the Company's Articles of Incorporation while comprehensively considering the Company's overall operating performance and individual directors' self-evaluation results. In addition, the Company has established the Remuneration Committee and the “Procedures for the Remunerations of Directors, Independent Directors, and Managerial Officers” to review and evaluate the remuneration policies, system, standards, and structure from time to time and report to the board meetings for resolutions. The Company has established the "Rules for Performance Evaluation of Board of Directors" to evaluate the board members and report to the Remuneration Committee and the Board. The evaluation criteria include: alignment of the goals and missions of the company; awareness of the duties of a director; participation in the operation of the company; management of internal relationships and communication; the director's professionalism and continuing education; and internal control, for total six aspects and 23 items.

Article 15: All directors may receive travel expenses of the amount determined by the Board of Directors.

The remuneration of directors is authorized at the meetings of the Board of Directors based on their level of participation in and contribution to the Company's operation. The remuneration follows the standards among the industry peers.

Article 18: The Company shall use the current year’s pre-tax profits to deduct the benefits before distributing employee remuneration and director’s remuneration. After retaining to make up for the accumulated losses, if there is any balance, it shall allocate 0.5% to 5% of such balance as employees’ remuneration, and the directors’ remuneration shall not exceed 2%.

Decisions on distribution ratio of employees’ and directors' remuneration, and whether the employees’ remuneration shall be distributed in stocks or cash shall be made by the meeting of Board of Directors attended by more than two-thirds of the directors and the resolution approved by more than half of the directors present, which shall be reported to the shareholders’ meeting.

Those entitled to receive employees' remuneration in the forms of stocks or cash may include employees of the controlling/controlled companies or affiliates which meet the terms and conditions set by the board of directors or its authorized personnel.

The remuneration of directors can only be paid in cash, and the independent directors of the Company are not included in the annual remuneration distribution.

The remuneration of the Company's managerial officers complies with the "Procedures for the Remunerations of Directors, Independent Directors and Managerial Officers." The related bonus is paid based on the Company's annual operating performance, financial position, and operation status. In case of making profit, as provided in Article 18 of the Articles of Incorporation, 0.5% to 5% shall be provided as employee remuneration. The managerial officers' remuneration distribution is submitted to the Remuneration Committee for deliberation before to be resolved by the Board, pursuant to the "Procedures for the Remunerations of Directors, Independent Directors and Managerial Officers."

Article 16: The Company may create managerial positions including one position for the President and several ones for managers. Appointment, dismissal and remuneration of whom shall comply with Article 29 of the Company Act.

(2) Procedure for determining remuneration

The Company has established the Remuneration Committee and the "Procedures for the Remunerations of Directors, Independent Directors and Managerial Officers," to review and evaluate the remuneration policies, system, standards and structure from time to time, and report such to the board meetings for resolutions. The Company has established the "Rules for Performance Evaluation of Board of Directors" to evaluate the board members, and report to the Remuneration Committee and the Board.

The 2023 performance evaluation results of the Company's Board, board members, and members of various functional committees all significantly exceeded the benchmarks, and the performance of managerial officers all met the requirements of the intended targets.

(3) Linkage to operating performance and future risk exposure.

The review of the Company's remuneration policy, related payment standards, and systems, mainly considers the overall operating conditions, operating performance, and contribution, to improve the overall organization and team effectiveness of the Board and managerial officers, while referring to the industry's common standards, to ensure that the compensations of the Company's management are competitive in the industry.

Key management decisions of the Company take various risk factors into consideration, and the performance of the decisions are reflected in the profitability of the Company, and the compensation of the management level is related to the effectiveness of risk management. The remuneration paid to managerial officers includes long-term incentives that are not paid in full in the year of earnings, for sharing the future operating risks with the Company.

III. Implementation status of corporate governance

(I) Operation of the board of directors:

The board of directors meeting has been convened 6 times (A) in the most recent year (2023):

Title	Name	Actual attendance (B)	Number of proxy attendants	Actual attendance rate (%) (B/A)	Note
Chairman	Xue Yong Co., Ltd. Representative: Chia-Chi Hou	6	0	100.00	
Director	Zu Sheng International Co., Ltd. Representative: Ming-Yu Huang	5	1	83.33	
Director	Yuan-Zhong Co., Ltd. Representative: Hung Hsu	6	0	100.00	
Director	Zu Sheng International Co., Ltd. Representative: Chien-Ting Chen	5	1	83.33	
Independent Director	Teng-Cheng Liu	6	0	100.00	
Independent Director	Chieh-Min Liu	6	0	100.00	
Independent Director	Hung-Mao Tien	4	2	66.66	

Other matters that shall be recorded:

I. Where the operation of the Board of Directors meets any of the following circumstances, the minutes concerned shall clearly state the meeting date, term, contents of motions, opinions of all independent directors and the Company's resolution of said opinions:

(I) Matters specified in Article 14-3 of the Securities and Exchange Act: Please refer to pages 50 to 53.

(II) Other than the preceding matters, matters resolved at the Board of Directors' meeting at which an independent director has a dissenting opinion or qualified opinion have been recorded or a written statement has been made: No such situation.

II. The recusal of directors for proposals concerning their interests:

Board Meeting Date	Name of Director	Proposal	Reasons for avoiding conflict of interest	Participation in voting process
January 9, 2023	Chia-Chi Hou	Proposal of distribution of bonuses to the Chairman for FY2022	The Director who recused is the party concerned of this Proposal	Withdrew from the discussion and voting of this Proposal

III. The listed and OTC companies should disclose information regarding the assessment period and duration, assessment scope, method and assessment content of the board of directors' self (or peer) assessment and fill out the table of implementation status of the board of directors' assessment).

(I) The evaluation cycles and periods, scope, methods and content of the evaluation:

Evaluation cycle	Assessment duration	Scope of assessment	Assessment methods	Assessment contents
Conduct once a year	January 1, 2023 - December 31, 2023	1.The Board as a whole 2.Individual directors 3.Functional committee	Including the internal self-evaluation of the Board, the self-evaluation and peer evaluation of board members; each appraisal item (indicator) are scored as “Excellent (5), Good (4), Moderate (3), Poor (2) and Very Poor (1).”	The internal performance evaluation of the Board for 2023 was executed by the Remuneration Committee and reported to the Board, including the self-evaluation of the Board performance, the self-evaluation of board members’ performance, and the self-evaluation of functional committees’ performance

(II) Implementation of Evaluations of the Board of Directors:

The Company approved the "Rules for Performance Evaluation of Board of Directors" on December 21, 2018, requiring the performance evaluations shall be conducted to the Board and the board members at least once a year. For the internal evaluation, the annual performance evaluation shall be conducted at the end of every year pursuant to the Rules. The measurement items of the performance evaluations for the Board cover the follow aspects:

1. The measurement items of the “Self-Evaluation of Board’s Performance” cover the following five aspects:
   (1) Participation in the operation of the company
   (2) Improvement of the quality of the board of directors' decision-making
   (3) Composition and structure of the board of directors
   (4) Election and continuing education of the directors
   (5) Internal control.
2. The measurement items of the “Self-Evaluation of Board Members’

Performance" cover the following six aspects:

(1) Alignment of the goals and missions of the company
(2) Awareness of the duties of a director
(3) Participation in the operation of the company
(4) Management of internal relationship and communication
(5) The director's professionalism and continuing education
(6) Internal control.

The Company completed the performance evaluation of the Board in January 2024 and submitted it to the 13th meeting of the 26th Board on March 13, 2024.

IV. Objectives of enhancing the Board of Directors' functions, and the evaluation of implementation in the current year and the most recent year:

(I) The 2023 internal performance evaluation scores of the board of directors were between excellent and good, which is good, and there are no recommendation and improvement actions for the Board.

(II) To strengthen corporate governance, the Company has established the Audit Committee on June 24, 2019, to complement the operation of the board of directors.

(III) The Company has purchased liability insurance for directors pursuant to the Articles of Incorporation; the risk of major damage to the Company and shareholders has been reduced and diffused.

(II) Audit Committee Meeting Status:

1. The “Audit Committee” is composed of 3 independent directors. The members’ information is as follows:

Position	Criteria / Name	Professional qualifications and experience
Independent Director (Convener)	Teng-Cheng Liu	Graduated from the National Taiwan University with a master's degree in International Business (Administration), he has more than five years of work experience in business, legal affairs, finance, accounting and corporate business, and is specialized in corporate operations and professional financial planning.
Independent Director	Chieh-Min Liu	Graduated from the Graduate Institute of Laws of the Chinese Culture University with a master’s degree, he is currently the Managing Partner of Tiaoding Law Office, a certified lawyer, and has more than five years of work experience in business, legal affairs, finance, accounting, and corporate business, and is specializing in finance and laws, which can provide the Company with professional legal consultation.
Independent Director	Hung-Mao Tien	Graduated from the University of Wisconsin with a Ph.D. degree in Political Science, currently serving as the chairman and president of the Institute for National Policy Research, the Cultural, the chief consultant of the Chinese National Federation of Industries, and the representative of corporate director and independent director of several listed/public companies. He has a work experience of more than five years in business, finance, accounting, and corporate business, a full international perspective, and is specializing in financial professional fields and industrial planning.

2. Compilation of the annual work highlights:

The Audit Committee regularly on a quarterly basis holds meetings prior to the meetings of the Board of Directors to review the Company’s internal control system and internal audit implementation and major financial business activities, and communicates with CPAs to effectively supervise the Company’s operations and risk control. The main matters considered by the Audit Committee of the Company include:

●	Auditing of financial statements and accounting policies and procedures	●	The offering, issuance, or private placement of any equity-type securities.
●	Formulating or revising the internal control system and related important guidelines	●	The hiring or dismissal of an attesting CPA, or the compensation and evaluation to the independence
●	Evaluation of the effectiveness of the internal control protocols	●	Matters involving the director's interests
●	Material asset or derivatives transaction	●	The appointment or discharge of a financial, accounting, or internal auditing officer.
●	Material monetary loan, endorsement, or provision of guarantee	●	Company risk management

3. A total of 6 meetings (A) were held in the most recent year (2023), and below are the independent directors' attendance records:

Title	Name	Actual attendance (B)	Number of proxy attendants	Actual attendance rate (%) (B/A)	Note
Independent Director	Teng-Cheng Liu	6	–	100.00	
Independent Director	Chieh-Min Liu	6	–	100.00	
Independent Director	Hung-Mao Tien	5	1	83.33	
Other matters that shall be recorded: I. Where the Audit Committee's operation meets any of the following circumstances, the minutes concerned shall clearly state the meeting date, term, contents of motions, independent Directors' opposing voice or qualified opinions or significant suggestion, resolution of the Audit Committee, and how the Company dealing with it: (I) Matters specified in Article 14-5 of the Securities and Exchange Act: Please refer to pages 50 to 53. (II) Except for the preceding conditions, other resolutions not approved by the Audit Committee but approved by two-thirds or more of the directors: No such situation. II. In instances where an independent director recused himself/herself due to a conflict of interest, the minutes shall clearly state the director's name, contents of the motion and resolution thereof, the reason for not voting and actual voting counts: No such situation. III. Communication between independent directors and internal/external auditors:					

(I) The head of internal auditing shall regularly report to the Audit Committee according to the annual audit plan, and the Company shall regularly hold Audit Committee meetings, and invite CPAs, head of auditing and relevant supervisors to attend the meetings if required.

(II) The Audit Committee shall regularly communicate with the CPA of the Company on financial statements and other relevant legal requirements every year, and conduct independent audits on the selection of CPAs and the audit and non-audit services they provide.

(III) The governance status of the Company, and the differences with the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies and reasons:

Assessment items	Implementation Status			Differences with the "Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies" and reasons
	Yes	no	Description	
I. Does the Company stipulate and disclose the corporate governance practice principles in accordance with the "Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies"?	✓		The Company has formulated the corporate governance best practice principles in accordance with the "Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies," and disclosed such in the Corporate Governance Section in the official website.	No material deviation
II. The shareholding structure of the Company and shareholders' rights and interests				
(I) Has the Company implemented a set of internal procedures to handle Shareholders' suggestions, queries, disputes, and litigations?	✓		(I) The Company has set up spokespersons and dedicated shareholder service personnel, and has set up the Stakeholder section on the Company's website, as the window to disclose shareholder and investor service, to handle shareholders' recommendation or inquiries.	No material deviation
(II) Does the Company possess a list of principal shareholders and beneficial owners of these principal shareholders?	✓		(II) The Company grasps the list of major shareholders based on the shareholder roster provided by the shareholder service agency, and regularly discloses the list of major shareholders and the ultimate controllers of major shareholders.	No material deviation

Assessment items	Implementation Status			Differences with the “Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies” and reasons
	Yes	no	Description	
(III) Does the Company create and implement risk control and firewall mechanism with the related companies?	✓		(III) The business and financial dealings between the Company and affiliates are operated independently, and the operation risk control of affiliates complies with the Company's "Internal Control System."	No material deviation
(IV) Has the Company established internal policies that prevent insiders from trading securities against non-public information?	✓		(IV) To maintain the fairness of trading in the securities market, the Company has formulated the "Operating Procedures for Managing the Prevention of Insider Trading" and "Operating Procedures for Handling Internal Material Information," requiring Company personnel to comply with the Securities Exchange Act, not to use information that is not disclosed publicly to engage in insider trading, nor leak such information to others. On November 8, 2022, the "Operating Procedures for Managing the Prevention of Insider Trading" were amended to prevent insider trading, including that the directors, managerial officers, and employees are prohibited from trading the Company’s shares during the lock period of 30 days period to the announcement of annual financial reports, and 15 days prior to the announcement of the quarterly financial report; in addition, the promotion is made to insiders, or relevant continuing education courses are arranged, from time to time. The above-mentioned internal regulations are disclosed in the	No material deviation

Assessment items	Implementation Status			Differences with the “Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies” and reasons
	Yes	no	Description	
			Company Regulations on the official website.	
III. Composition and responsibilities of the board of directors				
(I) Has the board established a policy on diversity and specific management objectives, and have they been implemented accordingly?	✓		(I) In the “Corporate Governance Best Practice Principles,” the Company specifies the abilities required for the board members to implement the diversity of the members' composition.	No material deviation
(II) Apart from the Compensation Committee and Audit Committee, has the Company assembled other functional committees at its own discretion?		✓	(II) Apart from the Compensation Committee and Audit Committee the Company has not assembled other functional committees a its own discretion.	Pending for evaluation
(III) Has the Company established its board performance appraisal measures and the evaluation methods, provided the results to the board, and conducted the performance appraisal regularly every year as the reference for directors' remuneration and nomination and renewal?	✓		(III) TWSE and TPEx listed companies should disclose information regarding the evaluation period and duration, evaluation scope, method, and evaluation content of the board of directors and functional committees' self (or peer) evaluation and fill out the table below (Implementation status of the board of directors and functional committees' evaluation). I. The evaluation cycles and periods, scope, methods and content of the evaluation:	No material deviation

Assessment items	Implementation Status			Differences with the “Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies” and reasons
	Yes	no	Description	
			(see nested table below)	

Evaluation cycle	Assessment duration	Scope of assessment	Assessment methods	Assessment contents
Conduct once a year	January 1, 2023 ~ December 31, 2023	1.The Board as a whole 2.Individual directors 3.Functional committee	Including the internal self-evaluation of the Board, the self-evaluation and peer evaluation of board members; each appraisal item (indicator) are scored as “Excellent (5), Good (4), Moderate (3), Poor (2) and Very	The internal performance evaluation of the Board for 2023 was executed by the Remuneration Committee and reported to the Board, including the self-evaluation of the Board performance, the self-evaluation of board members’ performance, and the self-evaluation of functional

			Poor (1)."	committees' performance

II. Implementation of evaluation for the Board and functional committees

The Company approved the "Rules for Performance Evaluation of Board of Directors" on December 21, 2018, requiring the performance evaluations shall be conducted to the Board, the board members, the Remuneration Committee and the Audit Committee at least once per year. For the internal evaluation, the annual performance evaluation shall be conducted at the end of every year pursuant to the Rules. The measurement items of the performance evaluations for the Board and functional committees cover the follow aspects:

1. The criteria for evaluating the performance of the Board cover the five aspects:
   (1) Participation in the operation of the company
   (2) Improvement of the quality of the board of directors' decision making
   (3) Composition and structure of the board of directors
   (4) Election and continuing education of the directors
   (5) Internal control
2. The criteria for evaluating the performance of the board members cover the six aspects:
   (1) Alignment of the goals and missions of the company
   (2) Awareness of the duties of a director
   (3) Participation in the operation of the company
   (4) Management of internal relationship and communication
   (5) The director's professionalism and continuing

Assessment items	Implementation Status			Differences with the “Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies” and reasons
	Yes	no	Description	
			education (6) Internal control 3. The criteria for evaluating the performance of the Audit Committee cover the five aspects: (1) Participation in the operation of the company (2) Awareness of the duties of the functional committee (3) Improvement of quality of decisions made by the functional committee; (4) Makeup of the functional committee and election of its members (5) Internal control 4. The criteria for evaluating the performance of the Remuneration Committee cover the five aspects: (1) Participation in the operation of the company (2) Awareness of the duties of the functional committee (3) Improvement of quality of decisions made by the functional committee; (4) Makeup of the functional committee and election of its members (5) Internal control	

Assessment items	Implementation Status			Differences with the "Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies" and reasons
	Yes	no	Description	
			The Finance and Accounting Department is responsible for implementing the evaluation every January, to have directors evaluate the Board's operation and their own participation, as well as the members of the Remuneration and Audit Committees to evaluate the operation of each committee, respectively based on the Board's operation, director's participation, operation of the Remuneration Committee and operation of the Audit Committee. After collecting all the questionnaires, analysis is conducted based on the said method, furnish the goals and practices for improvement and enhancement, and report the analysis results to the Board. The performance evaluation results will also serve as a reference for individual directors' remuneration or nomination for re-appointment. The Company completed the performance evaluation of the Board, board member, the Remuneration Committee and the Audit Committee in January 2024, and submitted to the 13th meeting of the 26th Board on March 13, 2024. The evaluation scores for the year were between excellent and good, which is good, and there are no recommendation and improvement actions for the Board and functional committees.	
(IV) Does the Company assess the	✓		(IV) The Finance and Accounting Department of the Company	No material

Assessment items	Implementation Status			Differences with the "Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies" and reasons
	Yes	no	Description	
independence of external auditors on a regular basis?			evaluates once a year on their own the independence standard of CPAs pursuant to the regulations. In addition to requiring CPAs to provide "Statement of Independence," it also evaluates based on the "Audit Quality Indicators (AQIs)" provided by the CPAs. The latest evaluation results have been approved after the discussion in the 12th meeting of the 3rd Audit Committee on March 13, 2024, before submitted to the 13th meeting of the 26th Board of Directors on March 13, 2024, to resolve the approval to the evaluation of the CPA's competence and independence. For details of the evaluation of the CPA's independence and competence, please refer to the annual report Attachment 1 on page 34; for details of the CPA's Statement of Independence, please refer to the annual report Attachment 2 on pages 35-38.	deviation
IV. Has the Company allocated qualified and sufficient number of personnel and appointed managers in charge of corporate governance affairs (including but not limited to furnishing information required for business execution by directors and supervisors, assisting	✓		To implement the corporate governance, upon the resolute of the 7th meeting of the 26th Board, Chien-Chang Luo, Manager of Finance and Accounting Department is appointed to serve as the Corporate Governance Officer of the Company concurrently, being in charge of the affairs related to the corporate governance. He possesses the qualification of CPA, and meets the criteria of corporate governance officer. The main duties of the corporate	No material deviation

Assessment items	Implementation Status			Differences with the "Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies" and reasons
	Yes	no	Description	
directors and supervisors to comply with laws, handling matters relating to board meetings and shareholder meetings according to laws, recording minutes of board meetings and shareholder meetings, etc)?			governance officer is to supervise and handle the following affairs: I. Handling matters relating to board meetings and shareholders meetings according to laws. II. Producing minutes of board meetings and shareholders meetings. III. Assisting onboarding and continuous development of directors. IV. Furnishing information required for business execution by directors. V. Assisting directors and supervisors with legal compliance VI. Report to the Board about the results of the review on whether the qualifications of independent directors comply with relevant laws and regulations at the time of nomination, election and during their office. VII. Handle matters related to the change of directors. VIII. Other matters described or established in the articles of incorporation or under contract, among other things.	

Assessment items	Implementation Status			Differences with the "Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies" and reasons
	Yes	no	Description	
V. Has the Company established communication channels with stakeholders (including, but not limited to shareholders, employees, customers, and suppliers) and set up an area dedicated to stakeholders on the Company website and does the Company respond appropriately to corporate social responsibility issues that stakeholders consider important?	✓		The Company has set up the Stakeholder section on the Company's website, to provide contact methods for the government and competent authorities, shareholders and investors, employees, and customers and suppliers, and responds to material issues concerned by them in a timely manner, and discloses the Company's financial and business overview and actions of corporate governance.	No material deviation
VI. Does the Company entrust a professional shareholder services agency to conduct matters regarding the shareholders meeting?	✓		The Company appointed a professional stock affairs agency "Shareholder Service Agency Department of Grand Fortune Securities Co., Ltd." to handle various shareholder service.	No material deviation
VII. Public Disclosure of Information				
(I) Does the Company create a website to disclose information regarding its finance, business operations and corporate governance?	✓		(I) Through the Company's website (https://www.ascentglobal.com.tw/), the Investor and Corporate Governance sections are set up to disclose information of finance, business, and corporate governance.	No material deviation
(II) Does the Company adopt other methodology of information disclosure	✓		(II) The Company already has a website to disclose other information to the outsiders, and has appointed a dedicated	No material deviation

Assessment items	Implementation Status			Differences with the "Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies" and reasons
	Yes	no	Description	
(such as creating an English website, appointing a dedicated person to be responsible for the collection and disclosure of the Company's information, implementing the spokesperson system, and uploading videos of the investor conferences on the company's website)?			unit to be responsible for the maintenance of the website information. Additionally, the dedicated personnel are appointed to be responsible for the disclosure of the Company's material information and related information on the MOPS, and implemented the spokesperson system pursuant to the regulations.	
(III) Does the Company announce and declare the annual financial report within two months after the end of the fiscal year and announce and declare the financial reports of the first, second and third quarter as well as the monthly operating report before the deadline?		✓	(III) The Company complies with Article 36 of the Securities and Exchange Act, to publicly announce and report the financial reports within three months after the end of a fiscal year, and within 45 days after the end of the first quarter, the second quarter, and the third quarter, while publicly announcing and reporting the operation situation of the previous month before the 10th day of each month.	Pending for evaluation
VIII. Does the Company have other important information that can help people to understand the operations of corporate governance (including but not limited to the employees' rights, employee care, investor relations,	✓		1. Employee rights and employee wellness The Company protects the rights and interests of employees pursuant to the Labor Standards Act, and also purchases insurance for employees. 2. Investor relations, and rights of stakeholders The Company has set up the Stakeholder section on the	No material deviation

Assessment items	Implementation Status			Differences with the “Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies” and reasons
	Yes	no	Description	
supplier relation, rights of interested parties, training status of directors and supervisors, implementation status of risk management policies and standards of risk measurement, the implementation of customer policies, the purchase of liability insurance for directors and supervisors by the Company, etc.)?			Company's website to provide contact methods for the government and competent authorities, shareholders and investors, employees, and customers and suppliers, and to respond to material issues concerned by them in a timely manner, and disclose the Company's financial and business overview and actions of corporate governance. The stakeholders may advise and communicate with the Company whenever necessary to protect their legitimate rights and interests. 3. Directors’ continuing education The directors of the Company all have professional background in the industry, and practical experience in operation and management; they also attend relevant courses such as corporate governance, and securities laws and regulations, from time to time. 4. The implementation status of risk management policies and risk measurement standards: The Company conducts various risk management and assessments based on internal control and internal audit operations. 5. Liability insurance purchased by the Company for the directors and supervisors:	

Assessment items	Implementation Status			Differences with the “Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies” and reasons
	Yes	no	Description	
			The Company has purchased liability insurance for directors and independent directors, to strengthen the protection of shareholders' rights and interests. The limit for each claim and cumulative compensation during insurance period is US$10 million.	
IX. Please explain the improvement status of the corporate governance assessment results issued by the Corporate Governance Center of Taiwan Stock Exchange Corporation in the most recent year and propose improvement measures for those matters that have not been improved (Those who are not included in the company evaluated do not need to fill in): The Company has reviewed all the items that failed to score points in the corporate governance evaluation, and will continue to improve its corporate governance in the future.				

Table 1: CPA Independence Assessment

Ascent Development Co., Ltd.

2024 CPA Independence and Competency Assessment Table

Assessment Date: March 4, 2024

CPAs: Chun-Yuan Hsiao and Se-Kai Lin

CPA Office: PwC Taiwan

(I) Assessment contents

Items	Results	
1. Up to the most recent certification operations, there is no occurrence of a CPA without change for seven years.	■ Yes	☐no
2. CPA has no material financial interests with the trustor.	■ Yes	☐no
3. CPA prevents having any inappropriate relationship with the trustor.	■ Yes	☐no
4. CPA shall request its assisting personnel to properly comply with the requirements for integrity, fairness and independence.	■ Yes	☐no
5. The financial statements of the institutions serviced within two years before practice shall not be audited and certified.	■ Yes	☐no
6. The name of CPA shall not be provided to others for use.	■ Yes	☐no
7. CPA does not hold shares of the Company and associates.	■ Yes	☐no
8. CPA does not engage in any loan or borrowing with the Company and associates.	■ Yes	☐no
9. CPA does not engage in any relationship of joint investment or share of profit with the Company and associates.	■ Yes	☐no
10. CPA does not concurrently hold a routine job position at nor receive a fixed salary from the Company or associates.	■ Yes	☐no
11. CPA is not involved in the management position or function for decision making of the Company or associates.	■ Yes	☐no
12. CPA does not concurrently operate other business that may cause the loss of his/her independence.	■ Yes	☐no
13. CPA is not in any relationship of spouse, lineal relative by blood or by marriage or relative within the second degree of kinship with the management of the Company.	■ Yes	☐no
14. CPA does not collect commission related to any business.	■ Yes	☐no
15. Up to the present day, there has been no sanction or violation of the principle of independence.	■ Yes	☐no
16. Whether or not the accountant complied with the requirements of relevant independence specified in the Norm of Professional Ethics for Certified Public Accountant No. 10, and has obtained the “Independence Declaration” issued by the accountant.	■ Yes	☐no
17. Whether or not the Audit Quality Indicators (AQIs) issued by the accounting firm is obtained and its indicators are reviewed to assess the independence and competency of CPAs.	■ Yes	☐no
18. Whether or not the non-audit fee measured according to the AQIs not exceeding more than 50% of the audit fee.	■ Yes	☐no
19. The accumulated years of the annual financial report audited by the firm according to the AQIs are not affecting the independence of the firm.	■ Yes	☐no

(II) Assessment result:
CPAs Chun-Yuan Hsiao and Se-Kai Lin are of independent relative to the Company.

Head of Finance and Accounting Department:

Table 2: CPA Independence Declaration

pwc 資誠

函

受文者：雋揚國際股份有限公司　審計委員會

日期：民國 113 年 3 月 13 日
字號：資會綜字第 24000374 號

主旨：說明本會計師擔任　雋揚國際股份有限公司及子公司(以下統稱　貴集團)民國 113 年度財務報表簽證會計師之角色、責任及獨立性。

說明：

一、依會計師職業道德規範公報第 10 號第 4 條、第 10 號第 3 條第 9 款及第 1 號第 14 條之規定，會計師於查核或核閱財務報表時應維持獨立性。因此本事務所謹向　貴集團聲明查核小組專業服務人員、本所其他專業人員及本所本年度查核工作已遵循第 10 號及第 1 號公報獨立性之相關規定及 PwC 全球獨立性政策，並未有違反相關規定致影響本所超然獨立之情事。如本委任之執行涉及其他 PwC 聯盟所，則相關聯盟所業已遵循 PwC 全球獨立性政策。

二、為提供最佳服務予　貴集團，本所查核會計師對於所有受委任案件均須保持客觀公正、正直誠信及嚴謹態度並嚴格遵守本所行為準則規範，以確保可及時提供高品質之審計專業服務予　貴集團，並符合社會大眾之期望。

三、查核會計師之責任係根據查核結果，對　貴集團之合併財務報告及個體財務報告是否允當表達公司之財務狀況、經營成果及現金流量表示意見，以合理確信合併財務報告及個體財務報告有無重大不實表達。合併財務報告及個體財務報告之編製係　貴集團管理階層之責任，　貴集團管理階層將提供所有　貴集團所知與合併財務報告及個體財務報告編製相關之資訊，包括財務及會計記錄與有關資料。即使合併財務報告及個體財務報告經會計師查核，管理階層仍擔負前述對財務報告之責任。

資誠聯合會計師事務所 PricewaterhouseCoopers, Taiwan
110208 臺北市信義區基隆路一段 333 號 27 樓
27F, No. 333, Sec. 1, Keelung Rd., Xinyi Dist., Taipei 110208, Taiwan
T: +886 (2) 2729 6666, F: +886 (2) 2729 6686, www.pwc.tw

pwc 資誠

四、查核會計師係依據審計準則第 260 號「與受查者治理單位之溝通」與治理單位進行溝通。查核會計師將根據其判斷，與治理單位溝通在查核合併財務報告及個體財務報告過程中，獲悉對監督財務報導及揭露程序重大攸關之治理事項。惟上述規定，並未要求查核會計師須特別為確認重大治理事項而設計查核程序，因此，不應期望此項查核可確認所有治理事項。

五、為達到查核會計師之責任，本所查核會計師及專業團隊將秉持專業懷疑之態度，妥善規劃及執行查核工作，以確保執行工作之最高品質。會計師查核報告亦由本所查核會計師作最後之複核以決定出具報告之類型，並署名以示負責。

六、本所之查核工作係建立在公正客觀之基礎上。本所業已確認以下事項，如有不一致之情形，煩請與本會計師聯絡：

(一)本所會計師與本查核小組專業服務人員與　貴集團並無持股之投資關係存在。

(二)本所會計師與本查核小組專業服務人員並未有擔任　貴集團董事或主管職位之情形。

(三)本所聲明，本查核小組專業服務人員並未承受或感受　貴集團管理階層有關會計政策選擇或財務報表揭露之不當要求；或以降低公費為由以減少應執行之查核工作等，致影響客觀性及專業上之懷疑。

(四)本所與　貴集團間無商業合作關係存在。

(五)本所與　貴集團間無訴訟關係。

(六)本所聲明，本查核小組專業服務人員未受託成為　貴集團立場或意見之辯護者，或代表　貴集團居間協調與其他第三人間發生之衝突。

(七)本查核小組專業服務人員並無與　貴集團之董事、經理人或對審計案件有重大影響職務之人員有親屬關係。

(八)本查核小組專業服務人員並無收受　貴集團或董事、經理人價值重大之餽贈或禮物。

(九)無其他任何依查核會計師專業判斷認為可能違反獨立性之情事。

(十)本會計師尚未發現有可能危及獨立性之情事，故尚無需與　鈞座溝通因應防護措施(safeguard)。

七、本會計師於查核過程中，如發現可能有違反獨立性之情形，將與　貴集團治理單位溝通該情形及採取相關因應防護措施。

附件：

一：依第 10 號公報所規定之審計服務小組主要成員名單。

二：資誠聯合會計師事務所之關係企業名單。

資 誠 聯 合 會 計 師 事 務 所

會計師

蕭　春　鴛

林　瑟　凱

附件一：依第 10 號公報所規定之審計服務小組成員名單。

姓名	職稱
蕭春鴛	會計師
林瑟凱	會計師
陳啟東	副總經理
林采驊	領組

附件二：資誠聯合會計師事務所之關係企業名單。

(一)	資誠企業管理顧問股份有限公司
(二)	普華商務法律事務所
(三)	資誠稅務諮詢顧問股份有限公司
(四)	普華國際財務顧問股份有限公司
(五)	資誠普華國際財務顧問有限公司
(六)	資誠創新整合股份有限公司
(七)	資誠創新諮詢有限公司
(八)	資誠永續發展服務股份有限公司
(九)	普華國際不動產有限公司
(十)	資誠人資管理顧問有限公司
(十一)	資誠智能風險管理諮詢有限公司
(十二)	資誠普華綠色科技有限公司

(IV) For companies that have a Remuneration Committee, its composition, rights and responsibilities, and operational status should be disclosed:

1. Information of the members of the compensation Committee

Position	Criteria / Name	Professional qualifications, experience, and independence	Number of listed companies that the members of the Remuneration Committee concurrently serve in	Note
Independent Director (Convener)	Teng-Cheng Liu	Please refer to pages 15 and 16 for directors' expertise and independence:	0	—
Independent Director	Chieh-Min Liu		0	—
Independent Director	Hung-Mao Tien		0	—

2. Duties of Remuneration Committee:
   (1) Reviews the Company's Remuneration Committee Charter and proposes the amendments periodically.
   (2) Formulates and reviews the performance evaluation and remuneration policies, systems, standards, and structures applicable to directors and managerial officers.
   (3) Regularly evaluate the achievement of performance targets of the Company's directors and managers and determine their remuneration content and amount.
3. Information on the operational status of the Remuneration Committee:
   (1) The compensation committee of the Company consists of 3 members.
   (2) The term of office of the current committee members: June 23, 2022 to June 22, 2025.
   (3) The Remuneration Committee held 2 meetings (A) in the most recent year (2023). The qualification of members and their attendance are as follows:

Title	Name	Actual attendance (B)	Number of proxy attendants	Actual attendance rate (%) (B/A)	Note
Convener	Teng-Cheng Liu	2	–	100	
Committee member	Chieh-Min Liu	2	–	100	
Committee member	Hung-Mao Tien	2	–	100	

Other matters that shall be recorded:

I. If the board of directors declines to adopt or modifies a recommendation of the compensation committee, it should specify the date of the meeting, session, the content of the motion, resolution by the board of directors, and the Company's response to the remuneration committee's opinion (e.g., if the remuneration passed by the board of directors exceeds the recommendation of the compensation committee, the circumstances and cause for the difference shall be specified): None.

II. The resolved matters by the Remuneration Committee about which a member expresses an objection or reservation that has been included in records or stated in writing shall state the date, session, content of proposals, all of the members' opinions and the handing of the opinions of the members: this situation does not apply: None

III. The Remuneration Committee's meetings, proposals, and resolutions and the Company's handling of Members' comments in the most recent year:

Date	Proposal	Resolution	Members Comments	The Company's handling of the Remuneration Committee's opinions
January 9, 2023	1. Proposal of distribution of bonuses to the Chairman for FY2022	Passed as proposed without objection from	No objections or qualified opinions.	The proposal was submitted to the Board of Directors, and

		attending members when asked by the chairperson.		all attending directors unanimously approved it except Chairman Chia-Chi Hou, who recused himself due to a conflict of interest.
	2. Proposal of distribution of bonuses to managers for FY2022			Submitted to the Board of Directors and passed by all attending directors.
March 27, 2023	1. Proposal for the remuneration of directors and employees in FY2022 2. Appointment of the Company's Corporate Governance Officer and deliberation of the wage thereof.	Passed as proposed without objection from attending members when asked by the chairperson.	No objections or qualified opinions.	Submitted to the Board of Directors and passed by all attending directors.

(V) Status of promotion of sustainable development and its discrepancies from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and the reasons:

1. Implementation status of sustainable development and its discrepancies from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and the reasons

Items to Be Promoted	Implementation results			Discrepancies with the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and reasons
	Yes	No	Description	
I. Has the Company established a governance structure to promote sustainable development and set up a dedicated (or one holding concurrent positions) unit to promote sustainable development, with the Board of Directors authorizing the senior management to manage the organization, supervised by the board?	✓		In order to implement the issues and goals related to sustainable development in environmental protection, social responsibility, and corporate governance, the Company established the Sustainable Development Committee under the Board of Directors on August 9, 2023, to strengthen the functions and management mechanism of the Board of Directors, and stipulated the "Sustainable Development Committee Charter." The committee members are appointed by the Board of Directors and consist of the Chairman and two independent directors. Their term is the same as that of the appointing Board of Directors. The designated director serves as the convener. This committee establishes working groups based on the nature of relevant business activities and regularly evaluates the effectiveness of the Company's sustainability plans. The committee reports the execution results to the Board of Directors at least once a year. The sustainable development committee and the	No material deviation

Items to Be Promoted	Implementation results			Discrepancies with the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and reasons
	Yes	No	Description	
			sustainable development working group shall be supervised by the board of directors to promote sustainable development. The sustainable development committee's duties shall include the following matters: I. Determination of sustainable development policies. II. Negotiation of sustainable development strategic planning, annual plans, and projects. III. Sustainable development strategic planning, supervision of the implementation of annual plans, and review and follow-up of the results. IV. Pay attention to issues of concern to stakeholders, including shareholders, customers, suppliers, employees, governments, non-profit organizations, communities, and the media, and supervise the communication plan. V. Other matters to be handled by the Committee as instructed by the resolution of the Board of Directors.	
II. Does the Company conduct risk assessments of environmental, social, and corporate governance issues related to the Company's operations in accordance with the materiality principle, and formulate relevant risk management policies or strategies?	✓		To ensure the Company's stable development and move towards the goal of sustainable development, the Company established the "Risk Management Policy and Procedures" on August 9, 2023, and identified, monitored, and prevented risks in accordance with the policy to strengthen the Company's risk management mechanism. Since 2023, the Company has actively implemented the risk management mechanism,	No material deviation

Items to Be Promoted	Implementation results			Discrepancies with the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and reasons
	Yes	No	Description	
			conducted risk assessments on environmental, social, and corporate governance issues related to the Company's operations in accordance with the principle of materiality, and developed countermeasures. Additionally, the Company reports on its operations to the Board of Directors at least once a year. The most recent report to the Board was on November 8, 2023.	
III. Environmental subjects				
(I) Does the Company establish an appropriate environmental management system based on its characteristics in the industrial?	✓		(I) The Company is in the building material and construction industry and its main business is to commission construction companies to build commercial buildings, public housing and factory offices, and the leasing and sales of real estate. The Company has implemented many management methods in terms of the environment. For example, in the aspect of waste management, the Company strictly enforces relevant laws and regulations of environmental protection and selects qualified construction waste disposal contractors. The waste treatment facilities must also be approved by government review agencies to ensure effective waste sorting and disposal. The Company also has safety and health operation management regulations in place for internal control and has regulations for site safety and environmental health. In terms of greenhouse gas	No material deviation

Items to Be Promoted	Implementation results			Discrepancies with the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and reasons
	Yes	No	Description	
			inventory and verification schedule planning, the Company has investigated greenhouse gases in Scope 1 and 2 and is planning subsequent verification per relevant regulations.	
(II) Is the Company committed to improving energy efficiency and to the use of renewable materials with low environmental impact?	✓		(II) When purchasing building materials, the Company prioritizes environmentally friendly products such as those with labels for energy-saving, water-saving, and green building materials. The Company will actively plan to procure related environmental protection green building materials in the future.	
(III) Does the Company assess potential risks and opportunities associated with relevant measures in response to climate issues?	✓		(III) The Company has "Risk Management Policies and Procedures" to assess the risks and opportunities that climate change may cause to the Company. The Company pays close attention to the impact on the Company's operating activities under extreme weather.	
(IV) Has the Company compiled the greenhouse gas emissions, water consumption and total weight of waste over the past two years and established management policies for the reduction of greenhouse gas emissions, water consumption and other wastes?	✓		(IV) The Company's greenhouse gas inventory refers to the ISO14064-1:2018 standard. The statistics of greenhouse gas emissions, water consumption and waste in the past 2 years are as follows:	

Items	2022	2023
Greenhouse gas emissions (Scope 1)	None (company transformation, no Scope 1 emissions)	None (company transformation, no Scope 1 emissions)

<table>
<tr><th rowspan="2">Items to Be Promoted</th><th colspan="3">Implementation results</th><th rowspan="2">Discrepancies with the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and reasons</th></tr>
<tr><th>Yes</th><th>No</th><th>Description</th></tr>
<tr><td></td><td></td><td></td><td>
<table>
<tr><td>Greenhouse gas emissions (Scope 2)</td><td>7.8752 tCO2e</td><td>7.5529 tCO2e</td><td>7.8752 tCO2e</td></tr>
<tr><td>Water consumption</td><td>1003.7699 cubic meters</td><td>1006.2606 cubic meters</td><td>1003.7699 cubic meters</td></tr>
<tr><td>Waste</td><td>2.5129 tons</td><td>4.5856 tons</td><td>2.5129 tons</td></tr>
</table>
Note:
Scope 2 emission coefficients are based on the latest emission coefficients published by the competent authority. E.g.: Greenhouse Gas Inventory 6.0.4 of the Environmental Protection Administration and the carbon emission coefficient of 0.509 kg CO2e/kWh published by the Bureau of Energy.

The inventory boundary is based on the Company itself and does not include subsidiaries in the consolidated financial statements.

The Company's policies and measures for greenhouse gas reduction, water conservation, or other waste management:

Source-saving measures are mainly based on offices, including: turning off lights for half an hour during lunch breaks to reduce office electricity consumption, conducting periodic awareness campaigns to encourage turning off lights in meeting rooms after use, using double-sided printing or waste</td><td></td></tr>
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Items to Be Promoted	Implementation results			Discrepancies with the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and reasons
	Yes	No	Description	
			paper for documents, and turning off computers and office equipment such as copiers after work hours to reduce their electricity consumption. Employees are also encouraged to carry handkerchiefs to reduce the use of paper towels. As the Company transforms into the building material and construction industry, in order to fulfill its corporate social responsibility, the Company will cooperate with the government's carbon reduction goal to design green buildings and reduce pollution emissions. In response to the future net-zero emissions, the Company has set the relevant energy-saving targets and carbon reduction plans as follows:	

Items	Energy conservation targets for 2023	Energy conservation implementation status:
Greenhouse gas emissions (Scope 1)	None (company transformation, no Scope 1 emissions)	None (company transformation, no Scope 1 emissions)
Greenhouse gas emissions (Scope 2)	Reduce by 1 tCO2e	Reduced by 0.3223 tCO2e, with a minimal difference from the target
Water consumption	Reduce by 1 cubic meter	Water consumption and waste increased due to

Items to Be Promoted	Implementation results			Discrepancies with the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and reasons
	Yes	No	Description	
			<table><tr><td></td><td></td><td>an increase in the number of employees. The Company will enhance the promotion of its energy-saving and carbon-reduction management policies.</td></tr><tr><td>Waste</td><td>Reduce by 1 ton</td><td>Water consumption and waste increased due to an increase in the number of employees. The Company will enhance the promotion of its energy-saving and carbon-reduction management policies.</td></tr></table>	
IV. Social subjects				
(I) Does the Company stipulate relevant management policies and procedures according to the relevant regulations and conventions of international human rights?	✓		(I) The Company has established human rights policies based on the "United Nations Universal Declaration of Human Rights" and the "International Labor Conventions." The employees' code and related HR regulations are formulated pursuant to labor-related laws and regulations to protect employees' legitimate rights and interests.	No material deviation
(II) Does the Company stipulate and	✓		(II) The Company has established relevant regulations of	No material

Items to Be Promoted	Implementation results			Discrepancies with the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and reasons
	Yes	No	Description	
implement reasonable employee welfare measures (including compensation, leave of absence and other benefits), and appropriately reflect business performance or outcome in employees' compensations?			employee benefits and distributed employees' remuneration by considering the Company's operating performance to share the operating results with employees.	deviation
(III) Does the company provide a safe and healthy working environment for employees and regularly conduct safety and health educational training for employees?	✓		(III) The Company is committed to providing employees with a safe and sound workplace environment. Pursuant to relevant occupational safety and health laws and regulations, the Company maintains and supervises the office working environment. Access control has been implemented in the offices, firefighting, air conditioning, and drinking water equipment are regularly inspected and cleaned, and automatic external defibrillation (AED) has been installed to provide a safe and healthy working environment and protect the physical and mental health of employees, reducing the hazardous factors to employees' safety and health.	No material deviation
(IV) Does the Company propose an effective career development training plan for employees?	✓		(IV) The Company has formulated the "Regulations Governing Employees' Education and Training," to arrange professional on-the-job training courses for employees based on the needs of each function, to enhance employees' career capabilities.	No material deviation
(V) Does the Company comply with	✓		(V) The Company's marketing and labeling of products and	No material

Items to Be Promoted	Implementation results			Discrepancies with the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and reasons
	Yes	No	Description	
relevant laws and international principles with regards to issues of customers' health, safety and privacy and marketing and labeling of products and services and stipulate relevant consumer or customer protection policies and complaint procedures?			services comply with relevant laws and international standards. In addition, the Company's website provides a contact window and an email address to provide channels for customers to inquire or suggest.	deviation
(VI) Does the Company implement a supplier management policy that requires suppliers to comply with policies with respect to environmental protection, occupational safety and health or workers'/human rights issues, and what is the implementation status?	✓		(VI) The Company conducts credit investigation on suppliers, and evaluates whether they have poor records in the past; meanwhile, the Company monitors if there are any records of violations of environmental protection, occupational safety, and human rights. If there is any possibility of a supplier to have violated the corporate social responsibility, and the concern is found to be true, the Company will consider terminating the relationship with the supplier.	No material deviation
V. Does the Company prepare its non-financial reports, such as a Sustainability Report in accordance with the internationally-used reporting standards or guidelines? Does the preceding report obtain verification or opinions from a third-party authentication unit?		✓	The Company will prepare the Sustainability Report and other reports disclosing the Company's non-financial information with reference to the international standards or guidelines for the preparation of reports and plans to obtain external third-party verification.	Under planning.
VI. If the Company has stipulated its own corporate sustainable development rules according to the "Sustainable Development Best				

Items to Be Promoted	Implementation results			Discrepancies with the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and reasons
	Yes	No	Description	
Practice Principles for TWSE/GTSM Listed Companies”, please state the difference between its operations and the stipulated rules: Not applicable since the Company has not yet formulated the Sustainable Development Best Practice Principles.				
VII. Other important information that is helpful to understand the implementation of sustainable development initiatives: The Company's 100%-owned subsidiary "HCW INVESTMENT CO., LTD." invested NT$7,293,416 in Cathay Sustainability High Dividend ETF (ticker: 00878) in 2023. The security is an ESG-related index product listed on the Taiwan Stock Exchange. It selects Taiwanese-listed companies with better sustainability performance and high dividend yields. According to Cathay Securities Investment Trust, citing the MSCI Sustainable Database, as of the end of 2022, the overall carbon intensity of the Taiwan Weighted Index (carbon emissions per unit revenue) was 217 (tons/USD million). In contrast, Cathay Sustainability High Dividend (the source of dividends of the Fund may be the income stabilizer) In terms of index " MSCI Taiwan ESG Sustainable High Dividend Select 30 Index," the carbon intensity of the investment portfolio was 131 (tons/USD million), down 39.6% compared to the market.				

1. Climate-related information of the Company

Items	Implementation results
1. Describe the monitoring and governance of climate-related risks and opportunities by the Board of Directors and the management.	Board of Directors: Regularly receive reports from management, including those on ESG and climate change-related issues, and continuously review the progress of implementation. The Company's Board of Directors established the "Risk Management Policy and Procedures" on August 9, 2023, which demonstrates the importance the Board attaches to climate change and risk management. Management: Report to the Board of Directors on the implementation and work plan of sustainable development, as well as the climate change risk assessment and response measures to the Board of Directors on a quarterly basis. In accordance with the Company's risk management policies and procedures, the cross-departmental risk types are identified, and the probability of occurrence of the risk types and the degree of impact on the Company are identified. The source and level of the risk are assessed, and the countermeasures to reduce the risk are proposed.

2. Describe how the identified climate risks and opportunities affect the Company's business, strategy, and finance (short-, medium-, and long-term).	In accordance with the Company's "Risk Management Policy and Procedures," each department identifies the type and level of risk and proposes improvement measures to reduce such risk. The Company's 2023 risk identification (short, medium, and long-term) results and actions/responses are as follows:

Risk/Opportunity	Category	Orientation	Scenario status	Financial impact	Identification and assessment				Risk/Opportunity level	Action/Response
					Time of occurrence (short, medium and long)	Severity (1-5)	Likelihood (1-5)	Risk index (1-5)		
Transformation risks	Laws and regulations	Uncertainty of new regulations	Climate-related laws and regulations are becoming increasingly strict, and regulatory uncertainty will affect the Company's subsequent strategic layout	Increase operating costs	Short	3	4	12	Medium	Follow up on the progress of environmental-related laws and regulations, understand the current international development of environmental issues and carbon rights issues, and dynamically adjust the Company's internal development plans.
Transformation risks	Market	Higher raw material costs	Rising raw material costs due to climate change	Increase in purchase amount	Short	4	4	16	High	1. Adopt joint outsourcing to improve bargaining power. 2. Long-term bulk purchases to maintain a

											certain price level.
	Transformation risks	Market	Changes in customer behavior	New projects on the market have begun to advertise environmental issues, such as green buildings and smart buildings	Increase operating costs	Short	3	3	9	Medium	In the future, construction projects will be planned to obtain the green building label and smart building label to comply with market trends and developments.
	Physical risk	Immediacy	Extreme rainfall	Construction delays due to heavy rain	Increase operating costs	Long	3	3	9	Medium	Continue to strengthen climate resilience and establish a disaster prevention mechanism, and buffer time has been arranged in advance in the construction schedule planning.
	Opportunity	Resource efficiency	Recycled materials	Use of recyclable raw materials	Lower operating costs	Medium	5	2	10	Medium	Study the feasibility of using recyclable raw materials or equipment for future construction projects.
	Opportunity	Products and services	Changes in customer behavior	Customers' increasing environmental awareness drives	Increase revenue	Medium	3	5	15	High	Future project planning will focus on energy-efficient buildings, green

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<tr><td></td><td></td><td></td><td>demand for green and smart buildings</td><td></td><td></td><td></td><td></td><td></td><td></td><td>buildings, and low-carbon buildings, with the goal of obtaining the relevant certifications.</td></tr>
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<td>3. Describe the financial impact of extreme climate events and transformation actions.</td>
<td>In response to the transformation risks that may be caused by extreme climate (possible climate change will result in rising raw material costs), (the laws and regulations related to the climate environment are becoming increasingly strict, and regulatory uncertainty will affect the Company's subsequent strategic layout) and physical risks (project delay due to rainstorms), The financial impact and response are as above.</td>
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<td>4. Describe how climate risk identification, assessment, and management processes are integrated into the overall risk management system.</td>
<td>The Company has established a comprehensive risk management policy that focuses on risk identification and analysis, assessment, response, supervision and review. In addition, the Bank has also adopted the "Climate-Related Financial Disclosures (TCFD)" to effectively manage the risks and opportunities of climate change through governance, strategy, risk management, and establishment of indicators and goals.
<table>
<tr><th>Procedures</th><th>Contents</th></tr>
<tr><td>Risk Identification and Analysis</td><td>Risk management measures are implemented by each unit to ensure the proper implementation of the internal control system to ensure effective risk management.</td></tr>
<tr><td>Risk assessment</td><td>Risk assessment and control are carried out by each unit in their daily management operations.</td></tr>
<tr><td>Risk response</td><td>In response to the uncertainties that may threaten the Company's business operations, the Company convenes relevant departments to discuss, and seeks external consultants' opinions as the case may be, in order to assess risks and propose preventive or</td></tr>
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	<table><tr><td></td><td>countermeasures as soon as possible.</td></tr><tr><td>Ongoing supervision and review</td><td>The audit unit shall supervise the execution units to comply with the approval authority and related measures to ensure the employees' awareness and implementation of risk management.</td></tr></table>
5. If a scenario analysis is used to assess the resilience to climate change risks, the scenarios, parameters, assumptions, analysis factors, and main financial impacts used shall be described.	The Company did not use scenario analysis to evaluate its resilience in the face of climate change risks in 2023.
6. If there is a transformation plan in place to manage climate-related risks, specify the content of the plan, and the indicators and targets used to identify and manage physical risks and transformation risks.	The following are the transition plans for responding to and managing climate-related risks 1. Uncertainty in New Regulations as a Transition Risk: The Company will follow up on the progress of environmental-related laws and regulations, understand the current international development of environmental issues and carbon rights issues, and dynamically adjust the Company's internal development plans. 2. Transformation risk due to increase in raw material costs: The Company will (1) use joint contracting to improve its bargaining power. (2) Long-term bulk purchases to maintain a certain price level. 3. Transformation risk due to changes in customer behavior: In the future, construction projects will be planned to obtain the green building label and smart building label to comply with market trends and development.

7.	If internal carbon pricing is used as a planning tool, the basis for setting the price shall be stated.	The Company did not use internal carbon pricing as a planning tool in 2023.
8.	If climate-related goals are set, the activities covered, the scope of greenhouse gas emissions, the planning period, and the progress of each year should be explained; if using carbon offsets or renewable energy certificates (RECs) to achieve the goals, it should be explained In exchange for the source and quantity of carbon reduction credits or quantity of Renewable Energy Certificates (RECs).	The Company has not set any climate-related targets in 2023.
9.	Greenhouse gas inventory and	The Company expects to carry out the greenhouse gas verification plan in 2024.

assurance status, as well as reduction targets, strategies, and concrete action plans (please fill in 1-1 and 1-2 separately)	

1.1 The Company's greenhouse gas inspection and confirmation in the last two years: The Company expects to carry out the greenhouse gas verification plan in 2024.

1-1-1 Greenhouse gas inventory information: The Company has no such information in 2023. It is expected to plan the greenhouse gas verification in 2024.

1-1-2 Greenhouse gas assurance information: The Company has no such information in 2023. It is expected to plan the greenhouse gas verification in 2024.

State the greenhouse gas emission volume (tCO2e), intensity (tCO2e/NTD million) and data coverage for the most recent two years.

Items	2022	2023
Emission Amount (tCO2e):		
Scope 1 Direct emission	0	0
Scope 2 Indirect energy emission	78752	75529
Total	78752	75529
Intensity	0.0138	0.0381
Scope of data	Offices and other business premises of the Company	Offices and other business premises of the Company

1.2 Greenhouse gas reduction goals, strategies and specific action plans: Not established in 2023.

(VI) The state of the Company's performance in the area of ethical corporate management, any discrepancies from the Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies, and the reason for any such discrepancies:

Assessment items	Implementation Status			The differences with the Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies and reasons
	Yes	No	Description	
I. Stipulate ethical management policies and plans				
(I) Does the company establish ethical management policies approved by the board and have bylaws and publicly available documents addressing its corporate conduct and ethics policy and measures and the commitment regarding the implementation of such policy from the board and the executive management team?	✓		(I) The Company has formulated the "Ethical Corporate Management Best Practice Principles" and disclosed it on the Corporate Governance section in the Company website, expressing the policies and practices of ethical management, as well as the commitment of the Board and management to actively implement the management policy.	No material deviation
(II) Has the Company established a risk assessment mechanism against unethical conduct, analyzed and assessed on a regular basis business activities within their business scope which are at a higher risk of being involved in unethical conduct,	✓		(II) The Company has formulated the "Ethical Corporate Management Best Practice Principles," "Directors' Code of Conduct" and "Employees' Code of Conduct," disclosed on the Company website, to actively prevent unethical conducts.	No material deviation

Assessment items	Implementation Status			The differences with the Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies and reasons
	Yes	No	Description	
and established prevention programs accordingly which at least cover the prevention measures against the conducts listed in Paragraph 2 of Article 7 of the Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies?				
(III) Has the Company defined operating procedures, conduct guidelines, disciplinary penalties and grievance process in the program preventing unethical conduct and put them in practice, and regularly reviewed and amended the program?	✓		(III) The Company has formulated the "Ethical Corporate Management Best Practice Principles," "Directors' Code of Conduct" and "Employees' Code of Conduct," disclosed on the Company website, to actively prevent unethical conduct and avoid chances seeking personal interests.	No material deviation
II. Fulfillment of ethical management				
(I) Does the Company assess the ethics records of whom it has business relationship with and include business conduct and ethics related clauses in the		✓	(I) The Company evaluates the ethic records of the counterparty, and refuses to deal with the party with a record of unethical conducts. However, the terms of the contract have not yet been formulated, and will be	Pending for evaluation

Assessment items	Implementation Status			The differences with the Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies and reasons
	Yes	No	Description	
business contracts?			considered depending on future conditions.	
(II) Has the Company established a dedicated unit under the board responsible for the promotion of corporate ethics management, which regularly (at least once a year) reports policies on ethical operations, programs on prevention of unethical conduct and the status of supervision to the board?	✓		(II) The Company's Administrative Service Department is responsible for promoting ethical corporate management, and regularly reports its implementation to the Board every year. In 2023, the report was made in the 10th meeting of the 26th Board on November 8; in 2023, there were no violations of the regulations. The supervision and implementation are as below: 1. Educational promotion: through film and case study, the topic of "advocating the emphasis of reputation, and fulfillment of social responsibility." 2. Statement by all employees: draft the "Statement of Compliance with Ethical Corporate Management;" all directors and employees have signed the statement. 3. From time to time, publicize the "Employees' Code of Conduct," "Ethical Corporate Management Best Practice Principles," "Procedures for Reporting Illegal and Unethical Conduct and Filling Complaint," to regulate the whistleblowing channels and encourage	No material deviation

Assessment items	Implementation Status			The differences with the Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies and reasons
	Yes	No	Description	
			whistleblowing. There were no whistleblowing or complaints during the year. 4. Periodic inspection: the internal control system is established and reviewed during the annual audit. No irregularity incurred during the audit of the year.	
(III) Does the Company establish policies to prevent conflict of interests, provide appropriate communication and complaint channels and implement such policies properly?	✓		(III) The Company has established the "Ethical Corporate Management Best Practice Principles" to identify, supervise and manage the risks of unethical conducts resulted from conflicts of interest, and provide appropriate channels for directors, managerial officers and other stakeholders attending or participating board meetings, to voluntarily explain any possible conflict of interest of them with the Company.	No material deviation
(IV) Does the company establish an effective accounting system and internal control system for practical implementation of ethical corporate management, and is the system regularly audited by the internal auditing unit, and does the unit propose	✓		(IV) The Company has established an effective accounting system and internal control system, which are regularly audited by the internal audit unit.	No material deviation

Assessment items	Implementation Status			The differences with the Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies and reasons
	Yes	No	Description	
relevant audit plans based on the assessment results of the risk of misconduct for auditing the implementation status of the prevention plan for misconduct, or entrusted to an accountant for auditing?				
(V) Does the Company provide internal and external ethical management training programs on a regular basis?	✓		(V) From time to time, the Company organizes education and promotional training on laws and regulations regarding the prevention of insider trading, and handling internal material information.	No material deviation
III. Operational status of the whistleblowing system of the Company				
(I) Does the Company establish specific complaint and reward procedures, set up conveniently accessible complaint channels, and designate responsible personnel to handle the complaint received?	✓		(I) The Company has formulated the "Procedures for Reporting Illegal and Unethical Conduct and Filling Complaint," to regulate the whistleblowing channels and encourage whistleblowing.	No material deviation
(II) Does the Company establish standard	✓		(II) The Company has stipulated relevant confidentiality	No material

Assessment items	Implementation Status			The differences with the Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies and reasons
	Yes	No	Description	
operating procedures for investigating the complaints received, follow-up measures to be adopted and the related confidentiality measures after investigation?			obligations in the "Employee's Code of Conduct" and "Ethical Corporate Management Best Practice Principles," and specified the investigation standard operating procedures for accepted whistleblowing in the "Procedures for Reporting Illegal and Unethical Conduct and Filling Complaint," as well as the follow-up measures to be taken and relevant confidentiality mechanisms after the investigation is completed.	deviation
(III) Does the Company adopt measures to protect whistleblowers from improper treatment as a result of whistleblowing?	✓		(III) The Company will take appropriate protective measures for whistleblowers, preventing improper treatment due to whistleblowing.	No material deviation
IV. Reinforcement of information disclosure Does the Company disclose the content of its Ethical Corporate Management Best Practice Principles as well as information about implementation thereof on its website and Market Observation Post System (“MOPS”)?	✓		The Company has disclosed the "Ethical Corporate Management Best Practice Principles," "Directors' Code of Conduct" and "Employees' Code of Conduct" on the Company website.	No material deviation
V. If the Company has stipulated its Ethical Corporate Management Best Practice Principles based on the "Ethical Corporate				

<table>
<tr><th rowspan="2">Assessment items</th><th colspan="3">Implementation Status</th><th rowspan="2">The differences with the Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies and reasons</th></tr>
<tr><th>Yes</th><th>No</th><th>Description</th></tr>
<tr><td colspan="5">Management Best Practice Principles for TWSE/GTSM Listed Companies", please state the difference between its operations and the stipulated principles: None.</td></tr>
<tr><td colspan="5">VI. Other important information to facilitate better understanding of the implementation of Company’s ethical corporate management: (e.g., review and amend the Company’s ethical corporate management principles)
(I) The Company’s “Rules of Procedure of the Board of Directors' Meetings” stipulates the requirement of director’s recusal for conflict of interests, that any director present at a board meeting has a stake in a proposal at the meeting, that director, shall state the important aspects of the stake in the meeting and, where there is a likelihood that the interests of this Company would be prejudiced, may not participate in the discussion or vote on that proposal, shall recuse himself or herself from any discussion and voting, and may not exercise voting rights as a proxy on behalf of another director.
(II) The Company has established the “Operating Procedures for Managing the Prevention of Insider Trading,” specifying that directors, managerial officers and employees shall not leak the material information known to them to others, nor inquire or collect non-public material inside information of the company which are not related to their individual duties from a person with knowledge of such information. Should they gain knowledge of non-public material inside information of the company for reasons other than the performance of their duties, they may not reveal to others any parts of such knowledge.
(III) The Company has established the "Ethical Corporate Management Best Practice Principles," prohibiting the Company's directors, managerial officers, employees, appointees, or persons with substantial control from unethical conducts.</td></tr>
</table>

(VII) If the Company has formulated Corporate Governance Best Practice Principles and related regulations, please disclose its inquiry method:

For the Corporate Governance Best Practice Principles formulated by the Company, please refer to the following link: https://www.ascentglobal.com.tw/files/governance/cate01/ct01_3_M9-25.pdf

(VIII) Other important information that can sufficiently help interested parties to understand the Company's operations of corporate governance:

The education and training of the Company's directors in 2023 is as follows:

Title	Name	Date of training course	Organizer	Content of the courses	Training Hours(H)
Chairman	Chia-Chi Hou	August 7, 2023	Corporate Operating and Sustainable Development Association	Defects or operational crises identified from the financial statements	3
		November 23, 2023	Securities and Futures Institute	Advanced Seminar for Directors, Supervisors (including Independent Directors) and Corporate Governance Officers - Corporate Governance Trends and Sustainable Development of the Company	3
		December 19, 2023	Securities and Futures Institute	Advanced Seminar for Directors, Supervisors (including Independent Directors) and Corporate Governance Officers - Discussion on Post-merger Integration Issues and Establishment of Management Mechanism	3
Director	Ming-Yu Huang	February 21, 2023	Taiwan Corporate Governance Association	Disclosure of material information of the Company and responsibilities of directors and supervisors	3
		May 31, 2023	Independent Director Association Taiwan	Latest development and practices of money laundering prevention and counter terrorism	3
		July 4, 2023	Taiwan Stock Exchange	2023 Cathay Pacific Sustainable Banking and Climate Change Summit	6
Director	Hung Hsu	February 15, 2023	Taipei Foundation Of Finance	Corporate Governance - Sustainability Governance - Sustainable Development and Sustainable Governance Trends	3
		May 15, 2023	Taipei Foundation Of Finance	Corporate Governance - Sustainable Society - Social Mutual Assistance and Total Innovation System	3
Director	Chien-Ting Chen	June 29, 2023	Taiwan Corporate Governance Association	New Trend of Electric Vehicles: Business Opportunities in the Application of Radar and LiDAR Sensing Technologies for Autonomous Driving	3
		June 29, 2023	Taiwan Corporate Governance Association	Promoting sustainable corporate development through risk management - Risk Management Best-Practice Principles for TWSE/GTSM Listed Companies	3

Title	Name	Date of training course	Organizer	Content of the courses	Training Hours(H)
Independent Director	Teng-Cheng Liu	August 7, 2023	Corporate Operating and Sustainable Development Association	Defects or operational crises identified from the financial statements	3
		November 6, 2023	Corporate Operating and Sustainable Development Association	"Corporate Governance and Securities Laws and Regulations - Understanding of Regulatory Supervision by Executives of Listed Companies	3
Independent Director	Chieh-Min Liu	November 24, 2023	Taiwan Corporate Governance Association	Unveiling the Mystery Behind the Drivers of Corporate Governance: Practical Operations of Corporate Governance Personnel	3
		December 22, 2023	Taiwan Corporate Governance Association	Carbon Connections, Discussing Carbon Fees, Carbon Taxes, Carbon Credits, and Carbon Trading	3
Independent Director	Hung-Mao Tien	August 7, 2023	Corporate Operating and Sustainable Development Association	Defects or operational crises identified from the financial statements	3
		November 6, 2023	Corporate Operating and Sustainable Development Association	"Corporate Governance and Securities Laws and Regulations - Understanding of Regulatory Supervision by Executives of Listed Companies	3

(IX) Implementation status of internal control system:

1. Statement on Internal Control System

Ascent Development Co., Ltd.
Declaration of Internal Control System

Date: March 13, 2024

The following declaration has been made based on the 2023 self-assessment of the Company's internal control system:

I. The Company recognizes that it is the responsibility of the Board of Directors and the managerial officers to establish, implement and maintain a internal control system and that the Company has established such a system. The purpose of the system is to provide reasonable assurance over the effectiveness and efficiency of our operations (including profitability, performance and safeguarding of assets), reliability, timeliness, transparency of our reporting, and compliance with applicable rulings, laws and regulations.

II. 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 stated objectives; moreover, the effectiveness of an internal control system may be subject to changes due to extenuating circumstances beyond our control. Nevertheless, the internal control system contains self-monitoring mechanisms, and the Company takes immediate remedial actions in response to any identified deficiencies.

III. 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: (1) control environment, (2) risk assessment, (3) control activities, (4) information and communication, and (5) monitoring activities. Each element further encompasses several sub-elements. For the aforementioned items, please refer to the Regulations.

IV. The Company has evaluated the design and operating effectiveness of its internal control system according to the aforementioned criteria items of the internal control system.

V. 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.

VI. This Statement is an integral part of the Company's annual report and prospectus, and will be made public. Any illegal misrepresentation or concealment in the public statement above are subject to the legal consequences described in Articles 20, 32, 171, and 174 of the Securities and Exchange Act.

VII. This Statement was passed by the Board of Directors' meeting held on March 13, 2024, with none of the seven presented directors expressing dissenting opinions, and the remainder all affirming the content of this Statement.

Ascent Development Co., Ltd.

Chairman: Chia-Chi Hou

President: Hsien-Wen Liu

2. Where a CPA has been hired to carry out a special audit of the internal control system, furnish the CPA audit report: None.

(X) As of the publication date of the annual report and in the most recent year, if the Company and its internal personnel were punished according to laws and regulations, or the Company punished its internal personnel for violation of the internal control system, the content of the punishment, the main mistake and improvement status shall be listed if the result of the punishment may have a significant impact on shareholders' rights and interests or prices of securities: None.

(XI) Important resolutions of shareholders' meetings and Board of Directors held in the most recent year and up to the date of this annual report:

1. The important resolutions passed by the shareholders' meeting are as follows:

<table>
<tr><th>Date of meeting</th><th>Important resolutions</th><th>Important resolutions and their implementation status</th></tr>
<tr><td>June 21, 2023</td><td>1. Recognition of the Company's 2022 Business Report and Financial Statements</td><td>1. Number of voting rights represented by shareholders at the time of vote:
66,082,399 votes in favor (including 49,616,399 votes executed electronically)
Outcome of vote:
<table>
<tr><th colspan="2">Outcome of ballots</th><th>As a percentage of total votes represented by attending shareholders %</th></tr>
<tr><td>Approval (including e-votes)</td><td>66,001,622 (49,535,622)</td><td>99.87%</td></tr>
<tr><td>Against (including e-votes)</td><td>36,124 (36,124)</td><td>0.05%</td></tr>
<tr><td>Invalid (including e-votes)</td><td>0 (0)</td><td>0.00%</td></tr>
<tr><td>Abstention (including e-votes)</td><td>44,653 (44,653)</td><td>0.06%</td></tr>
</table>
2. Implementation status: Proposal passed by voting in its original content.</td></tr>
</table>

<table>
<tr><th>Date of meeting</th><th>Important resolutions</th><th>Important resolutions and their implementation status</th></tr>
<tr><td></td><td>2. Recognition of proposal of earnings distribution of FY2022</td><td>1. Number of voting rights represented by shareholders at the time of vote:
66,082,399 votes in favor (including 49,616,399 votes executed electronically)
Outcome of vote:
<table>
<tr><th colspan="2">Outcome of ballots</th><th>As a percentage of total votes represented by attending shareholders %</th></tr>
<tr><td>Approval (including e-votes)</td><td>66,016,562
(49,550,562)</td><td>99.90%</td></tr>
<tr><td>Against (including e-votes)</td><td>41,184
(41,184)</td><td>0.06%</td></tr>
<tr><td>Invalid (including e-votes)</td><td>0
(0)</td><td>0.00%</td></tr>
<tr><td>Abstention (including e-votes)</td><td>24,653
(24,653)</td><td>0.03%</td></tr>
</table>
2. Implementation status: Proposal passed by voting in its original content.</td></tr>
<tr><td></td><td>3. Approval to amend provisions of the Procedures for Acquisition or Disposal of Assets</td><td>1. Number of voting rights represented by shareholders at the time of vote:
66,082,399 votes in favor (including 49,616,399 votes executed electronically)
Outcome of vote:
<table>
<tr><th colspan="2">Outcome of ballots</th><th>As a percentage of total votes represented by attending shareholders %</th></tr>
<tr><td>Approval (including e-votes)</td><td>65,840,259
(49,374,259)</td><td>99.63%</td></tr>
<tr><td>Against (including e-votes)</td><td>200,127
(200,127)</td><td>0.30%</td></tr>
<tr><td>Invalid (including e-votes)</td><td>0
(0)</td><td>0.00%</td></tr>
<tr><td>Abstention (including e-votes)</td><td>42,013
(42,013)</td><td>0.06%</td></tr>
</table>
2. Implementation status: Proposal passed by voting in its original content, please also refer to the announcement at the Company's official site and it is handled in accordance with the amended procedures.</td></tr>
</table>

<table>
<tr><th>Date of meeting</th><th>Important resolutions</th><th>Important resolutions and their implementation status</th></tr>
<tr><td></td><td>4. Passed the amendments to "Endorsement and Guarantee Procedures" of the Company</td><td>1. Number of voting rights represented by shareholders at the
<table>
<tr><th colspan="2">Outcome of ballots</th><th>As a percentage of total votes represented by attending shareholders %</th></tr>
<tr><td>Approval (including e-votes)</td><td>65,839,618
(49,373,618)</td><td>99.63%</td></tr>
<tr><td>Against (including e-votes)</td><td>200,128
(200,128)</td><td>0.30%</td></tr>
<tr><td>Invalid (including e-votes)</td><td>0
(0)</td><td>0.00%</td></tr>
<tr><td>Abstention (including e-votes)</td><td>42,653
(42,653)</td><td>0.06%</td></tr>
</table></td></tr>
<tr><td></td><td>5. Passed the proposal for lifting the non-compete restriction on new Directors</td><td>1. Number of voting rights represented by shareholders at the time of vote:
66,082,399 votes in favor (including 49,616,399 votes executed electronically)
Outcome of vote:
<table>
<tr><th colspan="2">Outcome of ballots</th><th>As a percentage of total votes represented by attending shareholders %</th></tr>
<tr><td>Approval (including e-votes)</td><td>65,829,454
(49,363,454)</td><td>99.61%</td></tr>
<tr><td>Against (including e-votes)</td><td>225,386
(225,386)</td><td>0.34%</td></tr>
<tr><td>Invalid (including e-votes)</td><td>0
(0)</td><td>0.00%</td></tr>
<tr><td>Abstention (including e-votes)</td><td>27,559
(27,559)</td><td>0.04%</td></tr>
</table>
2. Implementation status: Proposal passed by voting in its original content.</td></tr>
</table>

2. The important resolutions passed by the Board of Directors are as follows:

Date of meeting	Important resolutions	Matters specified in Article 14-3 of the Securities and Exchange Act	Matters specified in Article 14-5 of the Securities and Exchange Act	Handling of comments from independent directors and the Company	Resolutions of the Board of Directors or the Audit Committee
January 9, 2023	1. The Company's 2023 business plan			None	Audit Committee: The proposal was unanimously consented to by all directors present.

Date of meeting	Important resolutions	Matters specified in Article 14-3 of the Securities and Exchange Act	Matters specified in Article 14-5 of the Securities and Exchange Act	Handling of comments from independent directors and the Company	Resolutions of the Board of Directors or the Audit Committee
					Board of Directors: The proposal was unanimously consented to by all directors presented.
	2. Proposal to pre-approve the non-verification service provided by the CPA, its firm and its affiliates to the Company and its subsidiaries			None	Audit Committee: The proposal was unanimously consented to by all directors present. Board of Directors: The proposal was unanimously consented to by all directors presented.
	3. Proposal of distribution of bonuses to the Chairman for FY2022			None	Board of Directors: The proposal was unanimously consented to by all directors presented.
	4. Proposal of distribution of bonuses to managers and employees for FY2022			None	Board of Directors: The proposal was unanimously consented to by all directors presented.
March 13, 2023	1. Application of changing the debtor's name and construction financing limit from First Commercial Bank for the joint investment and development project by the Company with "Power International Development Co., Ltd.," "Kuo Yang Construction Co., Ltd.," and another company at the land in the Zhongxing section of Sanchong District, New Taipei City			None	Audit Committee: The proposal was unanimously consented to by all directors present. Board of Directors: The proposal was unanimously consented to by all directors presented.
	2. Amendment to provisions of the Company's "Handling Procedures for Acquisition or Disposal of Assets" and "Operational Procedures for Making of Endorsements/Guarantees"	V	V	None	Audit Committee: The proposal was unanimously consented to after amendment by all attending directors. Board of Directors: The proposal was unanimously consented to after amendment by all directors presented.
March 27, 2023	1. 2022 Business Report and Financial Statements.		V	None	Audit Committee: The proposal was unanimously consented to by all directors present. Board of Directors: The proposal was unanimously consented to by all directors presented.

Date of meeting	Important resolutions	Matters specified in Article 14-3 of the Securities and Exchange Act	Matters specified in Article 14-5 of the Securities and Exchange Act	Handling of comments from independent directors and the Company	Resolutions of the Board of Directors or the Audit Committee
	2. Proposal of 2022 earning distribution			None	Audit Committee: The proposal was unanimously consented to by all directors present. Board of Directors: The proposal was unanimously consented to by all directors presented.
	3. Proposal for the remuneration of employees and directors in 2022			None	Board of Directors: The proposal was unanimously consented to by all directors presented
	4. The declaration of 2022 "Declaration on the Internal Control System"	V	V	None	Audit Committee: The proposal was unanimously consented to by all directors present. Board of Directors: The proposal was unanimously consented to by all directors presented.
	5. Appointment of the Chief Auditor of the Company	V	V	None	Audit Committee: The proposal was unanimously consented to by all directors present. Board of Directors: The proposal was unanimously consented to by all directors presented.
	6. Appointment of the Company's Corporate Governance Officer and deliberation of the wage thereof.			None	Board of Directors: The proposal was unanimously consented to by all directors presented.
	7. Proposal of the Company assess the independence of external auditors on a regular basis			None	Audit Committee: The proposal was unanimously consented to by all directors present. Board of Directors: The proposal was unanimously consented to by all directors presented.
	8. Proposal to convene the time and place of the regular meeting of shareholders of 2023			None	Board of Directors: The proposal was unanimously consented to by all directors presented.
May 8, 2023	1. The Company's 2023 Q1 financial report		V	None	Audit Committee: The proposal was unanimously consented to by all directors present. Board of Directors: The proposal was unanimously consented to by all directors presented.

Date of meeting	Important resolutions	Matters specified in Article 14-3 of the Securities and Exchange Act	Matters specified in Article 14-5 of the Securities and Exchange Act	Handling of comments from independent directors and the Company	Resolutions of the Board of Directors or the Audit Committee
	2. Application for renewal to credit facilities with the Bank of Taiwan			None	Audit Committee: The proposal was unanimously consented to by all directors present. Board of Directors: The proposal was unanimously consented to by all directors presented.
	3. Proposal of appointing CPA for the Company.	V	V	None	Audit Committee: The proposal was unanimously consented to by all directors present. Board of Directors: The proposal was unanimously consented to by all directors presented.
	4. Removal of restrictions on directors' competing business involvement			None	Board of Directors: The proposal was unanimously consented to by all directors presented.
	5. Proposal for removal of non-compete restrictions for managers of the Company			None	Board of Directors: The proposal was unanimously consented to by all directors presented.
	6. Proposal for addition of convening reasons for 2023 general shareholders' meeting convention			None	Board of Directors: The proposal was unanimously consented to by all directors presented.
August 9, 2023	1. The Company's 2023 Q2 financial report		V	None	Audit Committee: The proposal was unanimously consented to by all directors present. Board of Directors: The proposal was unanimously consented to by all directors presented.
	2. Application for renewal to credit facilities with the Bank of Taiwan			None	Audit Committee: The proposal was unanimously consented to by all directors present. Board of Directors: The proposal was unanimously consented to by all directors presented.
	3. Establishment of the Sustainable Development Committee and establishment of the "Sustainable Development Committee Charter"			None	Board of Directors: The proposal was unanimously consented to by all directors presented.

Date of meeting	Important resolutions	Matters specified in Article 14-3 of the Securities and Exchange Act	Matters specified in Article 14-5 of the Securities and Exchange Act	Handling of comments from independent directors and the Company	Resolutions of the Board of Directors or the Audit Committee
	4. Formulation of the Company's "Risk Management Policy"			None	Board of Directors: The proposal was unanimously consented to by all directors presented.
	5. Amendments to the Company's "Regulations Governing Operations Related to Finance and Business Between Related Parties" and "Corporate Governance Best-Practice Principles"			None	Board of Directors: The proposal was unanimously consented to by all directors presented.
	6. Proposal of the amendment the Company's Rules of Procedure for Board Meetings.			None	Board of Directors: The proposal was unanimously consented to by all directors presented.
	7. Proposal of the amendment the Company's Performance Assessment for Board Meetings.			None	Board of Directors: The proposal was unanimously consented to by all directors presented.
	8. Amendment to the Company's Rules of Procedure for Shareholders Meetings			None	Board of Directors: The proposal was unanimously consented to by all directors presented.
	9. Proposal for the amendment to the “Internal Control System” of the Company	V	V	None	Audit Committee: The proposal was unanimously consented to by all directors present. Board of Directors: The proposal was unanimously consented to by all directors presented.
	10. Approved the "Procedures for Acquisition or Disposal of Assets" of the subsidiary, HCW INVESTMENT CO., LTD.			None	Board of Directors: The proposal was unanimously consented to by all directors presented.
	11. Approved the "Procedures of Outward Loans to Others " and "Operational Procedures for Making Endorsements/Guarantees" of the subsidiary Hanlin Development Co., Ltd.			None	Board of Directors: The proposal was unanimously consented to by all directors presented.
November 8, 2023	1. The Company’s 2023 Q3 financial report		V	None	Audit Committee: The proposal was unanimously consented to by all directors present.

Date of meeting	Important resolutions	Matters specified in Article 14-3 of the Securities and Exchange Act	Matters specified in Article 14-5 of the Securities and Exchange Act	Handling of comments from independent directors and the Company	Resolutions of the Board of Directors or the Audit Committee
					Board of Directors: The proposal was unanimously consented to by all directors presented.
	2. Ratification of the Chief Auditor of the Company	V	V	None	Audit Committee: The proposal was unanimously consented to by all directors present. Board of Directors: The proposal was unanimously consented to by all directors presented.
	3. The Company's annual auditing plan for FY2024			None	Audit Committee: The proposal was unanimously consented to by all directors present. Board of Directors: The proposal was unanimously consented to by all directors presented.
	4. Establishment of the Company's "Intellectual Property Rights Management Regulations" and implementation of intellectual property rights management			None	Board of Directors: The proposal was unanimously consented to by all directors presented.
	5. Amendment to the Company's "Standard Operating Procedures for Handling Directors' Requests"			None	Board of Directors: The proposal was unanimously consented to by all directors presented.
	6. Approved the "Procedures for Acquisition or Disposal of Assets" of the subsidiary, Hanlin Development Co., Ltd.			None	Board of Directors: The proposal was unanimously consented to by all directors presented.
January 31, 2024	1. The Company's 2024 business plan			None	Audit Committee: The proposal was unanimously consented to by all directors present. Board of Directors: The proposal was unanimously consented to by all directors presented.
	2. Review of the 2021 and 2022 distribution of remuneration to directors			None	Board of Directors: Except for Chairman Chia-Chi Hou, , the proposal was unanimously approved by all attending directors, as confirmed by the acting chairman, Independent Director Teng-Cheng Liu. The amount of directors' compensation for other directors was also unanimously

Date of meeting	Important resolutions	Matters specified in Article 14-3 of the Securities and Exchange Act	Matters specified in Article 14-5 of the Securities and Exchange Act	Handling of comments from independent directors and the Company	Resolutions of the Board of Directors or the Audit Committee
					approved by all attending directors after being confirmed by the chairman.
	3. Review of the 2019, 2021, and 2022 employee remuneration distribution and 2023 manager bonus			None	Board of Directors meeting: The proposal was passed as proposed, except that bonuses totaling NTD 2,414,000 were amended as NTD 2,445,000 (as shown in Attachment 4).
	4. The Company intends to sign an agreement supplementing the stock trading agreement of Hanshen Asset Management Co., Ltd. with Hanlin Development Co., Ltd.			None	Board of Directors: The motion was passed as amended above after being consulted by all attending directors unanimously.
	5. The action plan for the Company to purchase more than half of the outstanding ordinary shares of Hanlin Development Co., Ltd.			None	Board of Directors: The proposal was unanimously consented to by all directors presented.
	6. The Company intends to apply for a financing to the land and building at the Zhongyuan Section, Zhonghe District, New Taipei City			None	Audit Committee: The proposal was unanimously consented to by all directors present. Board of Directors: The motion was passed as amended above after being consulted by all attending directors unanimously.
	7. The Company jointly invested and developed the land at Zhongyi Section, Tucheng District, New Taipei City, with six other companies including Weili International Development Co., Ltd. and Kuo Yang Construction Co., Ltd., and planned to change the borrower's bank to Mega International Commercial Bank.			None	Audit Committee: The proposal was unanimously consented to by all directors present. Board of Directors: The motion was passed as amended above after being consulted by all attending directors unanimously.
February 26, 2024	1. Proposal of the purchase of 18% of equities of Hanlin Development Co., Ltd. by the Company.			None	Audit Committee: The proposal was unanimously consented to by all directors present. Board of Directors: The motion was passed as proposed after being

Date of meeting	Important resolutions	Matters specified in Article 14-3 of the Securities and Exchange Act	Matters specified in Article 14-5 of the Securities and Exchange Act	Handling of comments from independent directors and the Company	Resolutions of the Board of Directors or the Audit Committee
					consulted by all attending directors unanimously.
March 13, 2024	1. 2023 Business Report and Financial Statements.		V	None	Audit Committee: The proposal was unanimously consented to by all directors present. Board of Directors: The proposal was unanimously consented to by all directors presented.
	2. Proposal of 2023 Earning Distribution			None	Audit Committee: The proposal was unanimously consented to by all directors present. Board of Directors: The proposal was unanimously consented to by all directors presented.
	3. Proposal for the remuneration of employees and directors in 2023			None	Board of Directors: The proposal was unanimously consented to by all directors presented.
	4. The declaration of 2023 "Declaration on the Internal Control System"	V	V	None	Audit Committee: The proposal was unanimously consented to by all directors present. Board of Directors: The proposal was unanimously consented to by all directors presented.
	5. Proposal of the Company assess the independence of external auditors on a regular basis			None	Audit Committee: The proposal was unanimously consented to by all directors present. Board of Directors: The proposal was unanimously consented to by all directors presented.
	6. Proposal of appointing CPA for the Company.	V	V	None	Audit Committee: The proposal was unanimously consented to by all directors present. Board of Directors: The proposal was unanimously consented to by all directors presented.
	7. Proposal to convene the time and place of the regular meeting of shareholders of 2024			None	Board of Directors: The proposal was unanimously consented to by all directors presented.

(XII) Where, during the most recent fiscal year and up to the date of this annual report, a director or supervisor has expressed a dissenting opinion with respect to a material resolution passed by the board of directors, and said dissenting opinion has been recorded or prepared as a written declaration, disclose the principal content thereof: None.

(XIII) In the most recent year and as of the publication date of the annual report, the resignation and dismissal status of the Company's chairman, general manager, accounting officer, financial officer, internal audit officer, corporate governance officer and R&D officer:

Title	Name	Onboard date	Dismissal date	Reason for resignation or dismissal
Internal audit officer	Tsui, Huei-Chung	March 27, 2023	October 30, 2023	Career planning

IV. Professional Fees to CPA

Unit: NT$ thousand

Accounting firm	Accountant	Period covered by CPA's audit	Professional audit fee	Non-professional audit fee					Total	Note
				System design	Company registration	Human resource	Others (Note)	Subtotal		
PwC Taiwan	Chun-Yuan Hsiao	January 1, 2023 - December 31, 2023	1,400	-	-	-	650	650	2,050	Non-auditing service fees include audit and attestation of profit-seeking enterprise income tax, and agreement procedures.
	Se-Kai Lin									

(I) If the non-professional audit fee paid to the certified accountant, the firm of the certified accountant and its affiliated institution is more than a quarter of the professional audit fee, the amount of professional audit fee and non-professional audit fee as well as the content of non-audit services shall be disclosed:

Non-audit fees paid to the CPA, CPA firm and their affiliates are less than 25% of the aggregate audit fees.

(II) If the accounting firm is changed and the professional audit fee paid in the year of change is lower than the professional audit fee in the previous year, the amount and reason for the professional audit fee before and after the change shall be disclosed: None

(III) If the professional audit fee has decreased by more than 10% compared with the previous year, the decreased amount, proportion and reason for the reduction of professional audit fee shall be disclosed: No such situation.

V. Information on change of CPA

(I) About the successive CPA:

<table>
<tr><td>Date of change</td><td colspan="4">—</td></tr>
<tr><td>Reason and explanation for the change</td><td colspan="4">Not applicable</td></tr>
<tr><td rowspan="3">Termination of the appointer or accountant or the appointment is not accepted</td><td colspan="2">The party
status</td><td>Accountant</td><td>Appointer</td></tr>
<tr><td colspan="2">Proactively terminate the appointment</td><td>Not applicable</td><td>Not applicable</td></tr>
<tr><td colspan="2">The appointment is not accepted (continue)</td><td>Not applicable</td><td>Not applicable</td></tr>
<tr><td>Opinion and reason for the audit report other than the issuance of no reservation expression in the last two years</td><td colspan="4">Not applicable</td></tr>
<tr><td rowspan="6">Is there any disagreement with the issuer</td><td rowspan="4">Yes</td><td></td><td colspan="2">Accounting principles or practices</td></tr>
<tr><td></td><td colspan="2">Disclosure of financial reports</td></tr>
<tr><td></td><td colspan="2">Audit scope or procedures</td></tr>
<tr><td></td><td colspan="2">Others</td></tr>
<tr><td>None</td><td colspan="3"></td></tr>
<tr><td colspan="4">Description: None</td></tr>
<tr><td>Other disclosures
(The subjects need to be discoursed according to item 1-4 to item 1-7 of Subparagraph 6 of Article 10 of the Regulations)</td><td colspan="4"></td></tr>
</table>

(II) About the successive accountant:

Accounting firm	**Not applicable**
Accountant	**Not applicable**
Date of appointment	**Not applicable**
The possible opinion of consultation matters and results on the financial report and the processing methods or accounting principles of certain transactions before the appointment	**Not applicable**
The written opinion of the successive accountant on different opinions with the former accountant	**Not applicable**

(III) Reply letter from the former accountant to the matters stated in Subparagraphs 1 and 2-3 of Paragraph 6 of Article 10 of the Standard: Not applicable.

VI. Where the company's chairman, general manager, managerial officers in charge of financial or accounting affairs having served with the cpa firm or the affiliates thereof over the past year, it shall disclose name, position, and the duration of those served with the CPA firm: No such situation.

VII. In recent years and until the publication date of the annual report, directors, supervisors, managers and shareholders with more than 10% share equity transferred and changes in pledge of stock rights:

(I) Equity transfer and change status of directors, supervisors, managerial officers and major shareholders:

Unit: Shares

Title	Name	2023		2024 up to April 29	
		Increasing (decreasing) number of shares held	Increasing (decreasing) number of pledged shares held	Increasing (decreasing) number of shares held	Increasing (decreasing) number of pledged shares held
Chairman	Representative of Xue Yong Co., Ltd.: Chia-Chi Hou	—	—	—	—
Director	Representative of Zu Sheng International Co., Ltd.: Ming-Yu Huang	—	—	—	—
Director	Representative of Yuan-zhong Co., Ltd.: Hung Hsu	—	—	—	—
Director	Representative of Zu Sheng International Co., Ltd.: Chien-Ting Chen	—	—	—	—
Independent Director	Teng-Cheng Liu	—	—	—	—
Independent Director	Chieh-Min Liu	—	—	—	—
Independent Director	Hung-Mao Tien	—	—	—	—

Title	Name	2023		2024 up to April 29	
		Increasing (decreasing) number of shares held	Increasing (decreasing) number of pledged shares held	Increasing (decreasing) number of shares held	Increasing (decreasing) number of pledged shares held
President	Hsien-Wen Liu	—	—	—	—
Head of Finance and Accounting Corporate Governance Officer	Chien-Chang Luo	—	—	—	—
Shareholder with shareholding above 10%	Hanshen Asset Management Co., Ltd.	—	—	—	—

(II) Equity transfer information: The Company's directors, managers and major shareholders are not subject to any transfer of equity to related parties.

(III) Pledge of equity: None.

VIII. Information of top ten shareholders who are related or are spouses, or are relatives within second degree of kinship:

April 29, 2024
Unit: shares; %

Name	Shares owned by the person		Shares held by spouse, underage dependents		Shares held in the name of others		Names or full names and relationships of top ten shareholders who are related or are spouses or are relatives within the second degree of kinship.		Note
	Number of shares	Shareholdings percentage	Number of shares	Shareholdings percentage	Number of shares	Shareholdings percentage	Name	Relationship	
Han Yang Global Co., Ltd.	49,139,065	53.41%	—	—	—	—	—	—	—
Yuan-Zhong Co., Ltd.	4,083,000	4.44%	—	—	—	—	—	—	—
Xue Yong Co., Ltd.	3,238,000	3.52%	—	—	—	—	—	—	—
KUO YANG CONSTRUCTION CO.,LTD	3,108,000	3.38%	—	—	—	—	—	—	—
Zu Sheng International Co., Ltd.	2,233,000	2.43%	—	—	—	—	—	—	—
Hi-Lai Foods Co., Ltd.	1,900,000	2.07%	—	—	—	—	—	—	—

Name	Shares owned by the person		Shares held by spouse, underage dependents		Shares held in the name of others		Names or full names and relationships of top ten shareholders who are related or are spouses or are relatives within the second degree of kinship.		Note
	Number of shares	Shareholdings percentage	Number of shares	Shareholdings percentage	Number of shares	Shareholdings percentage	Name	Relationship	
Han Zhong Global Investment Co., Ltd.	1,842,000	2.00%	—	—	—	—	—	—	—
Li-Sheng Li	1,685,000	1.83%	—	—	—	—	—	—	—
Song Hao Investment Co., Ltd.	1,044,000	1.14%	—	—	—	—	—	—	—
Yen-Ti Wang	1,036,000	1.13%	—	—	—	—	—	—	—

IX. Company, company's directors, supervisors, managers and businesses in direct or indirect control by the company, their number of shares of the reinvested businesses, and the consolidated calculation of the comprehensive shareholding ratio:

December 31, 2023
Unit: shares; %

Reinvested businesses	Invested by the Company		Investments by directors, supervisors, managers and businesses in direct or indirect control		Comprehensive investment	
	Number of shares	Ownership held by the Company	Number of shares	Ownership held by the Company	Number of shares	Ownership held by the Company
HCW INVESTMENT CO., LTD.	20,000,000	100.00%	—	—	20,000,000	100.00%
Jollify International Co., Ltd.	4,782,877	29.34%	—	—	4,782,877	29.34%
Jollify Venture Co., Ltd.	3,746,163	37.46%	—	—	3,746,163	37.46%
Hanshin Shopping Plaza Co., Ltd.	8,000,000	16.00%	902,250	1.80%	8,902,250	17.80%
Hanlin Development Co., Ltd.	23,100,000	33.00%	—	—	23,100,000	33.00%

Note: It is the long-term investment of the Company using the equity method

Four. Capital overview

I. Capital and share capital

(I) Capital Source

1. Type of share capital

April 29, 2024
Unit: Shares

Types of shares	Authorized capital			Note
	Issued shares	Un-issued shares	Total	
Common stocks of public companies	92,000,000	18,000,000	110,000,000	–

2. History of Share Capital

April 29, 2024
Unit: Share; NT$ thousand

Year/month	Issuing Price (NT$)	Authorized capital		Issued shares		Note		
		Number of shares	Amount	Number of shares	Amount	Capital Source	Capital Increase by Assets Other than Cash	Others
October 1964	100	150,000	15,000	150,000	15,000	Capital at the foundation 15,000	None	
April 1968	100	225,000	22,500	225,000	22,500	Capital increase via cash 7,500	None	
May 1971	100	270,000	27,000	270,000	27,000	Capital increase out of earnings 4,500	None	
April 1972	100	297,000	29,700	297,000	29,700	Capital increase out of earnings 2,700	None	
April 1973	100	415,800	41,580	415,800	41,580	Capital increase out of earnings 11,880	None	
December 1974	100	582,120	58,212	582,120	58,212	Capital increase out of earnings 16,632	None	
September 1978	100	767,120	76,712	767,120	76,712	Capital increase out of earnings 18,500	None	
October 1980	100	843,832	84,383	843,832	84,383	Capital increase out of earnings 7,671	None	
December 1983	100	1,150,000	115,000	1,150,000	115,000	Capital increase out of earnings 30,617	None	
June 1986	100	1,800,000	180,000	1,800,000	180,000	Capital increase via	None	

Year/month	Issuing Price (NT$)	Authorized capital		Issued shares		Note		
		Number of shares	Amount	Number of shares	Amount	Capital Source	Capital Increase by Assets Other than Cash	Others
						capital surplus 65,000		
May 1988	10	33,300,000	333,000	33,300,000	333,000	Capital increase out of earnings 153,000	None	
June 1988	10	40,500,000	405,000	40,500,000	405,000	Capital increase via capital surplus 72,000	None	
August 1989	10	46,980,000	469,800	46,980,000	469,800	Capital increase out of earnings 64,800	None	Order No. Tai-Cai-Zheng-(I)-01489 of July 25, 1989 (78)
December 1990	10	53,385,000	533,850	53,385,000	533,850	Capital increase via cash 49,956 Capital increase via capital surplus 14,094	None	Order No. Tai-Cai-Zheng-(I)-03166 of November 15, 1990 (79)
October 1991	10	80,000,000	800,000	63,385,000	633,850	Capital increase via cash 100,000	None	Order No. Tai-Cai-Zheng-(I)-02811 of September 27, 1991 (80)
October 1992	10	80,000,000	800,000	69,723,500	697,235	Capital increase via capital surplus 63,385	None	Order No. Tai-Cai-Zheng-(I)-02413 of September 17, 1992 (81)
July 1993	10	110,000,000	1,100,000	87,538,000	875,380	Capital increase out of earnings 139,447 Capital increase by employee bonus 3,836 Capital increase via capital surplus 34,862	None	Order No. Tai-Cai-Zheng-(I)-01477 of June 19, 1993 (82)
July 1994	10	110,000,000	1,100,000	98,380,000	983,800	Capital increase out of earnings 61,277 Capital increase by employee bonus 3,374 Capital increase via capital surplus 43,769	None	Order No. Tai-Cai-Zheng-(I)-29971 of June 30, 1994 (83)
June 1995	10	110,000,000	1,100,000	108,540,000	1,085,400	Capital increase out	None	Order No. Tai-Cai-Zheng-(I)-

Year/month	Issuing Price (NT$)	Authorized capital		Issued shares		Note		
		Number of shares	Amount	Number of shares	Amount	Capital Source	Capital Increase by Assets Other than Cash	Others
						of earnings 59,028 Capital increase by employee bonus 3,220 Capital increase via capital surplus 39,352		29800 of May 23, 1995 (84)
July 2003	10	110,000,000	1,100,000	102,540,000	1,025,400	Capital decrease 60,000	None	Order No. Tai-Cai-Zheng-San-Zi-0920134563 of July 28, 2003
October 2003	10	110,000,000	1,100,000	101,713,000	1,017,130	Capital decrease 8,270	None	Order No. Tai-Cai-Zheng-San-Zi-0920146354 of October 3, 2003
December 2003	10	110,000,000	1,100,000	97,000,000	970,000	Capital decrease 47,130	None	Order No. Tai-Cai-Zheng-San-Zi-0920161935 of December 31, 2003
November 2004	10	110,000,000	1,100,000	94,000,000	940,000	Capital decrease 30,000	None	Order No. Tai-Cai-Zheng-San-Zi-0930150220 of November 3, 2004
July 2005	10	110,000,000	1,100,000	92,000,000	920,000	Capital decrease 20,000	None	Order No. Tai-Cai-Zheng-San-Zi-0940131151 of July 26, 2005

3. Information for shelf registration: None.

(II) Composition of shareholders:

April 29, 2024
Unit: Persons; Shares

Composition of shareholders / Quantity	Governmental agencies	Financial institutions	Other juridical person	Foreign institutions and foreigners	Domestic natural persons	Total
Number of Shareholders	0	1	35	16	8,710	8,762
No. of Shares Held	0	3,000	66,883,747	403,595	24,709,658	92,000,000
Ownership held by the Company	0.00%	0.00%	72.70%	0.44%	26.86%	100.00%

(III) Distribution profile of share ownership:

April 29, 2024
Unit: Persons; Shares

Shareholder ownership			Number of Shareholders	No. of Shares Held	Ownership held by the Company
1	to	999	5,655	867,410	0.94%
1,000	to	5,000	2,531	4,829,785	5.25%
5,001	to	10,000	287	2,303,625	2.50%
10,001	to	15,000	78	1,023,423	1.11%
15,001	to	20,000	55	1,011,527	1.10%
20,001	to	30,000	41	1,046,022	1.14%
30,001	to	40,000	23	819,315	0.89%
40,001	to	50,000	15	694,655	0.76%
50,001	to	100,000	37	2,591,000	2.82%
100,001	to	200,000	20	2,894,155	3.15%
200,001	to	400,000	4	1,021,000	1.11%
400,001	to	600,000	4	1,956,018	2.13%
600,001	to	800,000	1	800,000	0.87%
800,001	to	1,000,000	1	834,000	0.90%
1,000,001 or above			10	69,308,065	75.33%
Total			8,762	92,000,000	100.00%

(IV) List of Major Shareholders: (shareholders of top 10 shareholding percentages):

April 29, 2024
Unit: Shares

Shares / Names of major shareholders	No. of Shares Held	Ownership held by the Company
Han Yang Global Co., Ltd.	49,139,065	53.41%
Yuan-Zhong Co., Ltd.	4,083,000	4.44%
Xue Yong Co., Ltd.	3,238,000	3.52%
KUO YANG CONSTRUCTION CO.,LTD	3,108,000	3.38%
Zu Sheng International Co., Ltd.	2,233,000	2.43%
Hi-Lai Foods Co., Ltd.	1,900,000	2.07%
Han Zhong Global Investment Co., Ltd.	1,842,000	2.00%
Li-Sheng Li	1,685,000	1.83%
Song Hao Investment Co., Ltd.	1,044,000	1.14%
Yen-Ti Wang	1,036,000	1.13%

(V) Market Price, Net Worth, Earnings, Dividends Per Common Share in Most Recent Two Fiscal Years:

Unit: NTD

Items			2022	2023
Market Price Per Share	Highest		24.30	26.85
	Lowest		18.05	20.65
	Average		21.20	22.73
Net Worth Per Share	Before distribution		24.70	27.85
	After distribution		24.40	(Note)
Earnings per share	Weighted average shares (thousand shares)		92,000	92,000
	Earnings per share	Owner of parent company	1.00	2.00
		Equity owned by the previous holder under the joint control	0.14	0.00
		Total	1.14	2.00
Dividends per share	Cash dividends		0.30	(Note)
	Issuance of bonus shares	Dividends from retained earnings	0.00	(Note)
		Dividends from capital surplus	0.00	(Note)
	Accumulated Un-allocated Dividends		0.00	(Note)
Return on Investment	Price/earnings ratio		18.59	11.36
	Price/dividend ratio		70.66	(Note)
	Cash Dividends Yield		0.01%	(Note)

Note: The earning distribution proposal of 2023 has not yet been resolved by the regular shareholders' meeting, so it will not be shown for now.

(VI) Dividend Policy and Implementation Status:

1. Dividends Policy:

According to Article 18-1 of the Company's Articles of Association:

The Company’s earning distribution or loss compensation may be conducted after the end of each fiscal year. If there is any surplus in the annual final accounts, taxes shall be paid first, then the accumulated losses shall be made up, then the employees’ remuneration shall be estimated to be retained., then 10% of the balance shall be allocated to the legal reserve; however, this does not apply when the legal reserve has reached the total amount of the capital of the Company. Further, based on laws or regulations of the competent authority, the special reserve shall be appropriated or reversed. If there is any surplus left, its balance shall be added to the quarterly accumulated undistributed surplus as dividends for shareholders. The Board of Directors shall prepare a distribution proposal in the form of issuance of new shares, which shall be submitted to the meeting of shareholders to reach the resolution of distribution; if in the form of cash, it shall be subject to the resolution of the Board of Directors.

If after determining the annual final account and there is any profit, such profit shall be first allocated for paying the tax payable and making up the losses, and the Company shall appropriate 10% as the legal reserve. However, when the legal reserve amounts to the authorized capital, this shall not apply. Further, based on laws or regulations of the competent authority, the special reserve shall be appropriated or reversed. If there is any surplus left, its balance shall be added to the accumulated undistributed surplus as dividends for shareholders. The Board of Directors shall prepare a distribution proposal in the form of issuance of new shares, which shall be submitted to the meeting of shareholders to reach the resolution of distribution.

Any cash distribution of dividends, profit, legal reserve or capital reserve, whether in whole or in part, must be resolved in a board meeting with more than two-thirds of the board present, voted in favor by more than half of attending directors, and reported in the upcoming shareholders' meeting.

According to Article 18-2 of the Company's Articles of Association:

In response to the current competitive and ever-changing business environment and continuous expansion of the Company, the Company shall distribute dividends in a combination of shares and cash depending on factors such as future capital needs, financial structure, and consideration of shareholders' rights and interests, among which cash dividends shall not be lower than 20% of the total dividends.

2. The dividend distribution that has been discussed for the year:

   The 2023 earning distribution was resolved by the Board on March 13, 2024, but not yet approved by the shareholders' meeting; which distributes cash dividends of NT$0.3 per share to shareholders, totaling NT$27,600,000.

3. The dividend policy is expected to have a significant change: no

(VII) The impact of the issuance of bonus shares proposed in this general meeting upon the Company's business performance and earnings per share (EPS): N/A.

(VIII) Employees' and directors' remuneration:

1. Percentages or ranges with respect to employees, directors, and supervisor remuneration according to the Articles of Incorporation:

   Pursuant to Article 18 of the Company's Articles of Incorporation:

   The Company shall use the current year's pre-tax profits to deduct the benefits before distributing employee remuneration and director's remuneration. After retaining to make up for the accumulated losses, if there is any balance, it shall allocate 0.5% to 5% of such balance as employees' remuneration, and the directors' remuneration shall not exceed 2%.

   Decisions on distribution ratio of employees' and directors' remuneration, and whether the employees' remuneration shall be distributed in stocks or cash shall be made by the meeting of Board of Directors attended by more than two-thirds of the directors and the resolution approved by more than half of the directors present, which shall be reported to the shareholders' meeting.

   Those entitled to receive employees' remuneration in the forms of stocks or cash may include employees of the controlling/controlled companies or affiliates which meet the terms and conditions set by the board of directors or its authorized personnel.

   The remuneration of directors can only be paid in cash, and the independent directors of the Company are not included in the annual remuneration distribution.

2. The basis for estimating the amount of employee, director and supervisor remuneration, 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 figure, for the current period.

   (1) Estimation basis for the amount of employee and director remuneration estimated in the current period: Please refer to the description of the (VIII) Employees' and directors' remuneration above,

   (2) Calculation basis for the number of shares distributed as employee remuneration for the current period: none.

   (3) Accounting treatment when the actual distribution amount of the current period is different from the estimated amount: Not applicable

3. Board of Directors approved the following remuneration distribution:

(1) The amount of any employees' remuneration distributed in cash or stocks and the remuneration for directors:

Pursuant to Article 18 of the Articles of Incorporation, for 2023, the Company distributes NT$931,690 as employees' remuneration and NT$931,690 as directors' remuneration; which was passed upon the resolution adopted in the board meeting on March 13, 2024.

(2) The amount of any employees' remuneration distributed in stocks, and the size of that amount as a percentage of the sum of the after-tax net income stated in the standalone financial reports or individual financial reports for the current period and total employees' remuneration: no employee remuneration is distributed in shares for the period, and thus it is not applicable.

4. The actual distribution of employee, director, and supervisor remuneration for the previous fiscal year (with an indication of the number of shares, monetary amount, and stock price, of the shares distributed), and, if there is any discrepancy between the actual distribution and the recognized employee and director remuneration, additionally the discrepancy, cause, and how it is handled:

The Company estimated that in 2022, the employees' remuneration was NT$559,428 in cash and the directors' remuneration was NT$559,428 in cash. The above-mentioned distribution amount did not differ from the amount recognized in the 2022 financial statements.

Distribution	Previous year (2022)			
	The actual distribution resolved by the shareholders' meeting	The proposed distributions approved by the Board	Difference	Reason of difference
1. Employee remuneration in cash	559,428	559,428	—	—
2. Employee remuneration in shares	—	—	—	—
(1) Number of shares	—	—	—	—
(2) Amount	—	—	—	—
3. Director remuneration	559,428	559,428	—	—

(IX) Situation of re-purchase of the Company's stocks: none.

II. Corporate bonds: None.

III. Preferred shares: None.

IV. Overseas depositary receipts: None.

V. Status of issue and private placement of employee stock warrants: None.

VI. New restricted shares acquired as an employee: None.

VII. Merger or acquisition, issue of new shares in connection with the acquisition of shares of another company: None.

VIII. Implementation status for plan of utilization of capital

(I) Content of the plan:

As of the last quarter before the publication date of the annual report, with respect to each uncompleted public issue or private placement of negotiable securities, and to such issues and placements that were completed in the most recent 3 years but have not yet fully yielded the planned benefits: None.

(II) Implementation status: None.

Five. Operational Highlights

I. Business Scope

(I) Scope of Business

1. The Company's main businesses:
   - (1) C306010 Wearing Apparel.
   - (2) C307010 Clothing Accessories.
   - (3) C399990 Other Textile and Products Manufacturing.
   - (4) F101990 Wholesale of Other Agricultural, Livestock and Aquatic Products.
   - (5) F104110 Wholesale of Cloths, Garments, Shoes, Hats, Umbrellas and Clothing Accessories.
   - (6) F204110 Retail Sale of Cloths, Garments, Shoes, Hats, Umbrellas and Clothing Accessories.
   - (7) F401010 International Trade.
   - (8) F601010 Intellectual Property Rights.
   - (9) H701010 Housing and Building Development and Rental.
   - (10) H701020 Industrial Factory Development and Rental.
   - (11) H701040 Specific Area Development.
   - (12) H701050 Investment, Development and Construction in Public Construction.
   - (13) H701060 New Towns, New Community Development.
   - (14) H703090 Real Estate Business.
   - (15) H703100 Real Estate Leasing.
   - (16) I301030 Electronic Information Supply Services.
   - (17) I101110 Textile Consulting.
   - (18) I501010 Product Designing.
   - (19) I502010 Clothing Designing.
   - (20) C104020 Manufacture of Bakery and Steam Products.
   - (21) F102040 Wholesale of Nonalcoholic Beverages.
   - (22) F102170 Wholesale of Foods and Groceries.
   - (23) F106020 Wholesale of Daily Commodities.
   - (24) F108040 Wholesale of Cosmetics.
   - (25) F203010 Retail Sale of Food, Grocery and Beverage.
   - (26) F206020 Retail Sale of daily commodities.
   - (27) F208040 Retail Sale of Cosmetics.
   - (28) C109010 Manufacture of Seasoning.

(29) C105010 Edible Oil and Fat Manufacturing.
(30) C114010 Food Additives Manufacturing.
(31) C110010 Beverage Manufacturing.
(32) C104010 Manufacturing of Sugar Confectionery.
(33) C106010 Grain Husking, Manufacture of Grain Mill Products, Starches and Starch Products.
(34) C199010 Manufacture of Noodles, Couscous and Similar Farinaceous Products.
(35) C199990 Manufacture of Other Food Products Not Elsewhere Classified.
(36) F102030 Wholesale of Tobacco and Alcohol.
(37) ZZ99999 All business activities that are not prohibited or restricted by law, except those that are subject to special approval.

2. Proportion of major product sales:

Expressed in thousands of NTD

Year / Product Type	2022		2023	
	Amount	%	Amount	%
Revenue from construction projects	502,330	88.10	137,302	68.93
Sales of wool tops and shrink-proof wool tops	14,780	2.59	-	-
Lease revenue	52,778	9.26	61,559	30.90
Others	265	0.05	330	0.17
Total	570,153	100.00	199,191	100.00

3. The Company's current products: industrial plants and congregate housing.
4. New products planned to be developed: Actively participate in dangerous and old building projects, urban renewal projects (private and public), state-owned land tenders, construction of residences, and commercial offices, among other things.

(II) Industry overview

1. Industry status and development

(1) The high-end real estate market will reach a new milestone with the end of the interest rate hike cycle. The previously unsatisfactory market atmosphere and the widening price difference between buyers and sellers caused the trading days to be significantly improved, which can greatly reduce the product operation cycle. Future land development will primarily focus on

essential products for self-use, with buyers mainly consisting of those looking for primary residences, upgrading their homes, and long-term property investors.

(2) In response to the gradual warming of the real estate market in Q4 2023, public sector policies aimed at curbing short-term speculation and implementing credit control measures continue to impact small and medium-sized developers. However, in the future, medium and large developers with sound financials and better physical conditions can accelerate their expansion, gradually consolidate, and increase their niches and operational scale.

(3) Operation status

Revenue from construction projects: Currently, many projects have participated in investment and implementation, and all of them have entered the substantial development phase.

Rental revenue: The investment properties have been leased out, and the tenants are being sought actively for the unleased investment properties.

2. Relations between the upstream, midstream and downstream of the industry

The upstream raw materials of the upstream in the construction industry are land and construction costs. In 2023, due to the relatively loose liquidity in the market, house prices gradually rose, plus the credit control and other measures by the Central Bank, the cost of land acquisition soared consequently. Additionally, construction costs are expected to rise significantly due to the impending carbon tax on raw materials, ESG issues, and the widening labor market gap. In the future, the cost of land and construction will also be transferred to the consumer market. We remain cautiously optimistic about the market.

Although sales prices have been adjusted upwards, whether the market can immediately reflect these costs, and whether developers can successfully pass on or control these costs to reduce expenses, will become key issues for profitability. The downstream is mainly the sales agencies and the realtors with physical channels. In the past, the construction investment industry mostly adopted pre-sales or worked with sales agencies. However, the sales models are diversifying to cope with the market movement. To timely reflect costs, other than the pre-sales, the proportion of sales when constructing or sales upon completion by working with realtors, or even sales by the developers, will increase in the future.

In addition, big data + digital marketing has gradually become the most important media exposure channel.

3. Development trends and competition of products
   (1) In the short term, the market will become more volatile, but in the medium and long term, housing prices will still rise slowly. The development strategy should pursue good locations, good products, and good planning, for possible opportunities to create value and be profitable.
   (2) The first-time buyers, first-time house replacement, and self-use products will be the mainstream in the market in the near future. Residential products are mainly two to three-room products. Due to the limited fund momentum, the excess profits in the past will no longer exist in the near future, and the operating environment will be relatively favorable to the medium and large construction companies.
   (3) The population of single household is decreasing year by year, and the space of products will be revised down. However, the two- and two-plus-one-room products that are not for investment and more practical are the mainstream of residence.
   (4) Most of the spacious lands in downtowns are state-owned. In the past, the acquisition method was single and difficult. In the future, the state-owned lands will be released in the form of rights transformation or superficies via the public urban renewal.

(III) Overview of technology and research and development (R&D)

1. Overview of the Company's technologies and its research and development work
   (1) Smart green energy, health, and co-inhabit houses for youth and senior, are the directions that need to be emphasized in the future.
   (2) The proportion of investment in big data and digital marketing equipment and technology will gradually increase.
2. Research and development expenditures during the most recent year (2023) and up to the publication date of the annual report: none.
3. Technologies and/or products successfully developed during the most recent year (2023) and up to the publication date of the annual report: None.

(IV) Short and long term business development plans

1. Short term business development plans:

Participated in numerous project investments, led development projects and other related matters, to accumulate industrial experience and capabilities; and focus on self-use products as the development direction.

2. Long term business development plans:
   (1) Replenish human resources and reserves.
   (2) Develop land accesses toward multiple aspects, as well as participate in state-owned or state-owned enterprise tenders, public urban renewal projects, and lands with superficies.
   (3) Develop independent projects, focusing on dangerous old buildings and urban renewal to support the national policy.

II. Status of the market and production/sales

(I) Market analysis:

1. Major sales region of products

Region	Project name	Product type
Taipei City	Kuo Yang Intercontinental	Plant-office buildings
New Taipei City	Kuo Yang Digital	Plant-office buildings
New Taipei City	Tucheng Project (TBC)	Plant-office buildings
New Taipei City	Ascent Development Original	Plant-office buildings
New Taipei City	Xindian Project (TBC)	Plant-office buildings
New Taipei City	XizhiProject (TBC)	Residence
Tainan City	Emerald Forest	Residence
Kaohsiung City	Smiling Era	Residence

2. Market share

The mains area for Company's product sales are the Taipei and New Taipei City areas, and to cope with the recent market movements and needs, the Company's main product is the plant-office commercial building.

3. Future market supply, demand and growth

Political factors and cross-strait relations are gradually improving, and the capital market expects the interest rate hike cycle to end soon. Additionally, capital market liquidity remains abundant. It is evident that the peak period of the real estate market is nearing its end. Despite policy and financial controls, the outlook for the low total price market in the northern region, driven primarily by essential home upgrades, remains optimistic.

4. Competitive niche, and the advantageous and disadvantageous factors for future development and countermeasures thereof

(1) Competitive edges

Recently, to cope with the market movement, the Company focuses on self-use products. Although the market has fluctuated recently, the market demand still exists, and the cases are expected to be closed smoothly.

(2) Positive factors

The Company is located in Taipei and New Taipei City area, with multi-positioning, to balance the sales risks in each area.

(3) Unfavorable factors:

Products are concentrated in the plant-office buildings. If market movements intensify and demand decreases, the single-product nature of our offerings poses a risk of prolonged sales periods, which would be unfavorable for cost control.

(4) Countermeasures

Increase the diversification of the Company's products and seek greater niche points.

(II) Important usage and production processes of major products

Currently, the Company's main products for sales are plan-office buildings, and related businesses are handled as scheduled. In addition, part of the investment properties have been leased out, and the tenants are being sought actively for the unleased investment properties; currently, many projects have participated in investment and implementation, and all of them have entered the substantial development schedules. The revenues will be recognized based on the development schedule.

(III) Supply situation of major raw materials

Although the market atmosphere is gradually stabilizing, the supply of spacious land available for development is still scarce. In the future, the Company will actively participate in the relevant operations, such as public urban renewal, urban renewal, renovation of dangerous and old buildings, and section expropriation, seeking to stabilize the supply of land.

(IV) Any suppliers and clients accounting for 10% or more of the Company's total procurement (sales) amount in either of the 2 most recent fiscal years, the amounts bought from (sold to) each, the percentage of total procurement (sales) accounted for by each

1. Information of the major suppliers of sales in the 2 most recent fiscal years

Expressed in thousands of NTD

Items	2022				2023			
	Name	Amount	Proportion to net purchase of the year (%)	Relationship between the owner and the issuer	Name	Amount	Proportion to net purchase of the year (%)	Relationship between the owner and the issuer
1	Vendor A	629,518	63.61	None	Vendor A	72,775	35.62	None
2	Vendor B	194,297	19.63	None	Vendor B	44,610	21.83	None
3	Others	165,870	16.76	None	Others	86,953	42.55	None
4								
5								
	Net purchase	989,685	100.00		Net purchase	204,338	100.00	

Note: Due to the contractual agreement not to disclose the name of the vendor, the code name is used.

Reason for change: Suppliers added in the current period were all added to the construction project of joint operations.

2. Information of the major clients of sales in the 2 most recent fiscal years

All are involved in real estate development projects of the Group's affiliates, with direct sales to individual homebuyers. Since the counterparties are scattered, there is no single sales counterparty exceeding 10% of the total sales.

Reason of change: N/A.

(V) Table of the Production Volume and Value of the 2 Most Recent Years

Unit: NT$ thousand

Year / Production volume and value / Main products	2022			2023		
	Production capacity	Production volume	Production value	Production capacity	Production volume	Production value
Joint operation project	—	—	975,062	—	—	204,338
Tops (kg)	—	14,275	5,394	—	—	—
Anti-shrink top (kg)	—	22,787	9,229	—	—	—
Others	—	—	—	—	—	—
Total	—	37,062	989,685	—	—	204,338

(VI) Table of the Sales Volume and Value of the 2 Most Recent Years

Unit: NT$ thousand

Year / Sales volume and value / Main products	2022				2023			
	Domestic sales		Export sales		Domestic sales		Export sales	
	Quantity	Value	Quantity	Value	Quantity	Value	Quantity	Value
Joint operation project	—	555,373	—	—	—	137,302	—	—
Tops (kg)	—	—	14,275	5,366	—	—	—	—
Anti-shrink top (kg)	—	—	22,787	9,414	—	—	—	—
Others	—	—	—	—	—	61,889	—	—
Total	—	555,373	37,062	14,780	—	199,191	—	—

III. Employees

Employee Profile of the Most Recent Two Years up to the Publication of this Annual Report:

Year		2022	2023	2024 up to April 29
Number of Employees	Staff	12	15	16
	Employee	0	0	0
	Total	12	15	16
Average age		40	41	40.50
Average years of service		0.96	1.51	1.77
Distribution of education background	Ph.D.	0.00%	0.00%	0.00%
	Master's	25.00%	26.67%	18.75%
	Bachelor's	75.00%	73.33%	81.25%
	High School	0.00%	0.00%	0.00%
	Below Senior High School	0.00%	0.00%	0.00%

IV. Expenditures on environmental protection

(I) Any losses suffered by the company in the most recent fiscal year and up to the annual report publication date due to environmental pollution incidents: none.

(II) Possible expenses that could be incurred currently and in the future and measures being or to be taken: N/A

V. Labor relations

(I) Various employee benefits, continuous education, training, retirement systems and the implementation thereof, as well as the agreements between labor and management and various measures to protect employees' rights and interests:

1. Employee benefits:
   (1) Employees enjoy labor insurance, employment insurance, national health insurance, and group insurance.
   (2) Distribute birthday gift money, festival gift money, meal subsidy, travel subsidy, and health check subsidy.
   (3) Celebration and condolence money and maternity subsidy.
2. Continuing education and training for employees:
   (1) The Regulations Governing Employees' Education and Training are established, and the internal and external education and trainings, as well various industrial or functional seminars are held; employees are encouraged to attend them to improve knowledge exchange and inheritance within the Company, enhance the human resources, elevate the overall competitiveness of the Company, and achieve the overall operational objective. Improve the working skills of employees to exert their talents sufficiently, and advance their career development.
3. Retirement system and implementation thereof
   (1) The new labor retirement system is applicable to all existing employees, and the Company contributes 6% of their wages to the employee's personal pension account every month.
   (2) A worker may apply for voluntary retirement under any of the following conditions:
      A. Where the worker attains the age of fifty-five and has worked for fifteen years.
      B. Where the worker has worked for more than twenty-five years.
      C. Where the worker attains the age of sixty and has worked for ten years.
4. Management-labor agreement and implementation of various measures protecting the rights of employees
   (1) Human rights policies are established to provide a reasonably safe workplace, so that employees are treated fairly with dignity.
   (2) Establish the Procedures for Reporting Illegal and Unethical Conduct and

Filling Complaint, "workplace" sexual harassment prevention measures, and regulations for appealing and disciplinary actions, to provide a proper complaint mechanism.

(3) Establish the Procedures for Reporting Illegal and Unethical Conduct and Filling Complaint, to provide a proper appealing mechanism.

(4) Labor-management meetings are held quarterly, and all-employee monthly meetings are held every month to provide labor-management communication and negotiation channels, and the understanding of operational changes that may have a material effect.

(5) Access control has been implemented in the offices, and firefighting, air-conditioning and drinking water equipment are regularly inspected and cleaned to reduce hazardous factors to employees' safety and health. To prevent occupational disasters, safety and health supervisors have been established, and timely safety and health education has been implemented, as well as regular health checks on employees.

(II) List any losses sustained as a result of labor disputes in the most recent fiscal year and until the annual report publication date, disclose an estimate of losses incurred to date or likely to be incurred in the future and countermeasures: the Company has not sustained any loss as a result of labor disputes.

VI. Cyber security management:

(I) Cyber security risk management framework, cyber security policies, concrete management programs, and investments in resources for cyber security management

1. The Information Security Committee was established to listen to the reports from the Information Security Implementation Team on the implementation and results of information security and to formulate the direction and strategy of information security development.
2. The ERP system is introduced, the file server is built and the anti-virus software is installed, to ensure correct accounting, smooth collaboration, and information security.
3. Build the ERP system, and the on-site backup and off-site backup mechanism of file server, to avoid the risk of data damage.
4. Replacing outdated information communication equipment and introducing new generation information communication equipment.

5. The Regulations Governing Information Security System Management are established, to manage information security incidents and accidents, and continuously improve the information security management system.
6. The ERP system recovery drill is conducted once a year, to ensure that the normal operation of the ERP system is able to be quickly restored when an abnormal event occurs.
7. The information security education and training is conducted at least once a year, to respond to environmental changes and enhance employees' awareness of information security.
8. Conduct vulnerability scans of network communication equipment at least once a year to proactively identify and strengthen cybersecurity weaknesses.
9. The Company has joined the "Taiwan Crisis Management and Coordination Center (TWCERT/CC)" to gain access to the latest information on security risks for early identification and prevention of security risks.

(II) List any losses suffered by the company in the most recent fiscal year and up to the annual report publication date due to significant cyber security incidents, the possible impacts therefrom, and measures being or to be taken: none.

VII. Important contracts (as of the publication date of the annual report on April 29, 2024)

Contract type	The party	Commencement and Expiration Dates	Main businesses	Restrictive clauses
Contract for joint investment and development	Six companies including KYCC	November 23, 2020 - Completion of the project	For the project at Jiuzong of Neihu, jointly invested and developed with 5 other companies to obtain 4 pieces of land including No. 83-1, Jiuzong Section, Neihu District, Taipei City.	None
Contract for joint investment and development	Six companies including KYCC	January 28, 2021 - Completion of the project	For the project at Tucheng of Zhongyi, jointly invested and developed with 5 other companies to obtain 19 pieces of land including No. 365, Zhongyi Section, Tucheng District, New Taipei City.	None
Contract for joint investment and development	Five companies including KYCC	July 15, 2021 - Completion of the project	For the project at Zhongxing of Sanchong, jointly invested and developed with 4 other companies to obtain 9 pieces of land including No. 28, Zhongxing Section, Sanchong District, New Taipei City.	None
Contract for joint investment and development	Four companies including Weili International Development Co., Ltd.	August 10, 2023 - Completion of the project	For the project at Zhongyuan of Zhonghe, jointly invested and developed with 3 other companies to obtain 12 pieces of land including No. 258, Zhongyuan Section, Zhonghe District, New Taipei City.	None

Six. Financial Highlights

I. Condensed Balance Sheet and Statement of Comprehensive Income of the most recent five years

(I) Condensed Balance Sheet and Statement of Comprehensive Income

1. Condensed consolidated balance sheet

Expressed in thousands of NTD

Items \ Year		Financial Summary for The Last Five Years					Financial data as of March 31, 2024 (reviewed and certified by CPA)
		2019	2020	2021 (restated)	2022	2023	
Current assets		2,248,238	1,179,060	2,710,006	2,741,867	3,000,943	2,913,255
Property, plants, and equipment		2,320	216	192	167	142	136
Intangible assets		20	6	0	0	0	0
Other assets		580,612	1,226,646	2,166,662	2,080,730	2,305,859	2,388,639
Total assets		2,831,190	2,405,928	4,876,860	4,822,764	5,306,944	5,302,030
Current liabilities	Before distribution	16,357	174,700	1,428,948	1,485,605	1,685,998	1,757,609
	After distribution	476,357	174,700	1,447,348	1,485,605	(Note)	(Note)
Non-current liabilities		3,174	438	127,681	522,155	506,168	501,129
Total liabilities	Before distribution	19,531	175,138	1,556,629	2,007,760	2,192,166	2,258,738
	After distribution	479,531	175,138	1,575,029	2,007,760	(Note)	(Note)
Equity attributable to parent company		2,811,659	2,230,790	2,266,895	2,272,742	2,561,779	2,638,101
Share capital		920,000	920,000	920,000	920,000	920,000	920,000
Capital surplus		8,686	10,714	145,021	182,854	182,854	199,542
Retained earnings	Before distribution	1,875,467	1,166,742	1,319,103	1,374,076	1,531,531	1,555,890
	After distribution	1,415,467	1,166,742	1,300,703	1,374,076	(Note)	(Note)
Other equity		7,506	133,334	(117,229)	(204,188)	(72,606)	(37,331)
Treasury stock		0	0	0	0	0	0
Equity owned by the previous holder under the joint control		0	0	347,601	0	0	0
Non-controlling equity		0	0	705,735	542,262	552,999	405,191
Total equity	Before distribution	2,811,659	2,230,790	3,320,231	2,815,004	3,114,778	3,043,292
	After distribution	2,351,659	2,230,790	3,301,831	2,815,004	(Note)	(Note)

Note: the 2023 earning distribution proposal has not been resolved by the shareholders' meeting

2. Condensed standalone balance sheet

Expressed in thousands of NTD

Items \ Year		Financial Summary for The Last Five Years				
		2019	2020	2021 (restated)	2022	2023
Current assets		2,150,525	868,823	1,294,812	1,866,691	2,107,988
Property, plants, and equipment		2,320	216	192	167	142
Intangible assets		20	6	0	0	0
Other assets		678,217	1,536,763	1,939,608	1,535,066	1,795,305
Total assets		2,831,082	2,405,808	3,234,612	3,401,924	3,903,435
Current liabilities	Before distribution	16,237	174,580	619,467	1,127,643	1,340,287
	After distribution	476,237	174,580	637,867	1,127,643	(Note)
Non-current liabilities		3,186	438	649	1,539	1,369
Total liabilities	Before distribution	19,423	175,018	620,116	1,129,182	1,341,656
	After distribution	479,423	175,018	638,516	1,129,182	(Note)
Share capital		920,000	920,000	920,000	920,000	920,000
Capital surplus		8,686	10,714	145,021	182,854	182,854
Retained earnings	Before distribution	1,875,467	1,166,742	1,319,103	1,374,076	1,531,531
	After distribution	1,415,467	1,166,742	1,300,703	1,374,076	(Note)
Other equity		7,506	133,334	(117,229)	(204,188)	(72,606)
Treasury stock		0	0	0	0	0
Equity owned by the previous holder under the joint control		0	0	347,601	0	0
Total equity	Before distribution	2,811,659	2,230,790	2,614,496	2,272,742	2,561,779
	After distribution	2,351,659	2,230,790	2,596,096	2,272,742	(Note)

Note: the 2023 earning distribution proposal has not been resolved by the shareholders’ meeting

3. Condensed consolidated statement of comprehensive income

Expressed in thousands of NTD

Items \ Year	Financial Summary for The Last Five Years					Financial data as of March 31, 2024 (reviewed and certified by CPA)
	2019	2020	2021 (restated)	2022	2023	
Revenue	173,008	113,119	615,535	570,153	199,191	33,150
Gross profit	919	(1,769)	110,269	124,140	55,182	10,285
Net operating income	(49,632)	(30,221)	33,769	40,851	(13,095)	(6,928)
Non-operating revenues and expenses	1,118,436	(207,481)	146,652	121,185	212,390	58,152
Income before tax	1,068,804	(237,702)	180,421	162,036	199,295	51,224
Net income from continuing operations	961,983	(243,523)	167,450	143,592	195,139	51,017
Net loss from discounting operations	0	0	0	0	0	0
Current net income (loss)	961,983	(243,523)	167,450	143,592	195,139	51,017
Other comprehensive income (net, after tax)	7,553	120,626	(218,940)	(105,791)	132,235	37,297
Total consolidated income for the period	969,536	(122,897)	(51,490)	37,801	327,374	88,314
Net income attributes to shareholders of the Parent	961,983	(243,523)	128,274	92,205	184,402	49,937
Net profit attributed to the equity owned by the previous holder under the joint control	0	0	12,928	13,190	0	0
Net profit attributable to non-controlling interests	0	0	26,248	38,197	10,737	1,080
Total comprehensive income attributable to owners of parent company	969,536	(122,897)	(90,666)	(13,586)	316,637	87,234
Total comprehensive income attributed to the equity owned by the previous holder under the joint control	0	0	12,928	13,190	0	0
Comprehensive income attributed to non-controlling interests	0	0	26,248	38,197	10,737	1,080
Earnings per share (NTD)	10.46	(2.65)	1.53	1.14	2.00	0.54

4. Condensed standalone statement of comprehensive income

Expressed in thousands of NTD

Items \ Year	Financial Summary for The Last Five Years				
	2019	2020	2021 (restated)	2022	2023
Revenue	173,077	113,131	78,799	17,776	4,357
Gross profit	988	(1,757)	28	175	1,608
Net operating income	(49,364)	(29,814)	(27,916)	(34,803)	(37,908)
Non-operating revenues and expenses	1,118,496	(208,320)	175,985	146,689	222,374
Income before tax	1,069,132	(238,134)	148,069	111,886	184,466
Net income from continuing operations	961,983	(243,523)	141,202	105,395	184,402
Net loss from discounting operations	0	0	0	0	0
Current net income (loss)	961,983	(243,523)	141,202	105,395	184,402
Other comprehensive income (net, after tax)	7,553	120,626	(218,940)	(105,791)	132,235
Total consolidated income for the period	969,536	(122,897)	(77,738)	(396)	316,637
Net income attributes to shareholders of the Parent	961,983	(243,523)	128,274	92,205	184,402
Net profit attributed to the equity owned by the previous holder under the joint control	0	0	12,928	13,190	0
Total comprehensive income attributable to owners of parent company	969,536	(122,897)	(90,666)	(13,586)	316,637
Total comprehensive income attributed to the equity owned by the previous holder under the joint control	0	0	12,928	13,190	0
Earnings per share (NTD)	10.46	(2.65)	1.53	1.14	2.00

(II) CPAs of the most recent five years and their audit opinions

Year	Accounting firm	Accountant	Audit Opinions
2019	Ernst & Young, Taiwan	Jung-Huang Hsu and Chien-Tse Huang	Unqualified opinion
2020	PwC Taiwan	Chun-Yuan Hsiao and Se-Kai Lin	Unqualified opinion
2021	PwC Taiwan	Chun-Yuan Hsiao and Se-Kai Lin	Unqualified opinion
2022	PwC Taiwan	Chun-Yuan Hsiao and Se-Kai Lin	Unqualified opinion
2023	PwC Taiwan	Chun-Yuan Hsiao and Se-Kai Lin	Unqualified opinion

II. Financial Information for the Most Recent Five Years

(I) Consolidated financial analysis

Analysis Item \ Year		2019	2020	2021 (restated)	2022	2023	Financial data as of March 31, 2024 (reviewed and certified by CPA)
		Financial Information for the Most Recent Five Years					
Financial position (%)	Debt to assets ratio	0.69	7.28	31.92	41.63	41.30	42.60
	Long-term Fund to Property, Plant and Equipment	121,329.01	1,032,975.93	1,729,286.98	1,685,631.14	2,193,505.63	2,237,714.70
Ability to repay debts (%)	Current ratio	13,744.81	674.91	189.65	184.56	177.99	165.75
	Quick ratio	13,700.36	528.54	86.61	45.15	48.74	36.86
	Times interest earned (TIE) ratio	7,977.15	(13,204.67)	14.16	14.89	15.79	19.04
Operating performance	Receivables turnover (times)	17.72	11.38	22.07	20.99	6.50	4.63
	Days sales outstanding	20.60	32.07	16.08	17.39	56.15	78.83
	Inventory turnover (times)	-	-	0.37	0.25	0.06	0.04
	Payables turnover (times)	-	79.95	7.16	12.31	2.64	1.02
	Days sales in inventory	-	-	984.11	1,447.55	6,083.33	9,125.00
	Property, plant and equipment turnover (times)	67.08	87.83	3,017.33	3,176.34	1,289.26	953.95
	Total assets turnover (times)	0.07	0.04	0.17	0.12	0.04	0.02
Profitability	Return on assets (%)	39.85	(9.30)	4.90	3.15	4.06	1.00
	Return on equity (%)	41.34	(9.66)	6.03	4.68	6.58	1.65
	Pre-tax income to paid-in capital ratio (%)	116.17	(25.84)	19.61	17.61	21.66	5.56
	Net profit margin (%)	569.56	(218.67)	27.2	25.18	97.96	153.89
	Earnings per share (NTD)	10.46	(2.65)	1.53	1.14	2.12	0.54
Cash flow	Cash flow ratio (%)	(975.19)	(160.02)	(14.14)	(41.68)	(3.31)	(0.04)
	Cash flow adequacy ratio (%)	14.74	16.73	24.00	50.13	76.11	528.66
	Cash flow reinvestment ratio (%)	(5.67)	9.93	(15.29)	(28.79)	(3.34)	(0.03)
Leverage	Operating leverage	0.09	0.07	1.00	1.00	1.00	1.00
	Financial leverage	1.00	1.00	1.68	1.40	0.49	0.70

Reasons for changes to each of the financial ratio in the most recent two years (For any changes of more than 20%):

1. Increase of long-term capital to property, plant and equipment ratio: mainly due to the increase of net shareholders' equity in 2023.
2. Accounts receivable turnover rate: mainly due to the decrease in accounts receivable turnover ratio in 2024, resulting in a decrease in accounts receivable turnover rate.
3. Increase in average collection days: mainly due to the low accounts receivable turnover rate in 2024.

Analysis Item / Year	Financial Information for the Most Recent Five Years					Financial data as of March 31, 2024 (reviewed and certified by CPA)
	2019	2020	2021 (restated)	2022	2023	
4. Accounts payable turnover rate: at the end of 2023, the inventory and accounts payable are the share recognized proportionally to the holding for construction projects of joint operations participated in 2023; therefore, the inventory turnover rate and accounts payable turnover rate are not to be analyzed. 5. Increase in days sales in inventory: mainly due to the low accounts receivable turnover rate in 2023. 6. Decrease in turnover rates for property, plant, and equipment, as well as the total asset turnover rate: mainly due to the decrease in operating revenues in 2023. 7. Increase in return on assets, return on equity, net income before tax to paid-in capital, net profit margin, and earnings per share: mainly due to the increase in net profit after tax in 2023. 8. Increase in cash flow ratio: mainly due to the decrease in net cash flow from operating activities in 2023. 9. Cash flow adequacy ratio, cash reinvestment ratio: mainly due to the decrease in net cash flow from operating activities and an increase in long-term investments in 2023. Decrease in financial leverage: mainly due to a decrease in operating profit in 2023.						

Note: The calculation formula of financial analysis is listed as follows:

1. Financial position:

(1)Debt ratio = total liabilities / total assets.

(2)Long-term Fund to Property, Plant and Equipment Ratio = (Shareholders' Equity + Noncurrent Liabilities) / Net Property, Plant and Equipment.

2. Liquidity:

(1)Current ratio = current assets / current liabilities.

(2)Quick ratio = (current assets - inventories - prepaid expenses) / current liabilities.

(3)Times Interest Earned = Earnings before Interest and Taxes / Interest Expenses.

3. Operating performance:

(1)Receivables turnover (including accounts receivable and notes receivable from operating activities) = net sales / average balance of receivables (including accounts receivable and notes receivable from operating activities).

(2)Days sales outstanding = 365 / receivables turnover.

(3)Inventory turnover = cost of sales / average inventory.

(4)Payables turnover (including accounts payable and notes payable from operating activities) = net sales / average balance of receivables (including accounts payable and notes payable from operating activities).

(5)Days sales in inventory = 365 / inventory turnover.

(6)Property, plant and equipment turnover = net sales / average net property, plant and equipment.

(7)Total assets turnover = net sales / average total assets

4. Profitability:

(1)Return on total assets = [net income + interest expenses * (1 - tax rate)] / average total assets.

(2)ROE = PAT / Average net equity.

(3)Net profit margin = net profit / net sales.

(4)Earnings per share = (net profit attributable to shareholders of the Parent - preferred stock dividend) / weighted average number of shares outstanding.

5. Cash flow:
   (1)Cash flow ratio = net cash provided by operating activities / current liabilities.
   (2)Cash flow adequacy ratio = five-year sum of cash flow from operations / five-year sum of capital expenditures, inventory additions, and cash dividend.
   (3)Cash flow reinvestment ratio = (cash provided by operating activities - cash dividends) / (gross property, plant and equipment + long-term investments + other noncurrent assets + working capital).
6. Leverage:
   (1)Operating leverage = (net sales - variable cost) / operating income
   (2)Financial leverage = operating income / (Operating income - interest expenses).

(II) Standalone financial analysis

Analysis Item	Year	Financial Information for the Most Recent Five Years				
		2019	2020	2021	2022	2023
Financial position (%)	Debt to assets ratio	0.69	7.27	19.17	33.19	34.37
	Long-term Fund to Property, Plant and Equipment	121,329,53	1,032,975.93	1,361,716.67	1,360,923.35	1.804,069.71
Ability to repay debts (%)	Current ratio	13,244.60	497.66	209.02	165.54	157.27
	Quick ratio	13,199.82	490.46	71.21	30.81	32.20
	Times interest earned (TIE) ratio	7,979.60	(13,228.67)	27,614.80	291.61	99.43
Operating performance	Receivables turnover (times)	17.72	11.38	10.74	6.99	0.44
	Days sales outstanding	20.60	32.07	33.99	52.22	829.54
	Inventory turnover (times)	-	-	0.19	0.01	0.00
	Payables turnover (times)	-	79.95	29.20	2.04	0.07
	Days sales in inventory	-	-	1,972.87	24,549.35	0.00
	Property, plant and equipment turnover (times)	67.08	87.83	386.27	99.03	28.20
	Total assets turnover (times)	0.07	0.04	0.03	0.01	0.00
Profitability	Return on assets (%)	39.86	(9.30)	5.01	3.19	5.08
	Return on equity (%)	41.34	(9.66)	5.83	4.31	7.62
	Pre-tax income to paid-in capital ratio (%)	116.21	(25.88)	16.09	12.16	20.05
	Net profit margin (%)	569.56	(218.67)	179.19	592.91	4,232.31
	Earnings per share (NTD)	10.46	(2.65)	1.53	1.14	2.00
Cash flow	Cash flow ratio (%)	(967.68)	(158.80)	(94.58)	(60.15)	(7.68)
	Cash flow adequacy ratio (%)	13.77	15.49	34.71	67.65	120.16
	Cash flow reinvestment ratio (%)	(5.59)	9.51	(24.70)	(33.77)	(5.60)
Leverage	Operating leverage	0.09	0.07	1.00	1.00	1.00
	Financial leverage	1.00	1.00	1.00	0.99	0.95

Reasons for changes to each of the financial ratio in the most recent two years (For any changes of more than 20%):

1. Increase of long-term capital to property, plant and equipment ratio: mainly due to the increase of net shareholders' equity in 2023.
2. Increase in times interest earned ratio: mainly due to the increased net profit after tax for 2023 resulting in decreased times interest earned ratio.

	3. Accounts receivable turnover rate: mainly due to the decreased accounts receivable at the end of 2023, resulting in a decrease in accounts receivable turnover rate. 4. Increase in average collection days: mainly due to the low accounts receivable turnover rate in 2023. 5. Accounts payable turnover rate: at the end of 2023, the inventory and accounts payable are the share recognized proportionally to the holding for construction projects of joint operations participated in 2023; therefore, the inventory turnover rate, average sales in inventory, and accounts payable turnover rate are not to be analyzed. 6. Decrease in turnover rates for property, plant, and equipment, as well as the total asset turnover rate: mainly due to the decrease in operating revenues in 2023. 7. Increase in return on assets, return on equity, net income before tax to paid-in capital, net profit margin, and earnings per share: mainly due to the increase in net profit after tax in 2023. 8. Increase in cash flow ratio: mainly due to the decrease in net cash flow from operating activities in 2023. 9. Cash flow adequacy ratio, cash reinvestment ratio: mainly due to the decrease in net cash flow from operating activities and an increase in long-term investments in 2023.

Note: The calculation formula of financial analysis is listed as follows:

1. Financial position:
   (1) Debt ratio = total liabilities / total assets.
   (2) Long-term Fund to Property, Plant and Equipment Ratio = (Shareholders' Equity + Noncurrent Liabilities) / Net Property, Plant and Equipment.
2. Liquidity:
   (1) Current ratio = current assets / current liabilities.
   (2) Quick ratio = (current assets - inventories - prepaid expenses) / current liabilities.
   (3) Times Interest Earned = Earnings before Interest and Taxes / Interest Expenses.
3. Operating performance:
   (1) Receivables turnover (including accounts receivable and notes receivable from operating activities) = net sales / average balance of receivables (including accounts receivable and notes receivable from operating activities).
   (2) Days sales outstanding = 365 / receivables turnover.
   (3) Inventory turnover = cost of sales / average inventory.
   (4) Payables turnover (including accounts payable and notes payable from operating activities) = net sales / average balance of receivables (including accounts payable and notes payable from operating activities).
   (5) Days sales in inventory = 365 / inventory turnover.
   (6) Property, plant and equipment turnover = net sales / average net property, plant and equipment.
   (7) Total assets turnover = net sales / average total assets
4. Profitability:
   (1) Return on total assets = [net income + interest expenses * (1 - tax rate)] / average total assets.
   (2) ROE = PAT / Average net equity.
   (3) Net profit margin = net profit / net sales.
   (4) Earnings per share = (net profit attributable to shareholders of the Parent - preferred stock dividend)

/ weighted average number of shares outstanding.

5. Cash flow:
   (1) Cash flow ratio = net cash provided by operating activities / current liabilities.
   (2) Cash flow adequacy ratio = five-year sum of cash flow from operations / five-year sum of capital expenditures, inventory additions, and cash dividend.
   (3) Cash flow reinvestment ratio = (cash provided by operating activities - cash dividends) / (gross property, plant and equipment + long-term investments + other noncurrent assets + working capital).
6. Leverage:
   (1) Operating leverage = (net sales - variable cost) / operating income
   (2) Financial leverage = operating income / (Operating income - interest expenses).

III. Supervisor or Audit Committee's Review Report for the Most Recent Year: Please refer to page 153.

IV. Annual financial statements for the most recent year: Please refer to pages 154-215.

V. The CPA audited Parent company only financial statements of the most recent year: Please refer to pages 216-277.

VI. Financial turnover status of the Company and its affiliated in the most recent year and up to the date of publication of the annual report: None.

Ascent Development Co., Ltd.

Declaration of Consolidated Financial Statements of Affiliates

In 2023 (from January 1, 2023 to December 31, 2023), the companies that should be included in the consolidated financial reports of affiliated companies based on “Criteria Governing Preparation of Affiliation Reports, Consolidated Business Reports and Consolidated Financial Statements of Affiliated Enterprises” and the companies that should be included in the consolidated financial reports of subsidiaries based on the International Financial Reporting Standards 10. The related information that should be disclosed in the consolidated financial statements of affiliated companies are also already disclosed in the consolidated financial reports for subsidiaries, so that the consolidated financial statements of affiliated companies would not be published separately.

Hereby certify

Company Name: ASCENT DEVELOPMENT CO., LTD.

Person in-charge: Chia-Chi Hou

March 13, 2024

Independent Auditors' Report

(2024) Cai-Shen-Bao-Zi No. 23003724

To ASCENT DEVELOPMENT CO., LTD.:

Audit Opinions

ASCENT DEVELOPMENT CO., LTD. (Previous name: CHUWA WOOL INDUSTRY CO., (TAIWAN) LTD.) and its subsidiaries (the Group) balance sheet of December 31 of 2023 and 2022, the comprehensive income statement, changes of equity, and cash flow statement from January 1 to December 31 of 2022 and 2021 and the notes to the consolidated financial statements (including the summary of major accounting policies) have been audited by the Auditor of the Firm.

According to the opinions of the Auditor, the above-mentioned consolidated financial statements are prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers in all material aspects, which are sufficient to express the financial status of the Group on December 31, 2023 and 2022, and parent company only financial performance and parent company only cash flow from January 1 to December 31 in 2023 and 2022.

Basis for Opinion

We conducted our audits in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and auditing standards. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group and its subsidiaries in accordance with the Professional Ethics for Certified Public Accountant of the Republic of China and we have fulfilled our other ethical responsibilities in accordance with these requirements. Based on the audit results of the Auditor and the audit reports of other auditors, we believe that we have obtained sufficient and appropriate audit evidence as the basis for expressing the audit opinion.

Key Audit Matters

Key audit items refer to the most important items in the audit of the Company's 2023 consolidated financial statements based on our professional judgment. These matters have been dealt with in the process of checking the consolidated financial statements and reaching audit opinions, and the we do not express opinions on these matters independently.

Key audit matters in the Group's consolidated financial statements for the year ended December 31, 2023 are as follows:

Impairment Testing of Investment Using the Equity Method

<u>Descriptions</u>

For the accounting policy of investment using the equity method, please refer to Note 4(15) of the consolidated financial statements, for the accounting policy of impairment of non-financial assets, please refer to Note 4(20) of the consolidated financial statements, and for the description of accounting items, please refer to the Notes 6(8) of the consolidated financial statements.

On December 31, 2023, the book value of the Group's investment using the equity method was NT$1,155,041 thousands, accounting for 22% of the total consolidated assets. In accordance with the International Accounting Standard No. 28 “Investment in Affiliated Enterprises and Joint Ventures”, the management level shall assess whether the recoverable amount of the investment is lower than the book value if there is objective evidence showing signs of impairment for the investment using the equity method. Since the objective evidence of its impairment assessment and the comprehensive consideration factors for determining the recoverable amount involve the subjective judgment of the management and have a high degree of uncertainty, and the investment amount using the equity method is significant, the auditor adopts the Group’s relevant Impairment assessment of equity method investments is listed as one of the most important matters of the audit.

Audit procedure

The auditor has implemented the following procedures to respond to the specific aspects described in the above key audit items:

1. Interview with the management level to understand the management's assessment of the signs of impairment of investments using the equity method and evaluate its rationality.
2. To obtain the equity value evaluation report issued by the external evaluation experts appointed by the management, the procedures performed by the auditor are as follows:
    (1) Assess the suitability and objectivity of the external evaluation experts appointed by the management level.
    (2) Assess the appropriateness of the evaluation methods adopted by the external evaluation experts appointed by the management level and the rationality of the relevant assumptions.

Appropriateness of the Vesting Period of Real Estate Sales Revenue

Descriptions

Please refer to Note 4(27) of the consolidated financial statements for the accounting policy of operating revenue in the construction industry, and Note 6(19) to the consolidated financial statements for descriptions of accounting items.

The real estate sales revenue of the construction industry is recognized when the ownership transfer of the real estate is completed and the house inspection certificate is delivered to the customer. Due to the wide market range of real estate sales in the construction industry, it is necessary to review the ownership transfer and other information one by one before recognizing the sales revenue. Usually, a lot of manual works would be required to determine the correctness of the recognition time of the sales revenue. The appropriateness of the vesting period is listed as one of the most important matters in the audit.

Audit procedure

The auditor has implemented the following procedures to respond to the specific aspects described in the above key audit items:

1. Interview with management to understand and review the procedures for recognizing real estate sales revenue and adopt it consistently during the financial statement comparison period.
2. Assess and verify the appropriateness of the attribution period of real estate sales income for a certain period before and after the deadline at the end of the period, including checking the land and building ownership transfer information and relevant dates to support the correctness of the recognition time of real estate sales revenue.

Other Matters - Audits Conducted by Other Certified Public Accountants

The financial statements of some of the Company's investments under the equity method of the Group have not been audited by us but by other independent auditors. Therefore, in our opinions on the above-mentioned consolidated financial statements, the amount listed in the financial statements of the Companies and the relevant information disclosed in Note 13 are based on the audit reports of other auditors. On December 31, 2023 and 2022, the amount of investment in the above-mentioned companies using the equity method was NT$1,105,298 thousands and NT$939,639 thousands, respectively, accounting for 21% and 20% of the total consolidated assets. In 2023 and 2022 the consolidated profits and losses recognized for the aforementioned companies were NT$308,546 thousands and NT$102,193 thousands, respectively, accounting for 94% and 270% of the consolidated profits and losses for the current period.

Other Matters - Parent Company Only Financial Statements

ASCENT DEVELOPMENT CO., LTD. has compiled the parent company only financial statements for 2023, and the audit report of other matter paragraphs issued by the accountant with unqualified opinions is submitted for reference.

Responsibilities of Management Level and Governance Units for the Consolidated Financial Statements

The responsibilities of the management is to prepare consolidated financial statements that are reasonably expressed in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the International Financial Reporting Standards approved and published by the Financial Supervisory Commission and International Accounting Standards, and interpret and explain the announcement in preparation of consolidated financial statements that are fairly presented, and maintain the necessary internal controls related to the preparation of consolidated financial statements to ensure that there are no material misstatement in the financial statements that are caused by fraud or errors.

When preparing the consolidated financial statements, the responsibilities of the management level also include assessing the ability of the Group for going concern, the disclosure of related matters, and the adoption of the going-concern accounting basis, unless the management level intends to liquidate the Group or cease operations, or except for liquidation or cease of operation or has no realistic alternative but to do so.

The governance units (including the audit committee) of the Group are responsible for supervising the financial reporting process.

Responsibilities of Auditor to Audit Consolidated Financial Statements

The purpose of our audit of the financial statements is to obtain reasonable assurance as to whether there is any material misrepresentation in the consolidated financial statements as a whole resulting from fraud or error, and to issue an audit report. Reasonable certainty is of high degree of certainty, but there is no guarantee that the audit work performed in accordance with the auditing standards of the Republic of China will be able to detect material misstatement in the consolidated financial statements. Misstatements may result from fraud or error. Misstatements of individual amounts or aggregated amounts is considered material if it can reasonably be expected to affect economic decisions made by users of the consolidated financial statements.

As part of an audit in accordance with auditing standards in 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 overriding internal controls.
2. Obtain an understanding of the internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group’s internal control.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management level.
4. Conclude on the appropriateness of management level's use of the going concern basis of accounting and whether or not a material uncertainty exists related to events or conditions that may cast a significant doubt on the Group's and its subsidiaries’ ability to continue as a going concern. 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 Group to cease to continue as an ongoing concern.
5. Assess the overall presentation, structure and content of the consolidated financial statements (including relevant notes), and whether the financial statements properly represent relevant transactions and events.
6. Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision

and performance of the group audit. We remain solely responsible for our audit opinion.

The planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal controls that we identify during our audit.

We also provide the governance units with the statements that the personnel of the accounting firm that is subject to independence regulations have complied with the independence statement in the professional ethics code for CPAs of the Republic of China, and communicate with the governance units all relationships that may be considered to affect the independence of the auditors and other matters (including relevant protective measures).

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Group's consolidated financial statements for the year 2023, 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.

PwC Taiwan

Chun-Yuan Hsiao

Accountant

Se-Kai Lin

Former Securities and Futures Bureau, Financial Supervisory Commission

Approval No.: Jin-Guan-Zheng-Liu-Zi No. 0960042326

Jin-Guan-Zheng-Liu-Zi No. 0960072936

March 13, 2024

ASCENT DEVELOPMENT CO., LTD. and SUBSIDIARIES
(Previous name: CHUWA WOOL INDUSTRY CO., (TAIWAN) LTD.)
Consolidated Balance Sheet
December 31, 2023 and 2022

Expressed in thousands of NT$

	Assets	Notes	December 31, 2023 Amount	%	December 31, 2022 Amount	%
	Current assets					
1100	Cash and cash equivalents	VI(I)	$ 605,103	12	$ 521,760	11
1110	Financial assets at fair value through profit or loss - current	VI(VI)(XXII)	31,625	1	-	-
1136	Financial assets at amortized cost- Current	VI(II)	20,000	-	80,000	2
1150	Notes receivable, net	VI(III)	27,668	1	19,613	-
1170	Accounts receivable, net	VI(III)	7,114	-	6,062	-
1180	Accounts receivable - related parties, net	VII	377	-	377	-
1200	Other receivables		9,548	-	24,346	1
1220	Current income tax assets		110	-	-	-
130X	Inventory	VI(IV)(V), VII and VIII	2,172,050	41	2,067,819	43
1410	Prepayments		7,040	-	3,319	-
1476	Other financial assets - current	VIII	69,961	1	96	-
1479	Other current assets - others		50,347	1	18,475	-
11XX	**Total current assets**		3,000,943	57	2,741,867	57
	Non-current assets					
1510	Financial assets at FVTPL - non-current	VI(VI)	86,000	2	86,000	2
1517	Financial assets at FVTOCI - non-current	VI(VII)	170,784	3	148,906	3
1550	Investments accounted for using equity method	VI(VIII)	1,155,041	22	939,639	20
1600	Property, plants, and equipment		142	-	167	-
1755	Right-of-use assets	VI(IX)	950	-	103	-
1760	Investment property, net	VI(X) and VIII	865,808	16	887,049	18
1840	Deferred income tax assets		343	-	338	-
1920	Deposits received	VII	10,143	-	10,139	-
1980	Other financial assets - non-current	VIII	13,000	-	4,766	-
1990	Other non-current assets - others		3,790	-	3,790	-
15XX	**Total non-current assets**		2,306,001	43	2,080,897	43
1XXX	**Total assets**		$ 5,306,944	100	$ 4,822,764	100

(Continued on next page)

ASCENT DEVELOPMENT CO., LTD. and SUBSIDIARIES
(Previous name: CHUWA WOOL INDUSTRY CO., (TAIWAN) LTD.)
Consolidated Balance Sheet
December 31, 2023 and 2022

Expressed in thousands of NT$

	Liabilities and equity	Notes	December 31, 2023 Amount	%	December 31, 2022 Amount	%
	Current liabilities					
2100	Short-term borrowings	VI(V)(XI)	$ 1,362,801	26	$ 1,318,925	28
2110	Short-term notes payable	VI(V)(XII)	-	-	28,762	1
2130	Contract liabilities - current	VI(XIX)	185,318	4	31,698	1
2150	Notes payable		43,792	1	12,066	-
2170	Accounts payable		18,328	-	15,032	-
2180	Accounts payable - related parties	VII	9,769	-	9,769	-
2200	Other payables		37,645	1	29,914	1
2230	Current income tax liabilities		3,553	-	14,180	-
2280	Lease liabilities - current		2,696	-	2,301	-
2320	Long-term liabilities due within one year or one business cycle	VI(XIII)	16,000	-	16,000	-
2399	Other current liabilities - others		6,096	-	6,958	-
21XX	**Total of current liabilities**		1,685,998	32	1,485,605	31
	Non-current liabilities					
2540	Long-term borrowings	VI(XIII)	374,000	7	390,000	8
2570	Deferred income tax liabilities		507	-	511	-
2580	Lease liabilities - non-current		122,964	2	124,702	3
2600	Other non-current liabilities		8,697	-	6,942	-
25XX	**Total non-current liabilities**		506,168	9	522,155	11
2XXX	**Total liabilities**		2,192,166	41	2,007,760	42
	Equity attributable to owners of parent company					
	Share capital	VI(XV)				
3110	Common stock capital		920,000	17	920,000	19
	Capital surplus	VI(XVI)				
3200	Capital surplus		182,854	3	182,854	3
	Retained earnings	VI(XVII)				
3310	Legal reserve		364,347	7	357,010	8
3320	Special reserves		212,044	4	7,856	-
3350	Undistributed earnings		955,140	18	1,009,210	21
	Other equity	VI(XVIII)				
3400	Other equity		(72,606)	(1)	(204,188)	(4)
31XX	**Total equity attributable to owners of the parent company**		2,561,779	48	2,272,742	47
36XX	**Non-controlling interests**		552,999	11	542,262	11
3XXX	**Total equity**		3,114,778	59	2,815,004	58
	Significant contingent liabilities and unrecognized contractual commitments	IX				
	Subsequent events	XI				
3X2X	**Total liabilities and equity**		$ 5,306,944	100	$ 4,822,764	100

The attached notes to the consolidated financial statements form part of the consolidated financial statements. Please refer to them also.

Chairman: Chia-Chi Hou   Managerial Officer: Hsien-Wen Liu   Accounting Officer: Chien-Chang Luo

ASCENT DEVELOPMENT CO., LTD. and SUBSIDIARIES

(Previous name: CHUWA WOOL INDUSTRY CO., (TAIWAN) LTD.)
Consolidated Statement of Comprehensive Income
January 1 to December 31, 2023 and 2022

Expressed in thousands of NT$
(Except for earnings per share in NT$)

	Items	Notes	2023 Amount	%	2022 Amount	%
4000	Revenue	VI(V)(XIX)	$ 199,191	100	$ 570,153	100
5000	Operating Costs	VI(IV)(V)(XXIV)	(144,009)	(73)	(446,013)	(78)
5900	Gross profit		55,182	27	124,140	22
	Operating expenses	VI(V)(XXIV)(XXV) and VII				
6100	Promotional expenses		(11,326)	(6)	(32,469)	(6)
6200	Administrative expenses		(56,951)	(28)	(50,820)	(9)
6000	Total operating expenses		(68,277)	(34)	(83,289)	(15)
6900	Operating profit (loss)		(13,095)	(7)	40,851	7
	Non-operating income and expense					
7100	Interest income	VI(XX) and VII	5,748	3	3,738	1
7010	Other income	VI(XXI)	8,320	4	11,001	2
7020	Other gains and losses	VI(XXII)	(1,482)	-	(48,508)	(9)
7050	Financial cost	VI(XXIII)	(13,467)	(7)	(11,664)	(2)
7060	Profit and loss share of the affiliates and joint ventures recognized using the equity method	VI(VIII)	213,271	107	166,618	29
7000	Total non-operating income and expenses		212,390	107	121,185	21
7900	**Income before tax**		199,295	100	162,036	28
7950	Income tax expenses	VI(XXVI)	(4,156)	(2)	(18,444)	(3)
8200	**Current period net profit**		$ 195,139	98	$ 143,592	25

(Continued on next page)

ASCENT DEVELOPMENT CO., LTD. and SUBSIDIARIES

(Previous name: CHUWA WOOL INDUSTRY CO., (TAIWAN) LTD.)
Consolidated Statement of Comprehensive Income
January 1 to December 31, 2023 and 2022

Expressed in thousands of NT$
(Except for earnings per share in NT$)

	Items	Notes	2023 Amount	2023 %	2022 Amount	2022 %
	Other comprehensive income (net amount)	VI(XVIII)				
	Items not reclassified to profit or loss					
8316	Unrealized gains or losses on investments in equity instruments at FVTOCI	VI(VII)	$ 41,081	20	($ 41,365)	(7)
8320	Shareholding in other comprehensive income of affiliates and joint ventures under equity method - items not reclassified to income	VI(VIII)	91,154	46	(64,426)	(11)
8310	Total of items not reclassified to profit or loss		132,235	66	(105,791)	(18)
8300	**Other comprehensive income (net amount)**		$ 132,235	66	($ 105,791)	(18)
8500	**Total comprehensive income of the current period**		$ 327,374	164	$ 37,801	7
	Net profit (loss) attributable to:					
8610	Owner of parent company		$ 184,402	93	$ 92,205	16
8615	Equity owned by the previous holder under the joint control		-	-	13,190	2
8620	Non-controlling interests		10,737	5	38,197	7
	Total		$ 195,139	98	$ 143,592	25
	Total comprehensive income attributable to:					
8710	Owner of parent company		$ 316,637	159	($ 13,586)	(2)
8715	Equity owned by the previous holder under the joint control		-	-	13,190	2
8720	Non-controlling interests		10,737	5	38,197	7
	Total		$ 327,374	164	$ 37,801	7
	Basic earnings per share	VI(XXVII)				
9710	Owner of parent company		$	2.00	$	1.00
9720	Equity owned by the previous holder under the joint control			-		0.14
9750	Basic earnings per share		$	2.00	$	1.14
	Diluted earnings per share	VI(XXVII)				
9810	Owner of parent company		$	2.00	$	1.00
9820	Equity owned by the previous holder under the joint control			-		0.14
9850	Diluted earnings per share		$	2.00	$	1.14

The attached notes to the consolidated financial statements form part of the consolidated financial statements. Please refer to them also.

Chairman: Chia-Chi Hou Managerial Officer: Hsien-Wen Liu Accounting Officer: Chien-Chang Luo

ASCENT DEVELOPMENT CO., LTD. and SUBSIDIARIES
(Previous name: CHUWA WOOL INDUSTRY CO., (TAIWAN) LTD.)
Consolidated Statement of Changes in Equity
January 1 to December 31, 2023 and 2022

Expressed in thousands of NT$

		Equity attributable to owners of parent company									
				Retained earnings							
	Notes	Common stock capital	Capital surplus	Legal reserve	Special reserves	Undistributed earnings	Unrealized valuation gains and losses of financial assets measured at fair value through other comprehensive income	Total	Equity owned by the previous holder under the joint control	Non-controlling interests	Total equity
2022											
Balance at January 1, 2022		$ 920,000	$ 145,021	$ 341,774	$ 7,856	$ 969,473	($ 117,229)	$ 2,266,895	$ 347,601	$ 705,735	$ 3,320,231
Current period net profit		-	-	-	-	92,205	-	92,205	13,190	38,197	143,592
Other comprehensive income of current period	VI(XVIII)	-	-	-	-	696	(106,487)	(105,791)	-	-	(105,791)
Total comprehensive income of the current period		-	-	-	-	92,901	(106,487)	(13,586)	13,190	38,197	37,801
Appropriation and distribution of earnings	VI(XVII)										
Appropriation of legal reserve		-	-	15,236	-	(15,236)	-	-	-	-	-
Cash dividends		-	-	-	-	(18,400)	-	(18,400)	-	-	(18,400)
Capital reduction in cash		-	-	-	-	-	-	-	(99,330)	(201,670)	(301,000)
Disposal of equity instruments at FVTOCI	VI(VII)(XVIII)	-	-	-	-	76	(76)	-	-	-	-
Disposal of equity instruments at FVTOCI by affiliates	VI(XVIII)	-	-	-	-	(19,604)	19,604	-	-	-	-
Changes in the net equity value of affiliates recognized under the equity method	VI(VIII)	-	7,372	-	-	-	-	7,372	-	-	7,372
Impact of organizational reorganization	VI(XXVIII)	-	30,461	-	-	-	-	30,461	(261,461)	-	(231,000)
Balance at December 31, 2022		$ 920,000	$ 182,854	$ 357,010	$ 7,856	$1,009,210	($ 204,188)	$ 2,272,742	$ -	$ 542,262	$ 2,815,004
2023											
Balance at January 1, 2023		$ 920,000	$ 182,854	$ 357,010	$ 7,856	$1,009,210	($ 204,188)	$ 2,272,742	$ -	$ 542,262	$ 2,815,004
Current period net profit		-	-	-	-	184,402	-	184,402	-	10,737	195,139
Other comprehensive income of current period	VI(XVIII)	-	-	-	-	-	132,235	132,235	-	-	132,235
Total comprehensive income of the current period		-	-	-	-	184,402	132,235	316,637	-	10,737	327,374
Appropriation and distribution of earnings:	VI(XVII)										
Appropriation of legal reserve		-	-	7,337	-	(7,337)	-	-	-	-	-
Special reserve		-	-	-	204,188	(204,188)	-	-	-	-	-
Cash dividends		-	-	-	-	(27,600)	-	(27,600)	-	-	(27,600)
Disposal of equity instruments at FVTOCI	VI(VII)(XVIII)	-	-	-	-	1,170	(1,170)	-	-	-	-
Disposal of equity instruments at FVTOCI by affiliates	VI(XVIII)	-	-	-	-	(517)	517	-	-	-	-
Balance at December 31, 2023		$ 920,000	$ 182,854	$ 364,347	$ 212,044	$ 955,140	($ 72,606)	$ 2,561,779	$ -	$ 552,999	$ 3,114,778

The attached notes to the consolidated financial statements form part of the consolidated financial statements. Please refer to them also.

Chairman: Chia-Chi Hou　　Managerial Officer: Hsien-Wen Liu　　Accounting Officer: Chien-Chang Luo

ASCENT DEVELOPMENT CO., LTD. and SUBSIDIARIES

(Previous name: CHUWA WOOL INDUSTRY CO., (TAIWAN) LTD.)
Consolidated Statement of Cash Flows
January 1 to December 31, 2023 and 2022

Expressed in thousands of NT$

	Notes	January 1 to December 31, 2023	January 1 to December 31, 2022
Cash flow from operating activities			
Net income before tax		$ 199,295	$ 162,036
Adjustment items			
Income and expenses			
Depreciation expense	VI(IX)(X)(XXIV)	21,736	21,663
Losses on financial assets measured at fair value through profit or loss	VI(XXII)	1,535	-
Interest expense	VI(XXIII)	13,467	11,664
Interest income	VI(XX)	(5,748)	(3,738)
Dividend income	VI(VII)(XXI)	(3,381)	(3,354)
Shareholding in the profit of the affiliates under the equity method	VI(VIII)	(213,271)	(166,618)
Impairment loss	VI(XXII)	-	46,403
Changes in assets/liabilities related to operating activities			
Net changes in assets related to operating activities			
Financial assets at fair value through profit or loss - current	VI(VI)	(33,160)	-
Notes receivable		(8,055)	(2,395)
Accounts receivable		(1,052)	4,609
Other receivables		15,327	1,742
Inventory		(104,231)	(597,962)
Prepayments		(3,721)	(750)
Other financial assets - current		(69,865)	2
Other current assets		(31,872)	7,461
Net changes in liabilities related to operating activities			
Contract liabilities		153,620	(28,480)
Notes payable		31,726	10,692
Accounts payable		3,296	(9,430)
Other payables		7,527	(31,741)
Other payables - related parties		-	(32)
Other current liabilities		(862)	(22,828)
Cash outflow from operations		(27,689)	(601,056)
Interest paid		(13,296)	(11,709)
Income tax paid		(14,902)	(6,390)
Net cash outflow from operating activities		(55,887)	(619,155)

(Continued on next page)

ASCENT DEVELOPMENT CO., LTD. and SUBSIDIARIES

(Previous name: CHUWA WOOL INDUSTRY CO., (TAIWAN) LTD.)

Consolidated Statement of Cash Flows

January 1 to December 31, 2023 and 2022

Expressed in thousands of NT$

	Notes	January 1 to December 31, 2023	January 1 to December 31, 2022
Cash flow from investment activities			
Acquisition of financial assets at amortized cost		$ -	($ 60,000)
Disposal of financial assets measured at amortized cost		60,000	-
Acquisition of financial assets at FVTOCI		(41,243)	(65,880)
Disposal of financial assets at FVTOCI		60,446	34,799
Decrease in other receivables – related parties		-	180,000
Decrease (increase) of other financial assets - non-current		(8,234)	32,612
Increase in refundable deposits		(3,467)	(39)
Decrease in refundable deposits		3,463	-
Interest collected		5,294	6,999
Dividends received		92,329	92,385
Net cash inflow from investing activities		168,588	220,876
Cash flow from financing activities			
Short-term borrowings	VI(XXIX)	489,996	643,557
Repayment of short-term borrowings	VI(XXIX)	(446,120)	-
Decrease in short-term notes payable	VI(XXIX)	(28,762)	(113,096)
Lease principal repayment	VI(XXIX)	(2,627)	(1,619)
Long-term borrowings	VI(XXIX)	-	418,000
Repayment of long-term borrowings	VI(XXIX)	(16,000)	(430,000)
Increase in guarantee deposits received	VI(XXIX)	9,187	(217)
Decrease in guarantee deposits received	VI(XXIX)	(7,432)	-
Distribution of cash dividends	VI(XVII)	(27,600)	(18,400)
Cash paid for organizational restructuring	VI(XXVIII)	-	(231,000)
Capital reduction in cash		-	(301,000)
Net cash outflow from financing		(29,358)	(33,775)
Increase (decrease) in cash and cash equivalents for the period		83,343	(432,054)
Cash and cash equivalents		521,760	953,814
Cash and equivalent cash balance at the beginning of the period		$ 605,103	$ 521,760

The attached notes to the consolidated financial statements form part of the consolidated financial statements. Please refer to them also.

Chairman: Chia-Chi Hou Managerial Officer: Hsien-Wen Liu Accounting Officer: Chien-Chang Luo

ASCENT DEVELOPMENT CO., LTD. and SUBSIDIARIES

(Previous name: CHUWA WOOL INDUSTRY CO., (TAIWAN) LTD.)

Notes to Consolidated Financial Statements

2023 and 2022

Expressed in thousands of NT$

(unless otherwise stated)

I. History

(I) ASCENT DEVELOPMENT CO., LTD. (hereinafter referred to as “the Company”), formerly CHUWA WOOL INDUSTRY CO., (TAIWAN) LTD. was established on August 19, 1964 in accordance with the Company Act. On June 23, 2022, the resolution of the shareholders' meeting approved the change of name. The main business of the Company and its subsidiaries (hereinafter referred to as “the Group”) is sales of wool tops, carbonized wool, scoured wool, shrink-resistant wool tops and real estate development, lease and sale, etc. The Company's stock has been listed on the Taiwan Stock Exchange since May 22, 1989.

(II) Hanyang Global Co., Ltd. holds 53.41% equity of the Company, and Hanshin Asset Management Co., Ltd. is the ultimate parent company of the Group.

II. Dates and procedures for approval of financial reports

The financial statements are approved and issued by the board of directors on March 13, 2024.

III. Application of new and revised standards and interpretations

(I) The impact of the newly released and revised International Financial Reporting Standards (“IFRSs”) that have been approved and issued by the Financial Supervisory Commission (FSC)

The following table summarizes the newly issued, revised and revised standards and interpretations of the International Financial Reporting Standards (IFRSs) applicable in 2023 that were recognized and issued by the FSC:

Application of new/corrected/revised standards and interpretations	Effective date of IASB's announcement
Amendments to IAS 1 “Disclosure of Accounting Policies”	January 1, 2023
Amendments to IAS 8 “Definition of Accounting Estimates”	January 1, 2023
Amendments to IAS 12 regarding “Deferred Tax related to Assets and Liabilities arising from a Single Transaction”	January 1, 2023
Amendments to IAS 12 “International Tax Reform — Pillar Two Model Rules”	May 23, 2023

The Group has assessed that the above standards and interpretations have no material impact on the Group's financial position and financial performance.

(II) The impact of the newly released and revised International Financial Reporting Standards that have not yet been adopted by the FSC

The following table summarizes the newly issued, corrected and revised standards and interpretations of the International Financial Reporting Standards applicable in 2024 that were recognized and issued by the FSC:

Application of new/corrected/revised standards and interpretations	Effective date of IASB's announcement
Amendments to IFRS 16 "Lease Liability in a Sale and Leaseback"	January 1, 2024
Amendments to IAS 1 "Classification of Liabilities as Current or Non-current"	January 1, 2024
Amendments to IAS 1 "Non-current Liabilities with Covenants"	January 1, 2024
Amendments to IAS 7 and IFRS 7 "Supplier Finance Arrangements"	January 1, 2024

The Group has assessed that the above standards and interpretations have no material impact on the Group's financial position and financial performance.

(III) Impacts of IFRSs issued by the IASB but not yet endorsed by the FSC

The following table summarizes the newly released, amended, and revised standards and interpretations of the IFRSs issued by the IASB but not yet recognized by the FSC:

Application of new/corrected/revised standards and interpretations	Effective date of IASB's announcement
Amendments to IFRS 10 and IAS 28 "Sale or Contribution of Assets between an Investor and its Associate or Joint Venture"	To be decided by IASB
IFRS 17 "Insurance Contracts"	January 1, 2023
Amendments to IFRS 17 "Insurance Contracts"	January 1, 2023
Amendments to IFRS 17 "Initial Application of IFRS 17 and IFRS 9 - Comparative Information"	January 1, 2023
Amendments to IAS 21 "Lack of Exchangeability"	January 1, 2025

The Group has assessed that the above standards and interpretations have no material impact on the Group's financial position and financial performance.

IV. Summary of Significant Accounting Policies

The major accounting policies adopted in the preparation of the financial statements are described below. Unless otherwise stated, these policies apply consistently throughout all reporting periods.

(I) Compliance statement

The consolidated financial report has been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the International Financial Reporting Standards (IFRSs), International Accounting Standards, IFRIC Interpretations, and SIC Interpretations as endorsed by the FSC.

(II) Compilation basis

1. Except for financial assets at FVTPL and financial assets at FVTOCI, the financial statement is prepared based on historical costs.
2. The compilation of financial statement in compliance with IFRSs requires the use of some important accounting estimates. In the process of adopting the Group's accounting policies, management also needs to adopt the judgments, which involve in highly judgmental or complex items, or major assumptions and estimated items in financial statements. For details, please refer to Note 5.

(III) Consolidation basis

1. Basis for preparation of consolidated financial statements
   (1) The Group incorporates all subsidiaries into entities for the preparation of financial statements. The subsidiary refers to an entity controlled by the Group, when the firm is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity, it shall be regarded that the Group is controlling the entity. Subsidiaries are included in the consolidated financial report from the date when the Group obtains control, and are terminated from the date when control is lost.
   (2) Intra-group transactions, balances and unrealized gains and losses are eliminated. The accounting policies of the subsidiaries have been adjusted as necessary to be consistent with the policies adopted by the Group.
   (3) Profit and loss and other components of comprehensive profit and loss are attributable to the owners and non-controlling interests of the parent company; the total comprehensive profit and loss is also attributable to the owners and non-controlling interests of the parent company, even if the non-controlling interests suffer losses due to this.
   (4) If the change in the shareholding of the subsidiary does not result in a loss of control (transactions with non-controlling interests), it will be regarded as an equity transaction, which is being regarded as the transaction with the owner. Any difference between the adjusted amount of non-controlling interests and the fair value of the consideration paid or received is directly recognized in equity.
   (5) When the Group loses control over the subsidiary, the remaining investment in the former subsidiary is remeasured at fair value and adopted as the fair value of the originally recognized financial assets or the cost of the originally recognized investment in affiliated enterprises or joint ventures. The difference between the fair value and the carrying amount is recognized as profit or loss of the current period. For all amounts previously recognized in other comprehensive profit or loss related to the subsidiary, the accounting treatment is the same as if the Group directly disposes of the relevant assets or liabilities, that is, if the benefit or loss previously recognized as other comprehensive profit or loss will be reclassified as profit or loss when disposing of the relevant assets or liabilities, when control of the subsidiary is lost, the benefit or loss will be reclassified from equity to profit or loss.

2. Subsidiaries included in the financial statements are as follows:

Name of the Investment Company	Name of Investee	Business type	Percentage of shareholding December 31, 2023	Percentage of shareholding December 31, 2022	Explanation
The Company	HCW INVESTMENT CO., LTD.	General investment	100.00	100.00	
The Company	Hanlin Development Co., Ltd.	Investment in real estate and buildings	33.00	33.00	Note

Note: The Company's shareholding in the company was increased from 33% to 51% on March 11, 2024. Please refer to Note 11 for details.

3. Subsidiaries not included in the consolidated financial statements: None.
4. Different adjustments and treatments in the accounting period of subsidiaries: None.
5. Major restrictions: None.
6. Subsidiaries with significant non-controlling equity of the Group:

The total amount of non-controlling interests of the Group as of December 31, 2023 and 2022 were NT$552,999 and NT$542,262, respectively. The following is the information about the significant non-controlling interests of the Group and its subsidiaries:

Name of Investee	Principal place of business	Non-controlling interests December 31, 2023 Amount	Non-controlling interests December 31, 2023 Percentage of shareholding	Non-controlling interests December 31, 2022 Amount	Non-controlling interests December 31, 2022 Percentage of shareholding
Hanlin Development	Taiwan	$ 552,999	67	$ 542,262	67

Summarized financial information of subsidiaries:

<u>Balance Sheet</u>

	Hanlin Development December 31, 2023	Hanlin Development December 31, 2022
Current assets	$ 827,670	$ 829,581
Non-current assets	848,006	858,178
Current liabilities	(345,507)	(357,795)
Non-current liabilities	(504,798)	(520,616)
Total net assets	$ 825,371	$ 809,348

Statement of Comprehensive Income

	Hanlin Development	
	2023	2022
Income	$ 194,835	$ 552,376
Income before tax	$ 19,989	$ 68,897
Income tax expenses	(3,966)	(11,886)
Current period net profit	16,023	57,011
Total comprehensive income of the current period	$ 16,023	$ 57,011
Comprehensive income attributed to non-controlling interests	$ 10,737	$ 38,197

Statement of Cash Flow

	Hanlin Development	
	2023	2022
Net cash inflow from operating activities	$ 82,500	$ 68,558
Net cash (outflow) inflow from investing activities	(8,231)	212,593
Net cash inflow (outflow) from financing activities	(7,176)	(270,447)
Decrease in cash and cash equivalents for the current period	67,093	10,704
Cash and cash equivalents	211,045	200,341
Cash and equivalent cash balance at the beginning of the period	$ 278,138	$ 211,045

(IV) Foreign currency conversion

Items included in the financial statements of each entity within the Group are measured using the currency of the primary economic environment in which the entity operates (i.e., the functional currency). The consolidated financial statements are presented in the Company's functional currency “NT$”.

Foreign currency transactions and balances

1. Foreign currency transactions are converted into functional currency at the spot exchange rate on the transaction date or measurement date, and the conversion difference arising from the conversion of these transactions is recognized as current profit or loss.
2. The balance of foreign currency monetary assets and liabilities is evaluated and adjusted according to the spot exchange rate on the balance sheet date, and the translation difference arising from the adjustment is recognized as current profit or loss.
3. The balance of foreign currency non-monetary assets and liabilities, which are at FVTPL, shall be adjusted according to the spot exchange rate on the balance sheet date, and the exchange difference arising from the adjustment shall be recognized as current profit or loss; if it is at FVTOCI, it shall be adjusted at the spot exchange rate on the balance sheet date, and the exchange difference arising from the adjustment shall be recognized in other comprehensive profit or loss; if it is not at fair value, it shall be at the historical exchange rate on the initial transaction date.
4. All exchange gains and losses are listed in “Other Gains and Losses” in the

Consolidated Income Statement.

(V) Classification criteria for current and non-current assets and liabilities

The Group is engaged in entrusting construction companies to build or sell buildings, and its business cycle is usually longer than one year. Assets and liabilities related to construction projects are classified as current or non-current based on the business cycle; and the standards for the classification of other items as current and non-current are as follows:

1. Assets that meet one of the following conditions are classified as current assets:

   (1) The asset is expected to be realized, or it is intended to be sold or consumed in the normal business cycle.

   (2) Mainly held for the purpose of trading.

   (3) Those expected to be realized within 12 months after the balance sheet date.

   (4) Cash or cash equivalents, except those that can be exchanged at least 12 months after the balance sheet date or used to settle liabilities are restricted.

   The Group classifies all assets that do not meet the above conditions as non-current.

2. Liabilities that meet one of the following conditions are classified as current liabilities:

   (1) Expected to be settled in the normal business cycle.

   (2) Mainly held for the purpose of trading.

   (3) Those expected to be paid off within 12 months after the balance sheet date.

   (4) The repayment period cannot be unconditionally postponed to at least 12 months after the balance sheet date. The terms of the liabilities may be based on the choice of the counterparty, which may be settled by issuing equity instruments, and its classification is not affected.

   The Group classifies all liabilities that do not meet the above conditions as non-current.

(VI) Cash equivalents

Cash equivalents refer to short-term and highly liquid investments that can be converted into fixed amounts of cash at any time with little risk of changes in value. Time deposits that meet the definition above and are held to meet short-term cash commitments in operations are classified as cash equivalents.

(VII) Financial assets at FVTPL

1. Refers to financial assets that are not at amortized cost or at FVTOCI.

2. The Group adopts transaction-day accounting for financial assets at FVTPL that conform to customary transactions.

3. The Group measures it at fair value at the time of initial recognition, and the relevant transaction costs are recognized in profit or loss, and subsequently at fair value, and its profits or losses are recognized in profit or loss.

4. When the right to receive dividends is established, the economic benefits related to dividends are likely to flow in, and the amount of dividends can be measured reliably, hence the Group recognizes dividend income in profit or loss.

(VIII) Financial assets at FVTOCI

1. Refers to an irrevocable choice made at the time of original recognition to present changes in the fair value of equity instrument investments not held for trading in other comprehensive income.
2. The Group adopts transaction-day accounting for financial assets at fair value through other comprehensive gains and losses that conform to transaction practices.
3. The Group measures at its fair value plus transaction costs at the time of original recognition, and subsequently at fair value:

   Changes in the fair value of equity instruments are recognized in other comprehensive profit or loss. When delisting, the accumulated gains or losses previously recognized in other comprehensive profit or loss shall not be reclassified to profit or loss, and shall be transferred to retained earnings. When the right to receive dividends is established, the economic benefits related to dividends are likely to flow in, and the amount of dividends can be measured reliably, hence the Group recognizes dividend income in profit or loss.

(IX) Financial assets at amortized cost

1. Refers to those who meet the following conditions at the same time:
   (1) The financial asset is held under the business model for the purpose of collecting contractual cash flow.
   (2) The contract terms of the financial asset generate cash flow on a specific date, which is entirely the payment of principal and interest on the outstanding principal amount.
2. The Group adopts transaction-day accounting for financial assets at cost after amortization that comply with transaction practices.
3. The Group measures its fair value plus transaction costs at the time of initial recognition, and then adopts the effective interest method to recognize interest income and impairment losses during the circulation period according to the amortization procedure, and when delisting, it will be recognized the gain or loss is recognized in profit or loss.
4. The time deposits held by the Group that are not categorized as cash equivalents are measured by the investment amount because the holding period is short and the impact of discounting is not significant.

(X) Accounts and Notes Receivable

1. Refers to accounts and notes that have the unconditional right to receive the consideration amount in exchange for the transfer of goods or services in accordance with the contract.
2. For unpaid short-term accounts and notes receivable, since discounting has little effect, the Group measures them based on the original invoiced amount.

(XI) Impairment of financial assets

On each balance sheet date, for financial assets at amortized cost, after considering all reasonable and supportable information (including forward-looking information), the Group has no significant increase in credit risk since the original recognition , which measures the allowance loss by the amount of 12-month expected credit losses; for those whose credit risk has increased significantly since the original recognition, the allowance for loss shall be measured according to the amount of expected credit loss during the duration; for accounts receivable that do not include significant financial components, the allowance for loss shall be measured according to the amount of expected credit loss during the duration.

(XII) Delisting of financial assets

Financial assets will be delisted when the Group's contractual rights to receive cash flows from the financial assets lapse.

(XIII) Lessor's lease transaction - Business lease

Lease income from business leases and net of any incentives given to the lessee will be amortized on a straight-line basis over the lease term and recognized as current profit or loss.

(XIV) Inventory

1. Including land for construction, premises under construction, and premises for sale, etc., the acquisition cost is adopted as the accounting basis, and the project profit and loss is recognized according to the completed contract method. The land for construction is listed as the premises under construction when it is actively developed, and the relevant interest is capitalized from the time of active development or construction to the completion of the work.
2. Inventory at the end of the period is measured by the lower of cost and net realizable value. When comparing the lower of cost and net realizable value, the item-by-item comparison method is adopted; and the net realizable value is the estimated selling price in the normal course of business less the estimated cost to complete and the estimated cost to complete the sale.

(XV) Investments using the equity method - Affiliated enterprises

1. Affiliated enterprises refer to all entities over which the Group has significant influence but no control, generally directly or indirectly holding more than 20% of their voting shares. The Group adopts the equity method to dispose of the investment in affiliated enterprises, and recognizes it at cost when acquired.
2. The Group recognizes the share of profit and loss acquired by the affiliated enterprises as profit and loss of the current period, and the share of other comprehensive profit and loss acquired by the Group as other comprehensive profit or loss. If the Group's share of losses to any affiliated enterprise is equivalent to or exceeds its equity in the affiliated enterprise (including any other unsecured receivables), the Group will not recognize further losses unless the Group has any legal or constructive obligations to, or has paid on behalf of the affiliated enterprise.
3. When the affiliated enterprise has any non-profit or loss and other comprehensive profit or loss equity changes that do not affect the shareholding ratio, the Group will recognize all equity changes as “capital

surplus” based on the shareholding ratio.

4. The unrealized gains and losses arising from transactions between the Group and affiliated enterprises have been eliminated in proportion to its equity in the affiliated enterprises; unless there is further evidence that the assets transferred in the transaction have been impaired, unrealized losses will also be eliminated. The accounting policies of the affiliated enterprises have been adjusted as necessary to be consistent with the policies adopted by the Group.
5. In the event that an affiliate enterprise issues new shares, and the Group does not subscribe to the new shares in accordance with the proportion, resulting in a change in the investment ratio but still having a significant impact on it, the increase or decrease of the change in the net equity value is to adjust the “capital surplus” and “investments accounted for under the equity method”. If the proportion of investment is reduced, in addition to the above-mentioned adjustments, the gains or losses related to the reduction of ownership interests that have been previously recognized in other comprehensive profit or loss, and the gains or losses must be reclassified to profit or loss when disposing of related assets or liabilities, it shall be reclassified to profit or loss according to the reduction ratio.
6. When the Group disposes of an affiliated enterprise and loses its significant influence on such affiliated enterprise, for all amounts previously recognized in other comprehensive profit or loss related to the affiliated enterprise, the accounting treatment is the same as if the Company directly disposes of the relevant assets or liabilities, that is, if the benefit or loss previously recognized as other comprehensive profit or loss will be reclassified as profit or loss when disposing of the relevant assets or liabilities, when control of the affiliated enterprise is lost, the benefit or loss will be reclassified from equity to profit or loss. If there is still a significant influence on the affiliated enterprises, only the amount previously recognized in other comprehensive profit and loss shall be transferred out in the above-mentioned manner on a proportionate basis.

(XVI) Joint Agreements

1. For the interests in joint operations, the Group recognizes the direct rights (and their shares) to the assets, liabilities, income and expenses of the joint operations, and has included them in the applicable items of the financial report.
2. When participating in a joint venture without joint control, the Group will handle its interest in the agreement in accordance with the provisions of IFRS 9 “Financial Instruments”.

(XVII) Property, plants, and equipment

1. Real estate, plant and equipment are recorded on the basis of acquisition cost.
2. Subsequent costs are included in the book value of the asset or recognized as a separate asset only when the future economic benefits related to the item are likely to flow into the Group and the cost of the item can be measured reliably. The book value of the replaced part shall be delisted. All other maintenance expenses are recognized as current profit or loss when incurred.

3. The subsequent measurement of property, plant and equipment adopts the cost model. Except for land, which is not listed for depreciation, the depreciation will be calculated using the straight-line method based on the estimated service life. If the composition of property, plant and equipment is significant, it will be depreciated separately.
4. The Group examines the residual value, service life and depreciation method of each asset at the end of each financial year. If the expected value of the residual value and service life is different from the previous estimate, or the future economic value contained in the asset If there is a significant change in the expected consumption pattern of benefits, it shall be handled in accordance with the accounting estimate change provisions of International Accounting Standard No. 8 "Accounting Policies, Changes in Accounting Estimates and Errors" from the date of the change. The service life of each asset is as follows:

Houses and buildings	8 to 20 years
Office equipment	5 to 23 years

(XVIII) Lessee's lease transaction - right-of-use asset/lease liability

1. Lease assets are recognized as right-of-use assets and lease liabilities on the day they become available to the Group. When the lease contract is a short-term lease or a lease of a low-value underlying asset, the lease payment is recognized as an expense during the lease period using the straight-line method.
2. Lease liabilities are recognized at the present value of unpaid lease payments discounted at the Group's incremental borrowing rate on the lease commencement date. Lease payments are fixed payments, less any lease incentives that can be received. Subsequent adoption of the interest method is measured by the amortized cost method, and interest expenses are provided during the lease period. When the lease term or lease payment changes due to non-contract modification, the lease liability will be reassessed, and the re-measurement amount will be adjusted to the right-of-use asset.
3. The right-of-use asset is recognized at cost on the lease commencement date, and the cost is the original measured amount of the lease liability. Subsequent measurement is made using the cost model, and depreciation expenses are provided when the service life of the right-of-use asset expires or when the lease period expires, whichever is earlier. When the lease liability is reassessed, the right-of-use asset will adjust any remeasurement of the lease liabilities.
4. For a lease modification that reduces the scope of the lease, the lessee will reduce the book amount of the right-of-use asset to reflect partial or complete termination of the lease, and recognize the difference between it and the remeasured amount of the lease liability in profit or loss.

(XIX) Investment property

Investment real estate is recognized at acquisition cost, and the subsequent measurement adopts the cost model. Except for land, depreciation is provided by the straight-line method according to the estimated service life which ranges from 8 to 60 years.

(XX) Impairment of non-financial assets

On the date of balance sheet, the Group will estimate the recoverable amount of assets which may be subject to impairment, and recognize the impairment loss when the recoverable amount is lower than its book value. The recoverable amount is the fair value of an asset less costs of disposal or its value in use, whichever is higher. When the asset impairment recognized in the previous year does not exist or decreases, the impairment loss shall be reversed. However, the increase in the book value of the asset due to the reversal of the impairment loss shall not exceed the book amount of the asset after deducting depreciation or amortization if no impairment loss is recognized.

(XXI) Borrowings

The long- and short-term funds borrowed from banks. The Group measured it at the fair value less transaction costs at the time of original recognition, and subsequently recognized any difference between the price after deducting transaction costs and the redemption value, and adopted the effective interest method and amortizing procedures to recognize interest expenses during the circulation period in profit and loss.

(XXII) Notes and Accounts Payable

1. Refers to the debts incurred due to the purchase of raw materials, commodities, or services on credit, and the notes payable incurred due to business and non-business matters.
2. For unpaid short-term accounts and notes payable, since discounting has little effect, the Group measures them based on the original invoiced amount.

(XXIII) Delisting of financial liabilities

The Group delists financial liabilities when the obligations specified in the contract are performed, canceled or expired.

(XXIV) Employee benefits

1. Short-term employee benefits

   Short-term employee benefits are at non-discounted amounts expected to be paid and are recognized as an expense when the related service is rendered.

2. Pension

   For a definite contribution plan, the amount of the pension fund that shall be appropriated is recognized as the current pension cost on the basis of accruals. Advance payments are recognized as assets to the extent that they are refundable in cash or reduce future payments.

3. Severance benefits

   Severance benefits are benefits provided when the employee's employment is terminated before the normal retirement date or when the employee decides to accept the company's welfare offer in exchange for the termination of employment. The Group recognizes an expense when it is no longer possible to withdraw the offer of termination benefits or when the related restructuring costs are recognized, whichever is earlier. Benefits that are not expected to be fully settled within 12 months after the balance sheet date will be discounted.

4. Employees and directors remuneration

   Employee remuneration and directors' remuneration are recognized as expenses and liabilities when there is a legal or constructive obligation and the amount can be reasonably estimated. If there is a discrepancy between the actual distribution amount and the estimated amount in subsequent resolutions, it shall be treated as a change in accounting estimate. In addition, if employee remuneration is paid by stock, the basis for calculating the number of shares is the closing price on the day before the resolution of the board of directors.

(XXV) Income Tax

1. Income tax expense includes current and deferred income tax. Income taxes are recognized in profit or loss, except for income taxes that relate to items that are recognized in other comprehensive profit or loss or directly in equity, respectively.
2. The Group calculates current income tax based on the tax rate that has been enacted or substantively enacted on the balance sheet date in the country where the Group operates and generates taxable income. The management level periodically assesses the status of income tax filings with respect to applicable income tax regulations and, where applicable, estimates income tax liabilities based on the expected tax payments to the taxation competent authorities. For undistributed earnings, additional income tax is levied in accordance with the Income Tax Law. In the year following the year in which the earnings are generated, the undistributed earnings income tax expense shall be recognized based on the distribution of the actual earnings after the shareholders' meeting approves the earnings distribution proposal.
3. The balance sheet method is adopted for deferred income tax, which is recognized according to the temporary difference between the tax basis of assets and liabilities and their carrying amount on the balance sheet. Deferred income tax liabilities arising from the original recognition of goodwill are not recognized if the deferred income tax arises from the original recognition of assets or liabilities in a transaction (excluding business combinations) and at the time of the transaction. If it does not affect accounting profit or taxable income (tax loss), and does not generate equivalent taxable and deductible temporary differences, it will not be recognized. For temporary differences related to investment in subsidiaries and affiliated enterprises, if the Group can control the timing of the reversal of the temporary difference and it is highly likely that the temporary difference will not reverse in the foreseeable future, it will not be recognized. The deferred income tax is based on the tax rate (and taxation laws) that has been enacted or substantively enacted on the

balance sheet date and is expected to be applicable when the relevant deferred income tax assets are realized or the deferred income tax liabilities are settled.

4. Deferred income tax assets are recognized within the scope of temporary differences, unused tax losses and unused income tax credits that are likely to be available in future taxable income, and are reassessed on each balance sheet date. Evaluate unrecognized and recognized deferred tax assets.
5. The later part of the unused income tax deduction due to the purchase of equipment or technology, research and development expenditure, and equity investment, etc., which is within the scope of future taxable income that is likely to be used for the unused income tax deduction. Recognize deferred income tax assets.

(XXVI) <u>Dividend distribution</u>

The dividends distributed to the shareholders of the Company are recognized in the financial report when the shareholders' meeting of the Company resolves to distribute dividends, and the distribution of cash dividends is recognized as the liability.

(XXVII) <u>Revenue recognition</u>

1. Product sales

   Mainly wool tops, shrink-resistant wool tops and shrink-resistant loose wool, etc. Sales revenue is recognized when the goods are sold to customers, and revenue is recognized based on the price stated in the contracts. The Company has had no such operating revenue since June 2022.

2. Real estate sales for land development

   (1) The main business of the Group is land development and sales of real estate, and the revenue is recognized when the control of real estate is transferred to customers. For the signed residential sales contracts, due to the restrictions of the contract terms, the real estate has no other use for the Group, but the Group will not have the enforceable right to the contract payment until the legal ownership or use right of the real estate is transferred to the customer. Revenue is recognized when the ownership or use right is transferred to the customer.

   (2) Part of the Group's sales contracts include the change consideration of price reduction, and the Group takes the expected value or the most likely amount as the appropriate estimate of the change consideration.

   (3) The Group's contract for the sale of pre-sale houses contains the terms of advance payment from customers, and the time interval between the time of advance receipt and the transfer of commodity control is longer than one year. According to the provisions of IFRS15, if the Group judges that there are significant financial components in individual pre-sale house contracts, it should adjust the amount of promised consideration and recognize interest expenses. In addition, IFRS15 states that enterprises shall only consider the materiality of financial

components at the contract level, and not consider whether financial financing is significant at the portfolio level.

3. Lease revenue

   A lease is classified as a finance lease when the terms of the lease transfer substantially all the risks and rewards of the leased asset to the lessee. The others are classified as operating leases. Under a finance lease, amounts due from the lessee are included as lease receivables. Financing income is apportioned to each accounting period to reflect the fixed rate of return available in each period. Lease income from operating leases is recognized as income on a straight-line basis over the term of the relevant lease.

(XXVIII) Organizational restructuring under joint control

1. According to the IFRS Q&A of “Accounting Concerns about Business Combinations under Joint Control” issued by the Accounting Research and Development Foundation on October 26, 2018, due to the International Financial Reporting Standard No. 3 “Business Combinations”, there is no clear regulation on the merger of enterprises under joint control, so the accounting treatment of organizational reorganization within the group shall still apply the provisions of the relevant explanation letters issued in Taiwan. The book value method is adopted, and it is regarded as the restructuring of the previous financial statements from the beginning of the merger.
2. In the third quarter of 2022, the Company acquired 33% of the equity of Hanlin Development Co., Ltd., a subsidiary of Hanshin Asset Management Co., Ltd. (the ultimate parent company of the Group), and obtained more than half of the seats of its board of directors. Because this equity transaction is an organizational reorganization under common control, according to the ARDF official letter (2012) Ji-Mi-Zhi No. 301, the Company considers that Hanlin Development has been merged from the beginning, and when recompiling the financial statements of previous years, it shall attribute the share of the equity originally belonged to the shareholders of Hanlin Development (Hanshin Asset Management Co., Ltd.) to the “equity owned by the previous holder under the joint control”, and the share of profits and losses originally belonged to the shareholders of Hanlin Development (Hanshin Asset Management Co., Ltd.) shall attributed to the “net profit (loss) owned by the previous holder under the joint control”.

(XXIX) Operating segment

Information on the Group's operating segments is reported in a manner consistent with the internal management reports provided to the chief decision-maker of business operation. The chief decision-maker of business operation is responsible for allocating resources to operating departments and evaluating their performance.

V. Major sources of uncertainty in major accounting judgments, estimates and assumptions

When the Group prepared these financial statements, the management level has adopted its judgment to determine the accounting policies adopted, and made accounting estimates and assumptions based on the current situation at the balance sheet date and reasonable expectations of future events. The major accounting estimates and assumptions made may differ from the actual results, and will be continuously evaluated and adjusted taking into account historical experience and other factors. These estimates and assumptions have a risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year. Please explain in detail the following explanations on the uncertainty of major accounting judgments, estimates and assumptions:

(I) Important Judgments for Adoption of Accounting Policies

None.

(II) Important Accounting Estimates and Assumptions

1. Impairment testing of investment using the equity method

When there is an indication of impairment that an investment using the equity method may have been impaired so that the carrying amount cannot be recovered, the Group immediately assesses the impairment of the investment. The Group evaluates the recoverable amount based on the discounted present value of the expected future cash flow of the invested company, and analyzes the rationality of the relevant assumptions.

2. Valuation of inventories

Because inventories shall be priced at the lower of cost and net realizable value, the Group shall adopt judgment and estimation to determine the net realizable value of inventories on the balance sheet date. The management of the Group mainly relies on historical experience and the amount of future market sales value It is the basis of estimation and therefore may be subject to material changes.

VI. Explanation of important accounting items

(I) Cash and cash equivalents

	December 31, 2023	December 31, 2022
Cash on hand	$ 58	$ 33
Demand deposits	476,040	471,927
Time deposits	129,005	49,800
	$ 605,103	$ 521,760

1. The credit quality of the financial institutions that the Group interacts with is good, and the Group interacts with a number of financial institutions to diversify the credit risk, and the risk of default is expected to be very low.
2. Please refer to Note 8 for details of the Group's performance guarantee, reserve account and trust deposit account, and the collateral account as a pledge guarantee (account listed in “Other Financial Assets - Current and Non-Current”).

(II) Financial assets at amortized cost- Current

	December 31, 2023	December 31, 2022
Time deposits	$ 20,000	$ 80,000

1. In 2023 and 2022, the Group's interest income recognized in profit or loss due to financial assets at amortized cost was NT$1,331 and NT$186 (tabled as "interest income") respectively.
2. Without regard to the collateral held or other credit enhancements, it is the most representative of the financial assets held by the Group at amortized cost. On December 31, 2023 and 2022, the amount of the maximum credit risk exposure was NT$20,000 and NT$80,000, respectively.
3. The Group has not provided financial assets at amortized cost as pledge guarantees.

(III) Notes receivable and net accounts

	December 31, 2023	December 31, 2022
Notes receivable	$ 27,668	$ 19,613
Accounts receivable	$ 7,114	$ 6,062

1. The Group's notes receivable and accounts receivable are not overdue and not impaired.
2. The Group's notes receivable and accounts receivable balances on December 31, 2023 and 2022 were all due to customer contracts, and the balance of receivables from customer contracts on January 1, 2022 was NT$27,889.
3. The Group has not provided pledge guarantees for bills receivable and accounts.
4. Regardless of the collateral held or other credit enhancements, the amount of exposure that best represents the maximum credit risk of the Group's notes and accounts receivable on December 31, 2023 and 2022 were NT$34,782 and NT$25,675 respectively.
5. Please refer to Note 12 (2) for the credit risk information of relevant notes receivable and accounts receivable.

(IV) Inventory

	December 31, 2023	December 31, 2022
Land for construction		
Project Zhongxiao Mansion	$ 6,601	$ 6,601
Premises for sale		
Project Emerald Forest	47,174	97,739
Project Smiling Era	9,267	58,808
	56,441	156,547
Building and land under construction		
Ascent Development Original Development Project (formerly Project Zhonghe Chungyuan)	663,436	638,579
Project Kuo Yang Intercontinental (previously known as Project Neihu Jiuzong)	447,276	384,372
Project Kuo Yang Digital (previously known as project	433,312	372,755

Sanchong Chunghsing)		
Project Tucheng Zhongyi	258,363	248,109
Project Xizhi Jiangbei	220,483	197,532
Project Emerald Forest	31,094	5,164
	2,053,964	1,846,511
Advance payment for real estate and others		
Project Emerald Forest	54,473	54,473
Project Xizhi Jiangbei	571	3,687
	55,044	58,160
	$ 2,172,050	$ 2,067,819

1. Accounting inventory refers to the share recognized in accordance with the holding ratio of the Group's participation in joint operations. Please refer to Note 6(5) for details.
2. Project Smiling Era is No. 1492 to 1496 of Shengxing Section, Qianzhen District, Kaohsiung City, the “contract for setting of surface rights of state-owned non-public land” signed by “Shenyang Construction Co., Ltd.” on April 28, 2014 with the Southern Branch of National Property Administration, MOF, and the duration of surface rights is 70 years (from April 28, 2014 to April 27, 2084), and the premium for surface rights is NT$878,000. The Group started construction in 2015, which was completed in 2018 while the transfer of ownership and right-of-use began, the revenue for the sold part was recognized, and the above-mentioned royalties was listed as costs of sales according to the sales ratio.
3. Inventory costs recognized as expenses in 2023 and 2022 by the Group were NT$120,689 and NT$422,635, respectively.
4. The Group's capitalized amounts of interest on inventories in 2023 and 2022 were NT$33,539 and NT$15,769, respectively, and the capitalization rates were 2.425% to 2.76% and 1.80% to 3.00%, respectively.
5. Please refer to Note 8 for details of the Group’s provision of guarantees for inventories.

(V) Joint Operation

1. Part of the Group's development and construction projects are joint operations. For the rights and interests of joint operations, the Group recognizes its direct interests (and their shares) in the assets, liabilities, income and expenses of joint operations, and has included them in the consolidated financial report of the applicable items.
2. The information on the joint operation and development projects held by the Group is as follows:

Project name	Shareholding percentage	Co-builder	Explanation
Ascent Development Original Project (Formerly Project Zhonghe Chungyuan)	50%	Weili International Development Co., Ltd. and two other companies	Zhonghe District, New Taipei City
Project Smiling Era	30%	Shenyang Construction Co., Ltd.	Qianzhen District, Kaohsiung

			City
Project Kuo Yang Digital (Original Sanchong Zhongxing Project)	15%	Kuo Yang Construction Co., Ltd. and three other companies	Sanchong District, New Taipei City
Project Kuo Yang Intercontinental (Original Neihu Jiuzong Project)	10%	Kuo Yang Construction Co., Ltd. and four other companies	Neihu District, Taipei City
Project Tucheng Zhongyi	10%	Kuo Yang Construction Co., Ltd. and three other companies	Tucheng District, New Taipei City
Project Emerald Forest	10%	Kuo Yang Construction Co., Ltd. and four other companies	Annan District, Tainan City
Project Xizhi Jiangbei	10%	Kuo Yang Construction Co., Ltd. and three other companies	Xizhi District, New Taipei City

3. The aggregate information on the shares of joint operation held by the Group is as follows:

	December 31, 2023			
Balance Sheet	Project Kuo Yang Intercontinental	Project Smiling Era	Project Emerald Forest	Other projects
Current assets				
Inventory	$ 447,276	$ 9,267	$ 132,741	$ 1,582,766
Other current assets	10,199	46,171	59,842	239,394
	457,475	55,438	192,583	1,822,160
Non-current assets	-	15,048	3,660	26
Total assets	$ 457,475	$ 70,486	$ 196,243	$ 1,822,186
Current liabilities				
Short-term borrowings	$ 270,372	$ -	$ -	$ 1,092,429
Other current liabilities	61,519	3,095	31,031	170,446
	331,891	3,095	31,031	1,262,875
Non-current liabilities	-	-	-	538
Total liabilities	$ 331,891	$ 3,095	$ 31,031	$ 1,263,413
Statement of Comprehensive Income				
Income	$ -	$ 65,803	$ 71,099	$ 6,312
Costs	$ -	$ 49,604	$ 52,863	$ 3,595
Expenses	$ 258	$ 4,946	$ 3,439	$ 1,358

	December 31, 2022			
Balance Sheet	Project Kuo Yang Intercontinental	Project Smiling Era	Project Emerald Forest	Other projects
Current assets				
Inventory	$ 384,372	$ 58,808	$ 157,376	$ 1,467,263
Other current assets	9,532	58,904	54,818	45,603
	393,904	117,712	212,194	1,512,866
Non-current assets	20	10,814	3,663	-
Total assets	$ 393,924	$ 128,526	$ 215,857	$ 1,512,866
Current liabilities				
Short-term borrowings	$ 261,178	$ -	$ 8,220	$ 959,527
Short-term notes payable	-	-	28,762	-
Other current liabilities	16,925	45,147	10,625	5,990
	278,103	45,147	47,607	965,517
Non-current liabilities	-	-	-	775
Total liabilities	$ 278,103	$ 45,147	$ 47,607	$ 966,292
Statement of Comprehensive Income				
Income	$ 286	$ 365,466	$ 137,095	$ 589
Costs	$ -	$ 293,814	$ 114,199	$ -
Expenses	$ 255	$ 22,758	$ 8,570	$ 625

(VI) Financial assets at FVTPL

Items	December 31, 2023	December 31, 2022
Financial assets mandatorily at FVTPL		
Current item		
Stocks of listed/OTC companies	$ 33,160	$ -
Evaluation adjustment	(1,535)	-
	$ 31,625	$ -
Non-current items		
Joint development projects	$ 86,000	$ 86,000

1. The Group's financial assets at FVTPL had a net income (loss) of (NT$870) and NT$0 recognized in profit or loss in 2023 and 2022, respectively.
2. The Group did not provide financial assets at FVTPL as pledge guarantees.
3. In 2019, Hanlin Development signed a joint investment and land development agreement with five other companies. Therefore, the investment purpose of Hanlin Development is only to share profits without joint control, the interest in the agreement is treated in accordance with IFRS 9 “Financial Instruments” and listed as financial assets that are mandatory to be at FVTPL.

(VII) Financial assets at FVTOCI

	December 31, 2023	December 31, 2022
Equity instruments		
Stocks of listed/OTC companies	$ 278,362	$ 296,395
Evaluation adjustment	(107,578)	(147,489)
	$ 170,784	$ 148,906

1. The Group categorizes strategic investments and equity instrument investments for stable dividend collection as financial assets at fair value through other comprehensive profit and loss, and the fair values of these investments on December 31, 2023 and 2022 were NT$170,784 and NT$148,906, respectively.
2. The details of the financial assets at fair value through other comprehensive profit and loss recognized in profit or loss and comprehensive profit or loss are as follows:

	2023	2022
Disposal of equity instruments at FVTOCI		
Changes in fair value recognized in other comprehensive profit or loss	$ 41,081	($ 41,365)
Accumulated benefits transferred to retained earnings due to delisting	$ 1,170	$ 76
Dividend income recognized in profit or loss		
Held at the end of the current period	$ 3,110	$ 3,334
Delisted during the current period	120	20
	$ 3,230	$ 3,354

3. Regardless of the collateral held or other credit enhancements, the most representative of the financial assets held by the Group at fair value through other comprehensive profit and loss. On December 31, 2023 and 2022, the amount of risky exposure with the largest credit risk was NT$170,784 and NT$148,906, respectively.
4. The Group has not provided financial assets at FVTOCI as pledge guarantees.

(VIII) Investments accounted for using equity method

	December 31, 2023	December 31, 2022
January 1	$ 939,639	$ 965,501
Investment gains and losses recognized using the equity method	213,271	166,618
Distribution of investment surplus using the equity method	(89,023)	(89,023)
Impairment losses on investments using the equity method	-	(46,403)
Changes in capital surplus	-	7,372
Changes in other equity	91,154	(64,426)
December 31	$ 1,155,041	$ 939,639

Affiliate	December 31, 2023	December 31, 2022
Hanshin Shopping Plaza Co., Ltd.	$ 1,105,298	$ 885,775
Jollify Creative, Ltd.	49,743	53,864
Jollify4ever Ltd.	-	-
	$ 1,155,041	$ 939,639

1. Affiliate

(1) The basic information of the major affiliated enterprises of the Group is as follows:

Company name	Principal place of business	Shareholding percentage December 31, 2023	Shareholding percentage December 31, 2022	Nature of relationship	Measurement method
Hanshin Shopping Plaza Co., Ltd.	Taiwan	17.80%	17.80%	- Affiliate	Equity method

(2) The consolidated financial information of the Group's major affiliated enterprises is as follows:

Balance Sheet

	Hanshin Shopping Plaza Co., Ltd. December 31, 2023	Hanshin Shopping Plaza Co., Ltd. December 31, 2022
Current assets	$ 5,491,584	$ 3,524,083
Non-current assets	9,285,449	9,591,348
Current liabilities	(4,152,523)	(3,398,335)
Non-current liabilities	(6,146,034)	(6,464,698)
Total net assets	$ 4,478,476	$ 3,252,398
Proportion of net assets of affiliated enterprises	$ 761,565	$ 542,042
Goodwill	343,733	343,733
Book value of affiliated enterprises	$ 1,105,298	$ 885,775

Statement of Comprehensive Income

	Hanshin Shopping Plaza Co., Ltd. 2023	Hanshin Shopping Plaza Co., Ltd. 2022
Income	$ 3,610,735	$ 3,102,720
Net income from continuing operations	$ 1,276,009	$ 1,092,767
Other comprehensive income (net, after tax)	553,189	(338,884)
Total comprehensive income of the current period	$ 1,829,198	$ 753,883

(3) On December 31, 2023 and 2022, the book value of individual insignificant affiliated enterprises of the Group was NT$49,743 and NT$53,864 respectively, and the share of their operating results is summarized as follows:

	2023	2022
Net loss from continuing operations	$ 3,269	($ 10,594)
Other comprehensive income (net, after tax)	(7,390)	(4,105)
Total comprehensive income of the current period	($ 4,121)	($ 14,699)

2. In 2022, the Group assessed that the investment in Jollify4ever Ltd. using the equity method had been impaired, so it recognized an impairment loss of NT$46,403 and listed it in “Other Gains and Losses”.

3. Jollify Creative, Ltd. handled a cash capital increase in September 2022. The Company did not participate in the subscription according to the shareholding ratio, and hence the shareholding ratio of Jollify Creative, Ltd. decreased from 46.83% to 37.46%. The Company is the largest single shareholder of that company. Since other shareholders (non-related persons of the Company) have signed a shareholder agreement,

it shows that the company has no actual ability to lead relevant activities, so it is judged that it has no control over the company and only has a significant influence.

4. In June 2023, JOLLIFY4EVER LTD. was resolved in the shareholders' meeting to reduce capital to make up for losses and increase capital in cash. The capital reduction amounted to NT$111,361, and 11,136 thousand shares were written off, representing a capital reduction ratio of 52.16%; the capital increase was $60,861. The Company has not participated in the subscription according to the shareholding ratio, and thus the shareholding of JOLLIFY4EVER LTD. was reduced from 46.83% to 29.34%. The Company is the largest single shareholder of that company. However, the combined shareholding of the other two largest shareholders exceeds the shareholding of the Company, it shows that the company has no actual ability to lead relevant activities, so it is judged that it has no control over the company and only has a significant influence.
5. There is no public quotation for the investment targets of the Group. For 2023 and 2022, the recognized share of investment income on investments accounted for using the equity method were NT$213,271 and NT$166,618, respectively; the share of other comprehensive income were NT$91,154 and NT$64,426, respectively. All are based on valuation of the financial statements audited and certified by the CPA of each investee company over the same period.

(IX) Lease transactions - Lessee

1. The underlying assets leased by the Group are office equipment and transportation equipment, and the lease contract period is usually 2 to 3 years. Lease contracts are negotiated individually and contain various terms and conditions. Except that the leased assets may not be used as loan guarantees, no other restrictions are imposed.
2. The book value of the right-of-use assets and the information of recognized depreciation expenses are as follows:

	December 31, 2023	December 31, 2022
	Book value	Book value
Office equipment	$ 95	$ 13
Transportation equipment	855	90
	$ 950	$ 103

	2023	2022
	Depreciation expense	Depreciation expense
Office equipment	$ 51	$ 33
Transportation equipment	419	361
	$ 470	$ 394

3. The increase in the Group's right-of-use assets for 2023 and 2022 were NT$1,317 and NT$0, respectively.

4. The information of income items related to lease contracts is as follows:

	2023	2022
Items affecting current profit and loss		
Interest expense of lease liabilities		
-Investment property	$ 2,329	$ 2,369
Interest expense of lease liabilities		
-Right-of-use assets	20	7
Expenses of short-term lease contracts	2,361	2,257

5. The total cash outflow for leases of the Group in 2023 and 2022 amounted to NT$7,337 and NT$6,252, respectively.

(X) Investment property

	2023			
	Land	Houses and buildings	Land use right assets	Total
January 1	$ 72,160	$ 692,684	$ 122,205	$ 887,049
Depreciation expense	-	(18,154)	(3,087)	(21,241)
December 31	$ 72,160	$ 674,530	$ 119,118	$ 865,808

	2022			
	Land	Houses and buildings	Land use right assets	Total
January 1	$ 72,160	$ 710,841	$ 118,575	$ 901,576
Depreciation expense	-	(18,157)	(3,087)	(21,244)
Remeasurement	-	-	6,717	6,717
December 31	$ 72,160	$ 692,684	$ 122,205	$ 887,049

1. Land use rights

On July 10, 2018, Hanlin Development signed a contract with Jimei Construction Co., Ltd. for the purchase of the land rights of its building and land located in Section 4, Minsheng East Road, Songshan District, Taipei City, Taiwan. This right is the “Contract for the Creation of Surface Rights over State-Owned Non-communal Land” signed with the North District Branch of the State-owned Property Administration, Ministry of Finance under Land Nos. 115-3 and 115-10, Minsheng Section, Songshan District, Taipei City, and the surface rights will last for 50 years (from August 8, 2012 to August 7, 2062).

2. Rent income and direct operating expenses of investment property:

	2023	2022
Rental income from investment real estate	$ 58,844	$ 51,672
Direct operating expenses incurred in the investment real estate generating rental income in the current period	$ 21,003	$ 20,848
Direct operating expenses incurred in the investment real estate not generating rental income in the current period	$ 2,317	$ 2,530

3. The fair values of the investment real estate held by the Group on December 31, 2023 and 2022 were NT$1,162,251 and NT$2,217,944, respectively, which were based on the recent transaction prices of comparable similar targets in the area where the investment real estate is located and based on independent Evaluation results of evaluation experts. On December 31, 2023, the valuation was based on the comparative approach and the income approach, which was a Level 3 fair value. The main assumption was that the capitalization rate of gains was 1.17% - 1.89%.

4. Please refer to Note 8 for details of the guarantee provided by the Group with investment real estate.

(XI) Short-term borrowings

Nature of loan	December 31, 2023	Interest rate range	Collaterals
Bank loans			
Secured loans	$ 1,330,329	2.55%~2.76%	Please refer to Note 8
Credit loans	32,472	2.55%~2.65%	None
	$ 1,362,801		

Nature of loan	December 31, 2022	Interest rate range	Collaterals
Bank loans			
Secured loans	$ 1,205,647	2.425%~2.635%	Please refer to Note 8
Credit loans	113,278	2.425%~2.525%	None
	$ 1,318,925		

1. Partially secured borrowings presented in the book refer to the share recognized by the Group in the joint operation according to the percentage of shareholding. Please refer to the descriptions in Note 6(5).

2. The interest expenses recognized in profit or loss in 2023 and 2022 were NT$10,810 and NT$8,797, respectively.

(XII) Short-term notes payable

	December 31, 2023	December 31, 2022
Short-term notes payable	$ -	$ 28,800
Less: Discount of short-term notes payable	-	(38)
Net amount	$ -	$ 28,762
Interest rate range	-	1.30%

(XIII) Long-term borrowings

Nature of loan	Duration and repayment method	Interest rate	Collaterals	December 31, 2023
Secured loans	From February 23, 2022 to February 23, 2039, interest is paid on the 23rd of each month in three-month installments of NT$4,000 thousands every 3 months and the remaining balance is paid in a lump sum.	2.25%	Please refer to Note 8	$ 390,000
				390,000
Less: Long-term borrowings due within one year or one business cycle				(16,000)
				$ 374,000

Nature of loan	Duration and repayment method	Interest rate	Collaterals	December 31, 2022
Secured loans	From February 23, 2022 to February 23, 2039, interest is paid on the 23rd of each month in three-month installments of NT$4,000 thousands every 3 months and the remaining balance is paid in a lump sum.	2.125%	Please refer to Note 8	$ 406,000
				406,000
Less: Long-term borrowings due within one year or one business cycle				(16,000)
				$ 390,000

(XIV) Pension

Since July 1, 2005, the Company and its domestic subsidiaries have established a defined retirement contribution allocation policy in accordance with the “Labor Pension Act”, which is applicable to domestic employees. The Company and its domestic subsidiaries shall contribute 6% of their monthly salaries into individual accounts held by the Bureau of Labor Insurance for employees who elect to apply the labor pension system under the “Labor Pension Act”. Depending on the amount of the personal pension account and the accumulated income, the pension will be paid on a monthly basis or in lump sum.

In 2023 and 2022, the Group recognized pension cost amounting to NT$823 and NT$635, respectively, in accordance with the above regulations governing the recognition of pension fund.

(XV) Share capital

As of December 31, 2023 and 2022, the Company's authorized capital was NT$1,100,000, which was divided into 110,000 thousand shares and issued in tranches. The paid-in capital was NT$920,000, and the par value was NT$10 per share. The payment for the shares issued by the Company has been received.

(XVI) Capital surplus

1. According to the requirements of IFRS Questions and Answers, Letter (95) Ji-Mi-Zi No. 081 and Letter (100) Ji-Mi-Zi No. 390 published by the Accounting Research and Development Foundation on October 26, 2018, the acquisition of the Company's shares in Hanlin Development, a subsidiary of the ultimate parent company, is considered an organizational reorganization under common control as described in Note 4, (3) 2. The consideration paid by the Company exceeds the ultimate parent company's book value of the investment under the equity method, and capital surplus-issuance premium shall be adjusted. If the capital surplus-issuance premium is insufficient, the retained earnings shall be adjusted down.

2. According to the Company Act, in addition to the surplus from the issuance of shares in excess of the par value and from the capital surplus from the receipt of gifts, which may be used to make up for losses, the Company shall pay dividends, in which case new shares or cash may be issued, in proportion to the original shares when the Company has no accumulated losses. new shares or cash. In addition, according to the relevant regulations of the Securities and Exchange Act, the total amount of the above-mentioned capital surplus to be appropriated as capital may not exceed 10% of the paid-in capital each year. The Company may not use the surplus reserve to supplement the capital deficit, except when there is insufficient surplus reserve to cover the capital deficit.

	December 31, 2023	December 31, 2022
Treasury stock trading	$ 8,516	$ 8,516
Impact of organizational reorganization	30,461	30,461
Disposal of equity instruments at FVTOCI by affiliates	11,286	11,286
Changes in the net equity value of affiliates	132,421	132,421
Others	170	170
	$ 182,854	$ 182,854

(XVII) Retained earnings

1. According to the Articles of Incorporation, annual surpluses concluded by the Company are first subject to taxation and making up for previous losses, followed by a 10% provision for legal reserves; however, no further provision is needed when legal reserves have accumulated to the same amount as the Company's paid-in capital. Any surpluses remaining shall then be subject to provision or reversal of special reserves, as the laws. The residual balance (if any) can then be added to undistributed earnings carried from previous years per board resolution, and the shareholder meeting resolved to distribute shareholder bonus shares.

When dividends are paid in the form of cash, the Board of Directors is authorized to do so with the approval of a majority of directors attending the meeting and at least two-thirds of the directors are present voting to approve the resolution, and the matter shall be reported to the shareholders' meeting.

2. On June 23, 2022, the shareholders' meeting approved the amendment to the Company's Articles of Association. According to the surplus distribution policy of the Company's Articles of Association, profit distribution or loss compensation can be carried out after the end of each year in accordance with the Company Act. When distributing surplus, it is necessary to estimate and retain tax payables, make up for losses according to law, set legal reserves, and transfer or reverse special reserves in accordance with relevant laws and regulations. When the distribution of earnings in this item is made by issuing new shares, it shall be subject to a resolution of the shareholders' meeting in accordance with Article 240 of the Company Act; if it is distributed in cash, it shall be subject to a resolution of the board of directors.
3. The Company's dividend distribution policy depends on factors such as the company's current and future investment environment, capital needs, domestic and foreign competition conditions, and capital budgets, taking into account the interests of shareholders, balancing dividends, and the company's long-term financial planning. Dividends shall be distributed in combination, of which cash dividends shall not be less than 20% of the total dividends.
4. According to the Company Act, the legal reserve shall be contributed until its total amount reaches the total capital. The legal reserve shall not be used except to make up for the company's losses and to issue new shares or cash in proportion to the shareholders' original shares. However, the issuance of new shares or cash shall be limited to the portion of the reserve exceeding 25% of the paid-in capital.
5. When the Company distributes surplus, according to the laws, the debit balance of other equity items on the balance sheet date of the current year shall be withdrawn as a special reserve for distribution. When the debit balance of other equity items is subsequently reversed, the reversed amount may be included in the distributable surplus.

   When adopting IFRSs for the first time, the special surplus reserve was listed in the official letter Jin-Guan-Zheng-Fa-Zi No. 1010012865 issued on April 6, 2012. When the Company subsequently uses, disposes or reclassifies the relevant assets, it will reverse the original proportion of the special reserve.
6. On June 21, 2023 and June 23, 2022, the shareholders' meeting resolved to distribute surplus for 2022 and 2021 as follows:

	2022		2021	
	Amount	Dividend per share (NT$)	Amount	Dividends per share (NT$)
Legal reserve	$ 7,337		$ 15,236	
Special reserves	204,188		-	
Cash dividends	27,600	$ 0.30	18,400	$ 0.20

7. On March 13, 2024, the Group's 2023 surplus distribution proposed by the board of directors is as follows:

	2023	
	Amount	Dividends per share (NT$)
Legal reserve	$ 18,375	
Reversal of special reserve	(131,582)	
Cash dividends	27,600	$ 0.30

The above-mentioned earnings distribution resolved by the Board of Directors and Shareholders' Meeting is available on the “Market Observation Post System” of Taiwan Stock Exchange.

(XVIII) Other equity items

	2023	2022
	Unrealized gains or losses on financial assets at FVTOCI	Unrealized gains or losses on financial assets at FVTOCI
January 1	($ 204,188)	($ 117,229)
Evaluation adjustment:		
-The Group	41,081	(41,365)
-Affiliated enterprises	91,154	(65,122)
Transfer of evaluation adjustments to retained earnings:		
-The Group	(1,170)	(76)
-Affiliated enterprises	517	19,604
December 31	($ 72,606)	($ 204,188)

(XIX) Revenue

	2023	2022
Revenue from customer contracts		
Revenue from construction projects	$ 137,302	$ 502,330
Product sales revenue	-	14,780
Subtotal	137,302	517,110
Lease revenue	61,559	52,778
Other operating Income	330	265
	$ 199,191	$ 570,153

1. The revenue of the Group's customer contracts comes from goods transferred at a certain point in time, or services that are gradually transferred over time. The revenue may be broken down according to the type of operation as follows. Please refer to Note 14 for detailed breakdown of revenue by operating department.

2023	Construction projects sales	Product sales	Lease	Others	Total
Time for revenue recognition					
Revenue recognized at a point in time	$ 137,302	$ -	$ -	$ -	$ 137,302
Revenue recognized over time	-	-	61,559	330	61,889
	$137,302	$ -	$ 61,559	$ 330	$ 199,191

2022	Construction projects sales	Product sales	Lease	Others	Total
Time for revenue recognition					
Revenue recognized at a point in time	$ 502,330	$ 14,780	$ -	$ -	$ 517,110
Revenue recognized over time	-	-	52,778	265	53,043
	$ 502,330	$ 14,780	$ 52,778	$ 265	$ 570,153

2. For the sales contracts entered into by the Group as of December 31, 2023, the aggregate amount of the transactions amortized from the performance obligations that have not yet been met and the estimated revenue for the year are as follows:

The year expected to be recognized as revenue	Amount of contract signed into
113~115	$ 1,168,789

3. Contract assets and liabilities

The contractual liabilities related to the contract revenue recognized by the Group are as follows:

	December 31, 2023	December 31, 2022	January 1, 2022
Contract liabilities - current:			
- Advance payment for land	$ 98,917	$ 1,485	$ 2,804
- Prepaid housing payment	86,401	30,213	57,374
	$ 185,318	$ 31,698	$ 60,178

(1) The Group's contract for the sale of pre-sale houses contains the terms of advance payment from customers, and the time interval between the time of advance receipt and the transfer of commodity control is longer than one year. Recognize contract liabilities related to pre-sale house contracts according to the requirements of IFRS 15.

(2) Revenue recognized from contract liabilities at the beginning of the year

	2023	2022
Balance of contract liabilities at the beginning of the year recognized as income in current period		
Pre-sale contract for construction projects	$ 31,698	$ 57,481

(XX) Interest income

	2023	2022
Interest income from financial assets at amortized cost	$ 1,331	$ 186
Interest on bank deposit	4,417	2,097
Other interest income	-	1,455
	$ 5,748	$ 3,738

(XXI) Other income

	2023	2022
Dividend income	$ 3,381	$ 3,354
Other income - others	4,939	7,647
	$ 8,320	$ 11,001

(XXII) Other gains and losses

	2023	2022
Foreign exchange gain	($ 54)	$ 2,835
Losses on financial assets at fair value through profit or loss	(1,535)	-
Disposal of investment gains	665	-
Impairment losses on investments using the equity method	-	(46,403)
Other gains and losses	(558)	(4,940)
	($ 1,482)	($ 48,508)

(XXIII) Financial cost

	2023	2022
Interest expense		
Bank loans	$ 44,349	$ 24,445
Short-term notes payable	290	435
Interest on lease liabilities	2,349	2,376
Others	18	177
	47,006	27,433
Less: Amount of capitalized assets that meet the criteria	(33,539)	(15,769)
	$ 13,467	$ 11,664

(XXIV) Additional Information on Nature of Expenses

	2023		
	Attributable to operating costs	Attributable to operating expenses	Total
Employee welfare expenses	$ -	$ 30,181	$ 30,181
Depreciation expense	18,154	3,582	21,736
	$ 18,154	$ 33,763	$ 51,917

2022

	Attributable to operating costs		Attributable to operating expenses		Total	
Employee welfare expenses	$	-	$	21,577	$	21,577
Depreciation expense		18,157		3,506		21,663
	$	18,157	$	25,083	$	43,240

(XXV) Employee welfare expenses

	2023		2022	
Salary expenses	$	16,889	$	10,903
Labor and health insurance premiums		1,414		1,140
Pension expense		823		635
Director Compensation		9,602		8,129
Other employee expenses		1,453		770
	$	30,181	$	21,577

1. According to the Company's Articles of Incorporation, the Company shall appropriate 0.5%~5% of the balance as the remuneration to employees, and no more than 0.2% to the remuneration to Directors, after deducting the accumulated losses based on the current profit status of the Company.
2. The remuneration to employees was estimated at NT$955 and NT$628 in 2023 and 2022, respectively; the remuneration to directors was estimated at NT$935 and NT$559.

   The remuneration of employees and remuneration of directors 2023 is estimated according to the profits of the current period and in accordance with the Articles of Incorporation.

   As resolved by the Board of Directors, the remuneration to employees and directors for 2022 is consistent with the recognized amounts in the 2022 financial statements.

   Information on remuneration to employees and directors approved by the Company's Board of Directors is available on the Market Observation Post System.

(XXVI) Income Tax

1. Income tax expenses

   Components of income tax expense:

	2023	2022
Current income tax:		
Income tax on current income	$ 1,058	$ 7,028
Additional tax on undistributed earnings	2,624	7,773
(Over) Underestimation of income tax in previous years	(97)	40
Land appreciation tax included in current income tax	580	812
Total income tax for the period	4,165	15,653
Deferred income tax:		
The original generation and reversal of temporary difference	(9)	2,791
Total deferred income tax	($ 9)	$ 2,791
Income tax expenses	$ 4,156	$ 18,444

2. Relationship between income tax expenses and accounting profit

	2023	2022
Income tax on net profit before tax calculated at statutory tax rate	$ 43,125	$ 48,023
Losses to be removed in accordance with the tax law	(2,945)	-
Income exempted from taxation under the Tax Act	(83,390)	(44,914)
Additional tax on undistributed earnings	2,624	7,773
Deferred income tax assets for unrecognized taxation losses	44,259	6,710
Underestimation of income tax in previous years	(97)	40
Land appreciation tax included in current income tax	580	812
Income tax expenses	$ 4,156	$ 18,444

3. The amounts of deferred income tax assets or liabilities arising from temporary differences are as follows:

	2023			
	January 1	Recognized in profit or loss	Recognized in other comprehensive net income	December 31
Deferred income tax assets				
Unrealized exchange loss	$ -	$ 5	$ -	$ 5
Impairment loss of investment property	338	-	-	338
	$ 338	$ 5	$ -	$ 343
Deferred income tax liabilities				
Unrealized exchange gain	(511)	4	-	(507)
	($ 173)	$ 9	$ -	($ 164)

	2022			
	January 1	Recognized in profit or loss	Recognized in other comprehensive net income	December 31
Deferred income tax assets				
Unrealized expenses	$ 2,236	($ 2,236)	$ -	$ -
Unrealized exchange loss	57	(57)	-	-
Impairment loss of investment property	338	-	-	338
	$ 2,631	($ 2,293)	$ -	$ 338
Deferred income tax liabilities				
Unrealized exchange gain	-	(511)	-	(511)
Gains on valuation of financial assets	(13)	13	-	-
	($ 13)	($ 498)	$ -	($ 511)
	$2,618	($ 2,791)	$ -	($ 173)

4. The effective periods of the Group's unused tax losses and the related amounts of unrecognized deferred income tax assets are as follows:

December 31, 2023				
Year of occurrence	Amount reported/authorized	Amount yet to be offset	Amount of unrecognized deferred income tax assets	Last crediting year
2018	$ 59,130	$ 24,080	$ 24,080	2028
2020	37,594	37,594	37,594	2030
2021	26,178	26,178	26,178	2031
2022	33,276	33,276	33,276	2032
2023	217,483	217,483	217,483	2033
	$ 373,661	$ 338,611	$ 338,611	

December 31, 2022				
Year of occurrence	Amount reported/authorized	Amount yet to be offset	Amount of unrecognized deferred income tax assets	Last crediting year
2018	$ 59,130	$ 24,080	$ 24,080	2028
2020	37,594	37,594	37,594	2030
2021	26,178	26,178	26,178	2031
2022	33,276	33,276	33,276	2032
	$ 156,178	$ 121,128	$ 121,128	

5. Deductible temporary differences not recognized as deferred income tax assets

	December 31, 2023	December 31, 2022
Deductible temporary difference	$ 338,704	$ 121,221

6. The income tax for the profit-seeking business of the Company has been approved by the tax collection authority up to 2021.

(XXVII) Earnings per share

	2023		
	After-tax amount	Weighted average outstanding shares (thousand shares)	Earnings per share (NT$)
Basic earnings per share			
Net income attributable to common stock shareholders of the parent company	$ 184,402	92,000	$ 2.00
Diluted earnings per share			
Net income attributable to common stock shareholders of the parent company			
Owner of parent company	$ 184,402	92,000	$ 2.00
Effect of potential dilutive common stock			
Employee remuneration	-	63	
Net income attributable to common shareholders of the parent company plus effect of potential common shares	$ 184,402	$ 92,063	$ 2.00

	2022		
	After-tax amount	Weighted average outstanding shares (thousand shares)	Earnings per share (NT$)
Basic earnings per share			
Net income attributable to common stock shareholders of the parent company			
Owner of parent company	$ 92,205	92,000	$ 1.00
Equity owned by the previous holder under the joint control	13,190	-	0.14
Net income attributable to common shareholders	$ 105,395	92,000	$ 1.14
Diluted earnings per share			
Net income attributable to common stock shareholders of the parent company			
Owner of parent company	$ 92,205	92,000	$ 1.00
Equity owned by the previous holder under the joint control	13,190	-	0.14
Effect of potential dilutive common stock			
Employee remuneration	-	-	
Net income attributable to common shareholders of the parent company plus effect of potential common shares	$ 105,395	92,000	$ 1.14

(XXVIII) Organizational reorganization

1. In order to integrate and enhance the development resources for the rental and sale business and real estate business, on August 10, 2022, the Board of Directors resolved to acquire a 33% equity of Hanlin Development from the ultimate parent company, Hanshin Asset Management Co., Ltd. The business scope is investment in real estate, residential building. On August 26, 2022, the Board of Directors of Hanlin Development was elected by the interim extraordinary meeting and obtained a majority of the seats, gained control.
2. Therefore, the equity transaction is a reorganization under common control, and the book value method was adopted for the accounting treatment. The consideration paid and the book value of the net assets acquired by Hanlin Development on the transaction base date are as follows:

Acquisition cost	$	231,000
Less: Book value of net assets acquired	(	261,461)
Difference: Adjusted additional paid-in capital	($	30,461)

3. As of August 26, 2023, the Company recognized a balance of NT$261,461 in “equity owned by the previous holder under the joint control” attributable to Hanshin Asset Management Co., Ltd. This amount was written off upon completion of the above transaction.

(XXIX) Changes in liabilities from financing activities

	2023					
	Short-term borrowings	Short-term notes payable	Lease liabilities	Long-term borrowings	Deposits received	Total liabilities from financing activities
January 1	$1,318,925	$ 28,762	$ 127,003	$ 406,000	$ 6,942	$ 1,887,632
Changes in cash flow from financing	43,876	(28,762)	(2,627)	(16,000)	1,755	(1,758)
Interest expenses paid (Note)	-	-	(2,349)	-	-	(2,349)
Other non-cash changes	-	-	3,633	-	-	3,633
December 31	$1,362,801	$ -	$ 125,660	$390,000	$ 8,697	$ 1,887,158

	2022					
	Short-term borrowings	Short-term notes payable	Lease liabilities	Long-term borrowings	Deposits received	Total liabilities from financing activities
January 1	$ 675,368	$ 141,858	$ 122,840	$ 418,000	$ 7,159	$ 1,365,225
Changes in cash flow from financing	643,557	(113,096)	(1,619)	(12,000)	(217)	516,625
Interest expenses paid (Note)	-	-	(2,376)	-	-	(2,376)
Other non-cash changes	-	-	8,158	-	-	8,158
December 31	$1,318,925	$ 28,762	$ 127,003	$ 406,000	$ 6,942	$ 1,887,632

Note: Cash flow from operating activities is presented in the table.

VII. Related party transactions

(I) Names of related parties and their relationship

Name of related party	Relationship with the Group
Hanshin Asset Management Co., Ltd.	The Company's ultimate parent company
Hanshin Department Store Co., Ltd. (Hanshin Department Store)	Other related parties
Liyang Agricultural Technology Co., Ltd. (Liyang Agricultural Technology)	Other related parties
Hanshin Investment Co., Ltd. (Hanshin Investment)	Other related parties
Huadi Asset Management Co., Ltd. (Huadi Asset)	Other related parties
Grand Hi-Lai Hotel Co., Ltd. (Grand Hi-Lai Hotel)	Other related parties
Hi-Lai Foods Co., Ltd. (Hi-Lai Foods)	Other related parties
Weili International Development Co., Ltd. (Weili International)	Other related parties
Hanqi Technology Co., Ltd.	Other related parties
Kuo Yang Construction Co., Ltd.	Other related parties
Shenyang Construction Co., Ltd.	Other related parties
Zu Sheng International Co., Ltd.	Other related parties
Hanshin Shopping Plaza Co., Ltd.	Other related parties
KUO HSIEH CORPORATION	Other related parties
Xue Yong Co., Ltd.	Other related parties

(II) Material transactions with related parties

1. Administrative expenses

	2023	2022
Ultimate parent company	$ 2,319	$ 2,316
Other related party - Hanshin Department Store Co., Ltd.	23	23
	$ 2,342	$ 2,339

The Group signs lease contracts with related parties based on general market conditions, and rents are paid within the periods agreed in the contracts.

2. Entertainment expenses

	2023	2022
Other related party - Hi-Lai Foods	$ 303	$ 303
Other related parties - Grand Hi-Lai Hotel	9	65
Other related party - Hanshin Department Store Co., Ltd.	9	-
	$ 321	$ 368

The Group's entertainment expenses are mainly gifts given to customers, and the payment terms to related parties are “paid when incurred”.

3. Accounts receivable

	December 31, 2023	December 31, 2022
Ultimate parent company	$ 377	$ 377

4. Deposits received

	December 31, 2023	December 31, 2022
Ultimate parent company	$ 404	$ 404

5. Accounts payable

	December 31, 2023	December 31, 2022
Ultimate parent company	$ 9,769	$ 9,769

6. Loans to related parties (2023: None)

On December 31, 2022, the balance of loans to related parties was NT$0.
Interest income

	2022
Ultimate parent company	$ 39
Other related parties - Liyang Agricultural Technology Co., Ltd.	6
Other related party - Huadi Asset Management Co., Ltd.	92
Other related party - Hanshin Investment Co., Ltd.	1,319
	$ 1,456

7. Endorsements and guarantees provided to related parties

	December 31, 2023	December 31, 2022
Other related party-WEINIG International	$ 1,003,000	$ 811,834

8. Others

(1) On July 15, 2021, the Company entered into a joint investment and development contract with Weili International Development Co., Ltd., Guo Yang Construction Co., Ltd., Hanshin Asset Management Co., Ltd., and Grand Hi-Lai Hotel Co., Ltd. for 9 pieces of land including No. 28, Zhongxing Section, Sanchong District, with a total area of 1,828.28 pings, with Guo Yang Construction Co., Ltd. acting as the manager of the project according to the contract. The investment ratio was 15% by the Company, 10% by Weili International Development Co., Ltd., 50% by Guo Yang Construction Co., Ltd., 10% by Hanshin Asset Management Co., Ltd., and 15% by Grand Hi-Lai Hotel Co., Ltd.

(2) On November 23, 2020, the Company entered into a joint investment and development contract with Weili International Development Co., Ltd., Guo Yang Construction Co., Ltd., Hanshin Asset Management Co., Ltd., Liyang Agricultural Technology Co., Ltd. and Grand Hi-Lai Hotel Co., Ltd. for 4 pieces of land including 83-1, Jiuzong Section, Neihu District, Taipei City, with a total area of 2,127.33 pings. Guo Yang Construction Co., Ltd. was the manager of the project according to the

contract. 10% of the investment was by the Company, 50% by Guo Yang Construction Co., Ltd., and 10% by all other companies.

(3) On January 28, 2021, the Company entered into a joint investment and development contract with Weili International Development Co., Ltd., Guo Yang Construction Co., Ltd., Hanshin Asset Management Co., Ltd., Liyang Agricultural Technology Co., Ltd. and Grand Hi-Lai Hotel Co., Ltd. for 19 pieces of land including Lot No. 365, Zhongyi Section, Tucheng District, New Taipei City, with a total area of 5,344.27 pings. Guo Yang Construction Co., Ltd. was the manager of the project according to the contract. 10% of the investment was by the Company, 50% by Guo Yang Construction Co., Ltd., and 10% by all other companies. Subsequently, on June 29, 2021, “Grand Hi-Lai Hotel Co., Ltd.” withdrew from the project. The original holding ratio was changed to Hanshin Asset Management Co., Ltd. effective on July 1, 2021.

(4) On June 29, 2012, Guo Yang Construction Co., Ltd. and Weili International Development Co., Ltd. signed a joint investment and development agreement for joint development and construction of a residential complex on the land held by Taiwan Sugar Corporation at Lot 24, Hetuan Section, Annan District, Tainan City (77,479.53 square meters). Subsequently, a management letter was signed, which entrusted Guo Yang Construction Co., Ltd. to take charge of the overall development plan, architectural planning, construction and sales of collective housing. Weili International Development Co., Ltd. is the representative of the project and executed the Project in accordance with the contract signed with Taiwan Sugar Corporation, and acted as the organizer of the Project, coordinating as the selling company (issuing sales invoices) for the sale of premises and as the purchasing company (issuing certificates) for the purchase of goods or services, and is responsible for the settlement of the Project. Subsequently, the “Joint Development Supplementary Agreement” was signed on March 15, 2016 to change the capital contribution and settlement distribution ratio to the Company's subsidiaries. After change, the ratios of Hanlin Development, Weili International Development Co., Ltd., Feminine Co., Ltd., Zu Sheng International Co., Hanshin Asset Management Co., Ltd., Crowell Development Corp., and Kuo Yang Construction Co., Ltd. were 5%, 6%, 1.5%, 4%, 13.5%, 10%, and 60%, respectively. Subsequently, Crowell Development Corp. withdrew from the project on July 15, 2019. The “Joint Development Supplementary Agreement” was signed on with Weili International Development Co., Ltd. to change the capital contribution and settlement distribution ratio to the Company's subsidiaries. After change, the ratios of Hanlin Development, Weili International Development Co., Ltd., Feminine Co., Ltd., Zu Sheng International Co., Hanshin Asset Management Co., Ltd., and Kuo Yang Construction Co., Ltd. were 10%, 6%, 1.5%, 4%, 13.5%, and 65%, respectively.

(5) On August 11, 2022, the Company and its subsidiary, Hanlin Development Co., Ltd., entered into a joint investment and development contract with Guo Yang Construction Co., Ltd., Weili International Development Co., Ltd., and Shenyang Construction Co., Ltd. for 12 pieces of land, with an area of 2,259,85 pings, including Lot 258, Zhongyuan Section, Zhonghe District, New Taipei City. Its

investment ratio includes the Company (40%), Hanlin Development (10%), Shenyang Construction Co., Ltd. (40%), and Weili International Development Co., Ltd. (10%).

(6) On July 4, 2022, the Company’s subsidiary, Hanlin Development Co., Ltd., entered into a joint investment contract with Weili International Development Co., Ltd., Guo Yang Construction Co., Ltd., Grand Hi-Lai Hotel Co., Ltd., Hanshin Asset Management Co., Ltd., and Grand Hi-Lai Hotel Co., Ltd., and Hanshin Shopping Plaza Co., Ltd. for 29 pieces of land including Lot 895, Jiangbei Section, Shih Chi District, New Taipei City, with a total area of 5,531.35 pings, with Guo Yang Construction Co., Ltd. acting as the manager of the project according to the contract. The investment ratio was 10% by Hanlin Development Co., Ltd., 50% by Guo Yang Construction Co., Ltd., 20% by Weili International Development Co., Ltd., 10% by Grand Hi-Lai Hotel Co., Ltd., and 10% by Hanshin Shopping Plaza Co., Ltd.

(7) On June 3, 2016, the Company's subsidiary, Hanlin Development, entered into a joint investment and development contract with Shenyang Construction Co., Ltd. for the land rights for 5 pieces of land, including No. 1492 of Shengxing Section, Qianzhen District, Kaohsiung City, with an area of 11,411 square meters. Its investment ratio is 30% by Hanlin Development and 70% by Shenyang Construction Co., Ltd.

(8) On April 15, 2019, the Company's subsidiary, Hanlin Development, entered into a joint investment and development contract with Weili International Development Co., Ltd., Liyang Agricultural Technology Co., Ltd., Goldshare Investment Corporation, Xueyong Co., Ltd., and Jinzan Industrial Co., Ltd. for 6 pieces of land, including 33, 34, 35-1, 36, 39 and 42 in Baoyuan Section, Xindian District, New Taipei City., with an area of 1,332 pings. The investment ratio was 20% by Hanlin Development Co., Ltd., 20% by Weili International Development Co., Ltd., 25% by Liyang Agricultural Technology Co., Ltd., 15% by Goldshare Investment Corporation, 15% by Xueyong Co., Ltd., and 5% by Jinzan Industrial Co., Ltd.

(III) Remuneration of key management personnel

	2023	2022
Short-term employee benefits	$ 11,835	$ 10,331

VIII. Assets collateralized (pledged)

The details of collateral for the Group's assets are as follows:

Assets	Book value December 31, 2023	Book value December 31, 2022	Purpose of guarantee
Inventory	$ 1,970,613	$ 1,825,985	Short-term borrowings and short-term notes payable
Other financial assets - current (time deposits and restricted deposits)	69,961	96	Performance bond, reserves account and trust deposit account
Investment property	619,319	635,406	Long-term borrowings
Other financial assets - non-current (time deposits and restricted deposits)	13,000	4,766	Performance bond and provisions account
	$ 2,672,893	$ 2,466,253	

IX. Significant contingent liabilities or unrecognized contractual commitments

As of December 31, 2023, the total cost of construction contracts entered into between the Group and non-related parties amounted to NT$673,701, and the amount signed but yet to be paid amounted to NT$524,273.

X. Losses from major disasters

None.

XI. Subsequent events

On February 26, 2024, as resolved by the Board of Directors, the Company acquired 12,600 thousand shares of common stock from Hanlin Development Co., Ltd. from Hanshin Asset Management Co., Ltd. for NT$132,300 thousand. On March 11, 2024, the share transfer was completed, and the Company's shareholding was increased from 33% to 51%.

XII. Others

(I) Capital management

The Group's capital management objective is to maintain a sound credit rating and a good capital ratio to support corporate operations and maximize shareholders' equity. The Group manages and adjusts the capital structure according to the economic situation, and may achieve the purpose of maintaining and adjusting the capital structure by adjusting the payment of dividends, returning capital or issuing new shares.

(II) Financial instruments

1. Types of financial instruments

	December 31, 2023	December 31, 2022
Financial assets		
Financial assets at FVTPL		
Financial assets mandatorily at FVTPL	$ 117,625	$ 86,000
Financial assets at FVTOCI		
Investment in designated equity instruments	$ 170,784	$ 148,906
Financial assets at amortized cost		
Cash and cash equivalents	$ 605,103	$ 521,760
Financial assets at amortized cost	20,000	80,000
Notes receivable	27,668	19,613
Accounts receivable (including related parties)	7,491	6,439
Other receivables	9,548	24,346
Other financial assets - current	69,961	96
Deposits received	10,143	10,139
Other financial assets - non-current	13,000	4,766
	$ 762,914	$ 667,159

	December 31, 2023	December 31, 2022
Financial liabilities		
Financial liabilities at amortized cost		
Short-term borrowings	$ 1,362,801	$ 1,318,925
Short-term notes payable	-	28,762
Notes payable	43,792	12,066
Accounts payable (including related parties)	28,097	24,801
Other payables	37,645	29,914
Deposits received	8,697	6,942
	$ 1,481,032	$ 1,421,410
Lease liabilities	$ 125,660	$ 127,003

2. Risk management policy

(1) The Group's financial risk management objectives are mainly to manage market risks, credit risks and liquidity risks related to operating activities. The Group identifies, measures and manages the aforementioned risks in accordance with the Group's policies and risk preferences.

(2) The Group has established appropriate policies, procedures, and internal controls for the aforementioned financial risk management in accordance with relevant regulations, and important financial activities must be reviewed by the board of directors in accordance with relevant regulations and internal controls. During the execution of financial management activities, the Group shall faithfully comply with the relevant regulations on financial risk management.

(3) The Group has not undertaken derivatives to avoid financial risks.

3. Nature and extent of material financial risks

(1) Market risk

Interest rate risk

A. The Group is exposed to exchange rate risks arising from transactions that are relatively different from the functional currencies of the Company and its subsidiaries, mainly in USD. The associated exchange rate risk arises from future commercial trades and recognized assets and liabilities.

B. The management of the Group has established a policy requiring each company within the Group to manage the exchange rate risk relative to its functional currency.

C. The business of the Group involves non-functional currency (the functional currency of the Company and its subsidiaries is NT$), so it is affected by exchange rate fluctuations, and the foreign currency assets and liabilities with significant exchange rate fluctuations are as follows:

	December 31, 2023		
(Foreign currency: Functional currency)	Foreign currency (in thousand)	Exchange rate	Book value (NT$)
Financial assets			
Monetary items			
USD: NT$	$ 1,025	30.71	$ 31,464

	December 31, 2022		
(Foreign currency: Functional currency)	Foreign currency (in thousand)	Exchange rate	Book amount (NT$)
Financial assets			
Monetary items			
USD: NT$	$ 945	30.71	$ 29,016

D. The Group's monetary items have a significant impact due to exchange rate fluctuations. The total amount of all exchange (losses) benefits recognized in 2023 and 2022 (including realized and unrealized) were (NT$54) and NT$2,835, respectively.

E. The Group’s foreign currency market risk analysis due to major exchange rate fluctuations is as follows:

The exchange risk between USD and NT$ mainly comes from US dollar-denominated cash and equivalent cash, resulting in foreign currency exchange losses or gains during conversion. If holding NT$ against USD depreciates or appreciates by 1% and all other factors remain unchanged, the net profit in 2023 and 2022 will increase or decrease by NT$252 and NT$232 respectively.

Price risk

A. The equity instruments that the Group is exposed to price risk are financial assets held at FVTPL and financial assets at FVTOCI. In order to manage the price risk of equity instrument investment, the Group manages the price risk of equity securities by diversifying investment and setting limits for single and overall equity investment. The information on investment portfolio of equity securities needs to be regularly provided to the senior management of the Company, and the board of directors must review all equity securities investment decisions and approve the diversification of its investment portfolio.

B. The Group mainly invests in equity instruments issued by domestic companies and joint development projects. The prices of these equity instruments and contracts will be affected by the uncertainty of the future value of the investment target. If the value of these equity instruments and joint development projects increases or decreases by 1%, and all other factors remain unchanged, the after-tax net profit in 2023 and 2022 comes from equity instruments at FVTPL and The gain or loss on the joint development project will increase or decrease by NT$1,176 and NT$860 respectively; the gain or loss on equity investments classified as FVTOCI will increase or decrease by NT$1,708 and NT$1,489 respectively.

Cash flow and fair value interest rate risk

A. The Group's interest rate risk mainly comes from short-term loans issued at floating rates, and long-term loans, which expose the Group to cash flow interest rate risk. In 2023 and 2022, the Group's loans issued at floating rates were mainly denominated in NT$.

B. When the NT dollar loan interest rate increases or decreases by 1%, and all other factors remain unchanged, the after-tax net profit in 2023 and 2022 will decrease or increase by NT$14,022 and NT$14,029 respectively, mainly due to floating rate loans The interest expense changes accordingly.

(2) Credit risk

A. The credit risk of the Group is the risk of financial loss of the Group due to the inability of the customer or the counterparty of the financial instrument to perform the contractual obligations, which mainly arises from the inability of the counterparty to settle the receivables paid on collection terms and the contractual cash flows classified as investments in debt instruments at amortized cost.

B. Each unit of the Group follows credit risk policies, procedures and controls to manage credit risk. The credit risk assessment of all customers is based on comprehensive consideration of the customer's financial status, credit rating agency ratings, past historical transaction experience, current economic environment, and the Group's internal rating standards and other factors.

C. The Group's Finance and Accounting Department manages the credit risks of bank deposits, fixed-income securities and other financial instruments in accordance with the Group's policies. Because the Group's transaction partners are determined by internal controls procedures, and they are banks with good credit, financial institutions, corporate organizations and government agencies with investment grades, and hence there is no significant credit risk.

D. The Group is mainly engages in the leasing and selling of residential buildings, industrial plants and commercial buildings. The sale of premises is recognized as revenue when the contract price is fully collected and the ownership transfer is completed and the actual house is handed over. Hence, the amount of accounts receivable arising from the sale of premises should be small, and the risk of irrecoverability is minor for notes receivable. The amount of credit impairment assessed to the Group as of December 31, 2023 and 2022, was insignificant. In addition, for the accounts receivable arising from other transactions, the Group shall manage the credit risk. When the contract payment is overdue for more than 90 days according to the agreed payment terms, it shall be deemed as a breach of contract.

E. The Group adopts the presumption provided by IFRS 9. When the contract payment is overdue for more than 30 days according to the agreed payment terms, it is considered that the credit risk of the financial asset has increased significantly since the original recognition.

F. When the Group assesses that the financial assets cannot be reasonably expected to be recovered (for example, the issuer or the debtor has significant financial difficulties, or has gone bankrupt), it will be written off.

G. The Group categorizes customers' accounts receivable according to factors such as counterparty's credit rating, region and industry, and uses a simplified method to estimate expected credit losses based on the provision matrix. Relevant information is as follows:

December 31, 2023	Not overdue	Overdue 1-30 days	Overdue 31-60 days	Overdue 61-90 days	Total
Expected rate of loss	0%				
Total book value	$ 7,114	$ -	$ -	$ -	$ 7,114
Allowance for losses	$ -	$ -	$ -	$ -	$ -

December 31, 2022	Not overdue	Overdue 1-30 days	Overdue 31-60 days	Overdue 61-90 days	Total
Expected rate of loss	0%				
Total book value	$ 6,062	$ -	$ -	$ -	$ 6,062
Allowance for losses	$ -	$ -	$ -	$ -	$ -

(3) Liquidity risk

A. Cash flow forecasting is performed by each operating entity within the Group and summarized by the Group's finance department. The Group’s finance department monitors the forecast of the Group's liquidity needs to ensure that it has sufficient funds to meet operating needs and maintain sufficient unused loan commitments at any time, so that the Group will not violate the relevant loaning limit or terms. These forecasts take into account the group's debt financing plan, compliance with debt terms, and financial ratio targets in line with the internal balance sheet.

B. The Group invests the remaining funds in interest-bearing demand deposits, time deposits and securities, and the instruments it chooses have appropriate maturity dates or sufficient liquidity to respond to the above forecasts and provide sufficient dispatch levels.

C. The Company's unused loan is as follows:

	December 31, 2023	December 31, 2022
Floating interest rate		
Overdue in more than one year	$ 389,597	$ 232,993

D. The following table categorizes the Group's non-derivative financial liabilities according to the relevant maturity date, and analyzes based on the remaining period from the balance sheet date to the contractual maturity date. Except for notes payable, accounts payable, (including related parties), other payables, and deposits, the undiscounted contractual cash flow amount is approximately equivalent to its book value and is due within one year. The undiscounted contractual cash flow amounts of the remaining financial liabilities are detailed in the table below:

December 31, 2023	Within 1 year	1-2 years	2-3 years	3 years or above
Short-term borrowings	$ 35,155	$ 305,431	$ 347,042	$ 808,879
Lease liabilities	5,000	4,960	4,592	160,978
Long-term loans (including due within one year)	24,610	24,250	23,890	259,163

December 31, 2022	Within 1 year	1-2 years	2-3 years	3 years or above
Short-term borrowings	$ 128,843	$ 29,816	$ 290,913	$1,005,007
Short-term notes payable	28,800	-	-	-
Lease liabilities	4,630	4,524	4,524	165,502
Long-term loans (including due within one year)	24,472	24,132	23,792	428,617

E. The Group does not expect that the cash flow in the due date analysis will occur significantly earlier, or the actual amount will be significantly different.

(III) Fair Value Information

1. The definitions of the various levels of evaluation techniques adopted to measure the fair value of financial and non-financial instruments are as follows:

Level 1: Quoted prices (unadjusted) in an active market for the same assets or liabilities available to the enterprise on the measurement date. An active market is one in which transactions in assets or liabilities occur with sufficient frequency and volume to provide pricing information on an ongoing basis. The fair value of the listed/OTC stock invested by the Group belongs to this category.

Level 2: Observable inputs, directly or indirectly, for assets or liabilities other than quoted prices included in Level 1.

Level 3: Unobservable inputs to assets or liabilities. The Group's investments in joint development projects without an active market belong to this category.

2. For information on the fair value of investment real estate at cost, please refer to Note 6(10).

3. Financial instruments not measured by fair value

   The Group's cash and cash equivalents, financial assets at amortized cost, notes receivable, accounts receivable (including related parties), other receivables, deposits, short-term loans, The book amounts of short-term bills payable, bills payable, accounts payable (including related parties), other payables, deposits and long-term loans are reasonable approximations of fair values.

4. Financial and non-financial instruments measured by fair value are classified by the Group based on the nature, characteristics and risks of assets and liabilities and the basis of fair value levels. The relevant information is as follows:

   (1) The Group classifies them according to the nature of assets and liabilities, and the relevant information is as follows:

December 31, 2023	Level 1	Level 2	Level 3	Total
Assets				
Recurring fair value				
Financial assets at FVTPL				
Equity securities	$ 31,625	$ -	$ -	$ 31,625
Joint investment and development contract	-	-	86,000	86,000
Subtotal	31,625	-	86,000	117,625
Financial assets at FVTOCI				
Equity securities	170,784	-	-	170,784
	$ 202,409	$ -	$ 86,000	$ 288,409

December 31, 2022	Level 1	Level 2	Level 3	Total
Assets				
Recurring fair value				
Financial assets at FVTPL				
Joint investment and development contract	$ -	$ -	$ 86,000	$ 86,000
Financial assets at FVTOCI				
Equity securities	148,906	-	-	148,906
	$ 148,906	$ -	$ 86,000	$ 234,906

   (2) The methods and assumptions used by the Group to measure the fair value are as follows:

A. The Group adopts the market quotation as the input value of fair value (i.e., Level 1), and the characteristics of the instruments are as follows:

	Listed (OTC) stock
Market quotation	Closing price

B. Except for the above-mentioned financial instruments with active markets, the fair value of other financial instruments is obtained by evaluation techniques or by referring to the quotations of counterparties. The fair value obtained through valuation techniques can be calculated referring to the current fair value of other financial instruments with substantially similar conditions and characteristics, discounted cash flow method or other valuation techniques, including the use of market information available on the consolidated balance sheet date.

C. When evaluating non-standardized and less complex financial instruments, such as joint development projects, the Group adopts evaluation techniques widely used by market participants. The parameters adopted in the evaluation models of such financial instruments are usually market observable information.

5. The Group did not have any transfer between the Levels 1 and 2 in 2023 and 2022.
6. The following table shows that there was no transfer in and transfer out of Level 3 in 2023 and 2022.
7. The Group is responsible for verifying the fair value of financial instruments, using independent source data to make the evaluation results close to the market status, confirming that the data source is independent, reliable, and other data sources Consistent and representative executable prices, and regularly calibrate the evaluation model, conduct backtesting, update the input values and data required for the evaluation model, and make any other necessary fair value adjustments to ensure that the evaluation results are reasonable.
8. The quantitative information of the significant unobservable input value and the sensitivity analysis of the change of the significant unobservable input value of the evaluation model used for the third-level fair value measurement items are as follows:

	Fair value on December 31, 2023	Evaluation technique	Unobservable significant input	Interval (weighted average)	Relationship between input value and fair value
Non-derivative equity instruments:					
Joint investment and development contract	$ 86,000	Net asset approach	Not applicable	-	Not applicable

	Fair value on December 31, 2022	Evaluation technique	Unobservable significant input	Interval (weighted average)	Relationship between input value and fair value
Non-derivative equity instruments:					

Joint investment and development contract	$	86,000	Net asset approach	Not applicable	-	Not applicable

XIII. Other disclosures

(I) Information about important transactions

1. Loans to others: None.
2. Endorsements/guarantees provided for others: Please refer to Table 1.
3. Marketable securities held at the end of the period (excluding investments in subsidiaries, affiliates, and jointly controlled companies): Please refer to Table 2.
4. Accumulated purchase or sale of the same marketable securities for an amount exceeding NT$300 million or 20% of the paid-in capital: None.
5. Acquisition amount of real estate reaching NT$300 million or more than 20% of the paid-in capital: None.
6. Disposal of real estate reaching NT$300 million or 20% of paid-in capital or more: None.
7. Purchases or sales of goods from or to related parties reaching NT$100 million or 20% of paid-in capital or more: None.
8. Receivables from related parties reaching NT$100 million or 20% of paid-in capital or more: None.
9. Engagement in derivatives transactions: None.
10. The business relationship between the parent company and its subsidiaries, and the status and amount of important transactions between each subsidiary: None.

(II) Information on invested businesses

The name and location of the investee company and other relevant information (excluding mainland China investee companies): Please refer to Table 3.

(III) Investment information in Mainland China

1. Basic information: None.
2. Significant transactions with investee companies in Mainland China directly or indirectly through businesses in a third region: None.

(IV) Information of major shareholders

Information on major shareholders: Please refer to Table 4 for details.

XIV. Information on operating segment

(I) General information

The Group divides operating units based on different products and services, and divides them into the following two reportable operating segment:

1. Sales segment: Responsible for the sales of wool-related products.
2. Real estate segment: Responsible for real estate lease and sale business.

(II) Measurement of departmental information

1. Assets of reportable segments provided to major operational decision-makers are as follows:

	2023				
	Construction projects sales	Product sales	Lease	Others	Total
Net external income	$ 137,302	$ -	$ 61,559	$ 330	$ 199,191
Revenue of internal departments	-	-	-	-	-
Departmental revenue	$ 137,302	$ -	$ 61,559	$ 330	$ 199,191
Departmental profit or loss	$ 16,613	($ 3,581)	$ 38,239	$ 148,026	$ 199,297

	2022				
	Construction projects sales	Product sales	Lease	Others	Total
Net external income	$ 502,330	$ 14,780	$ 52,778	$ 265	$ 570,153
Revenue of internal departments	-	-	-	-	-
Departmental revenue	$ 502,330	$ 14,780	$ 52,778	$ 265	$ 570,153
Departmental profit or loss	$ 94,317	($ 3,350)	$ 29,402	$ 41,667	$ 162,036

2. Since the Group's assets and liabilities are not the indicators used by the operational decision-makers, the relevant amounts were not disclosed.

(III) Reconciliation information of departmental profit and loss

The external revenue and department profit and loss provided to the operational decision-maker are measured in the same way as the revenue and pre-tax profit or loss in the financial statements, so no adjustment is required.

(IV) Information by geographical location

Information of the Group by region in 2023 and 2022 is as follows:

	2023		2022	
	Income	Non-current assets	Income	Non-current assets
Taiwan	$ 199,191	$ 2,306,001	$ 555,373	$ 2,080,897
Japan	-	-	14,780	-
Total	$ 199,191	$ 2,306,001	$ 570,153	$ 2,080,897

(V) Important Customer Information

Information of the Group's important customers in 2023 and 2022 is as follows:

	2023	2022
	Income	Income
Customer A from the trading department	$ -	$ 11,763
Customer B from the trading department	-	3,017
	$ -	$ 14,780

Independent Auditors’ Report

(2024) Cai-Shen-Bao-Zi No. 23003722

To ASCENT DEVELOPMENT CO., LTD.:

Audit Opinions

ASCENT DEVELOPMENT CO., LTD. (Previous name: CHUWA WOOL INDUSTRY CO., (TAIWAN) LTD.)’s balance sheet of December 31 of 2023 and 2022, the parent company only income statement, changes of equity, and parent company only cash flow statement from January 1 to December 31 of 2023 and 2022 and the notes to the parent company only financial statements (including the summary of major accounting policies) have been audited by the Auditor of the Firm.

According to the opinions of the Auditor, based on our audit results and the audit reports of other auditors (please refer to the paragraph on other matters), the parent company only financial statements mentioned above have been prepared in all material respects in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, which is sufficient to express the Company’s parent company only financial status on December 31, 2023 and 2022, and parent company only financial performance and cash flow from January 1 to December 31 of 2023 and 2022.

Basis for Opinion

We conducted our audits in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and auditing standards. 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 Professional Ethics for Certified Public Accountant of the Republic of China and we have fulfilled our other ethical responsibilities in accordance with these requirements. Based on the audit results of the Auditor and the audit reports of other auditors, we believe that we have obtained sufficient and appropriate audit evidence as the basis for expressing the audit opinion.

Key Audit Matters

Key audit items refer to the most important items in the audit of the Company's 2023 parent company only financial statements based on our professional judgment. These matters have been dealt with in the process of checking the overall parent company only financial statements and reaching audit opinions, and the we do not express opinions on these matters independently.

The key audit items of the Company's parent company only financial statements of 2023 are as follows:

Impairment Testing of Investment Using the Equity Method

Descriptions

For the accounting policy of investment using the equity method, please refer to Note 4(13) of the financial statements, for the accounting policy of impairment of non-financial assets, please refer to Note 4(18) of the financial statements, and for the description of accounting items, please refer to the Notes 6(7) of the financial statements.

On December 31, 2023, the book value of ASCENT DEVELOPMENT CO., LTD.'s investment using the equity method was NT$1,556,884 thousands, accounting for 40% of the total individual assets. In accordance with the International Accounting Standard No. 28 "Investment in Affiliated Enterprises and Joint Ventures", the management level shall assess whether the recoverable amount of the investment is lower than the book value if there is objective evidence showing signs of impairment for the investment using the equity method. Since the objective evidence of its impairment assessment and the comprehensive consideration factors for determining the recoverable amount involve the subjective judgment of the management and have a high degree of uncertainty, and the investment amount using the equity method is significant, the auditor adopts the Company’s relevant Impairment assessment of equity method investments is listed as one of the most important matters of the audit.

Audit procedure

The auditor has implemented the following procedures to respond to the specific aspects described in the above key audit items:

1. Interview with the management level to understand the management's assessment of the signs of impairment of investments using the equity method and evaluate its rationality.
2. To obtain the equity value evaluation report issued by the external evaluation experts appointed by the management, the procedures performed by the auditor are as follows:
   (1) Assess the suitability and objectivity of the external evaluation experts appointed by the management level.
   (2) Assess the appropriateness of the evaluation methods adopted by the external evaluation experts appointed by the management level and the rationality of the relevant assumptions.

Investments (Subsidiaries) Using the Equity Method - Appropriateness of the Attribution Period of Real Estate Sales Revenue

Descriptions

Please refer to Note 4(27) of the consolidated financial statements for the accounting policy of operating revenue in the construction industry, and Note 6(19) to the consolidated financial statements for descriptions of accounting items.

The real estate sales revenue of the construction industry is recognized when the ownership transfer of the real estate is completed and the house inspection certificate is delivered to the customer. Due to the wide market range of real estate sales in the construction industry, it is necessary to review the ownership transfer and other information one by one before recognizing the sales revenue. Usually, a lot of manual works would be required to determine the correctness of the recognition time of the sales revenue. The appropriateness of the vesting period is listed as one of the most important matters in the audit.

Audit procedure

The auditor has implemented the following procedures to respond to the specific aspects described in the above key audit items:

1. Interview with management to understand and review the procedures for recognizing real estate sales revenue and adopt it consistently during the financial statement comparison period.
2. Assess and verify the appropriateness of the attribution period of real estate sales income for a certain period before and after the deadline at the end of the period, including checking the land and building ownership transfer information and relevant dates to support the correctness of the recognition time of real estate sales revenue.

Other Matters - Audits Conducted by Other Certified Public Accountants

The financial statements of some of the investments of the Company under the equity method of the Company have not been audited by us, but by other independent auditors. Therefore, in the opinions expressed by us on the above-mentioned parent company only financial statements, the amount listed in the financial statements of the Companies and the relevant information disclosed in Note 13 are based on the audit reports of other auditors. On December 31, 2023 and 2022, the amount of investment in the above-mentioned companies using the equity method was NT$976,651 thousands and NT$833,040 thousands, respectively, accounting for 25% and 24% of the total parent company only assets. In 2023 and 2022 the individual profits and losses recognized for the aforementioned companies were NT$277,475 thousands and NT$107,639 thousands, respectively, accounting for 88% and (27,169%) of the individual profits and losses for the current period.

Responsibilities of Management Level and Governance Units for the Parent Company Only Financial Statements

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

In preparing the parent company only financial statements, management is responsible for assessing the ability of the Company to continue as a going concern, disclosing, as applicable, matters related to a 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.

The governance units (including the audit committee) of the Company are responsible for supervising the financial reporting process.

Responsibilities of Auditor to Audit Parent Company Only Financial Statements

The purpose of our audit of the parent company only financial statements is to obtain reasonable assurance as to whether there is any material misrepresentation in the parent company only financial statements as a whole resulting from fraud or error, and to issue an audit report. Reasonable certainty is of high degree of certainty, but there is no guarantee that the audit work performed in accordance with the auditing standards of the Republic of China will be able to detect material misstatement in the parent company only financial statements. Misstatements may result from fraud or error. Misstatement of individual amounts or aggregated amounts is considered material if it can reasonably be expected to affect economic decisions made by users of the parent company only financial statements.

As part of an audit in accordance with auditing standards in 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 overriding internal controls.
2. Obtain an understanding of the internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management level.
4. Conclude on the appropriateness of management level's use of the going concern basis of accounting and whether or not a material uncertainty exists related to events or conditions that may cast a significant doubt on the ASCENT DEVELOPMENT CO., LTD' s ability to continue as a going concern. 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. Assess the overall presentation, structure and content of the parent company only financial statements (including relevant notes), and whether the parent company only financial statements properly represent relevant transactions and events.
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 audit. We remain solely responsible for our audit opinion.

The planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal controls that we identify during our audit.

We also provide the governance units with the statements that the personnel of the accounting firm that is subject to independence regulations have complied with the independence statement in the professional ethics code for CPAs of the Republic of China, and communicate with the governance units all relationships that may be considered to affect the independence of the auditors and other matters (including relevant protective measures).

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the parent company only financial statements for the year 2023, 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.

PwC Taiwan

Chun-Yuan Hsiao

Accountant

Se-Kai Lin

Former Securities and Futures Bureau, Financial Supervisory Commission

Approval No.: Jin-Guan-Zheng-Liu-Zi No. 0960042326

Jin-Guan-Zheng-Liu-Zi No. 0960072936

March 13, 2024

Ascent Development Co., Ltd.
(Previous name: CHUWA WOOL INDUSTRY CO., (TAIWAN) LTD.)
Parent Company Only Balance Sheet
December 31, 2023 and 2022

Expressed in thousands of NT$

	Assets	Notes	December 31, 2023 Amount		%	December 31, 2022 Amount		%
	Current assets							
1100	Cash and cash equivalents	VI(I)	$	293,424	8	$	265,162	8
1136	Financial assets at amortized cost- Current	VI(II)		20,000	-		80,000	2
1150	Notes receivable, net	VI(III)		17,451	-		2,210	-
1200	Other receivables			549	-		27	-
1220	Current income tax assets			110	-		-	-
130X	Inventory	VI(IV)(V), VII and VIII		1,669,701	43		1,516,099	45
1410	Prepayments			6,712	-		3,142	-
1476	Other financial assets - current	VIII		69,954	2		-	-
1479	Other current assets - others			30,087	1		51	-
11XX	**Total current assets**			2,107,988	54		1,866,691	55
	Non-current assets							
1517	Financial assets at FVTOCI - non-current	VI(VI)		106,404	3		81,275	2
1550	Investments accounted for using equity method	VI(VII)		1,556,884	40		1,319,796	39
1600	Property, plants, and equipment			142	-		167	-
1755	Right-of-use assets	VI(VIII)		95	-		13	-
1760	Investment property, net	VI(IX)		127,371	3		129,438	4
1840	Deferred income tax assets	VI(XXIII)		338	-		338	-
1920	Deposits received	VII		423	-		416	-
1990	Other non-current assets - others			3,790	-		3,790	-
15XX	**Total non-current assets**			1,795,447	46		1,535,233	45
1XXX	**Total assets**		$	3,903,435	100	$	3,401,924	100

(Continued on next page)

Ascent Development Co., Ltd.
(Previous name: CHUWA WOOL INDUSTRY CO., (TAIWAN) LTD.)
Parent Company Only Balance Sheet
December 31, 2023 and 2022

Expressed in thousands of NT$

	Liabilities and equity	Notes	December 31, 2023 Amount	%	December 31, 2022 Amount	%
	Current liabilities					
2100	Short-term borrowings	VI(V)(X)	$ 1,099,182	28	$ 1,093,522	32
2130	Contract liabilities - current	VI(XVI)	163,134	4	-	-
2150	Notes payable		42,825	1	12,066	1
2170	Accounts payable		13,130	-	2,604	-
2200	Other payables		21,224	1	11,355	-
2230	Current income tax liabilities		-	-	5,757	-
2280	Lease liabilities - current		67	-	13	-
2300	Other current liabilities		725	-	2,326	-
21XX	**Total of current liabilities**		1,340,287	34	1,127,643	33
	Non-current liabilities					
2570	Deferred income tax liabilities	VI(XXIII)	507	-	511	-
2580	Lease liabilities - non-current		28	-	-	-
2645	Deposits received		834	-	1,028	-
25XX	**Total non-current liabilities**		1,369	-	1,539	-
2XXX	**Total liabilities**		1,341,656	34	1,129,182	33
	Equity					
	Share capital	VI(XII)				
3110	Common stock capital		920,000	24	920,000	27
	Capital surplus	VI(XIII)				
3200	Capital surplus		182,854	4	182,854	5
	Retained earnings	VI(XIV)				
3310	Legal reserve		364,347	9	357,010	11
3320	Special reserves		212,044	6	7,856	-
3350	Undistributed earnings		955,140	25	1,009,210	30
	Other equity	VI(XV)				
3400	Other equity		(72,606)	(2)	(204,188)	(6)
3XXX	**Total equity**		2,561,779	66	2,272,742	67
	Significant contingent liabilities and unrecognized contractual commitments	IX				
	Subsequent events	XI				
3X2X	**Total liabilities and equity**		$ 3,903,435	100	$ 3,401,924	100

The accompanying notes to parent company only financial statements constitute part of this parent company only financial report.

Chairman: Chia-Chi Hou　　Managerial Officer: Hsien-Wen Liu　　Accounting Officer: Chien-Chang Luo

Ascent Development Co., Ltd.
(Previous name: CHUWA WOOL INDUSTRY CO., (TAIWAN) LTD.)
Parent Company Only Comprehensive Income Statement
January 1 to December 31, 2023 and 2022

Expressed in thousands of NT$
(Except for earnings per share in NT$)

	Items	Notes	2023 Amount	2023 %	2022 Amount	2022 %
4000	Revenue	VI(V)(IX)(XVI)	$ 4,357	100	$ 17,776	100
5000	Operating Costs	VI(IV)(V)(XXI)	(2,749)	(63)	(17,601)	(99)
5900	Gross profit		1,608	37	175	1
	Operating expenses	VI(V)(XXI)(XXII) and VII				
6100	Promotional expenses		(2,351)	(54)	(1,476)	(8)
6200	Administrative expenses		(37,165)	(853)	(33,502)	(189)
6000	Total operating expenses		(39,516)	(907)	(34,978)	(197)
6900	Net operating loss		(37,908)	(870)	(34,803)	(196)
	Non-operating income and expense					
7100	Interest income	VI(XVII)	3,918	90	1,605	9
7010	Other income	VI(XVIII)	370	8	288	1
7020	Other gains and losses	VI(XIX)	(22)	-	(43,570)	(245)
7050	Financial cost	VI(XX)	(1,874)	(43)	(385)	(2)
7070	Profit and loss share of subsidiaries, affiliated enterprises and joint ventures recognized using the equity method	VI(VII)	219,982	5049	188,751	1062
7000	Total non -operating income and expenses		222,374	5104	146,689	825
7900	**Income before tax**		184,466	4234	111,886	629
7950	Income tax expenses	VI(XXIII)	(64)	(2)	(6,491)	(36)
8200	**Current period net profit**		$ 184,402	4232	$ 105,395	593

(Continued on next page)

Ascent Development Co., Ltd.
(Previous name: CHUWA WOOL INDUSTRY CO., (TAIWAN) LTD.)
Parent Company Only Comprehensive Income Statement
January 1 to December 31, 2023 and 2022

Expressed in thousands of NT$
(Except for earnings per share in NT$)

	Items	Notes	2023 Amount	2023 %	2022 Amount	2022 %
	Other comprehensive profit and loss	VI(XV)				
8316	Unrealized gains or losses on investments in equity instruments at FVTOCI	VI(VI)	$ 25,129	577	($ 29,657)	(167)
8330	Shares of other comprehensive profit and loss of subsidiaries, affiliates and joint ventures recognized using the equity method - items not reclassified to profit or loss	VI(VII)	107,106	2458	(76,134)	(428)
8310	Total of items not reclassified to profit or loss		132,235	3035	(105,791)	(595)
8300	**Other comprehensive income (net amount)**		$ 132,235	3035	($ 105,791)	(595)
8500	**Total comprehensive income of the current period**		$ 316,637	7267	($ 396)	(2)
	The net profit is attributed to:					
	Owner of parent company		$ 184,402	4232	$ 92,205	519
	Equity owned by the previous holder under the joint control		-	-	13,190	74
	Total		$ 184,402	4232	$ 92,205	593
	Total comprehensive income attributable to:					
	Owner of parent company		$ 316,637	7267	($ 13,586)	(76)
	Equity owned by the previous holder under the joint control		-	-	13,190	74
	Total		$ 316,637	7267	($ 396)	(2)
	Basic earnings per share	VI(XXIV)				
9710	Owner of parent company		$	2.00	$	1.00
9720	Equity owned by the previous holder under the joint control			-		0.14
9750	Basic earnings per share		$	2.00	$	1.14
	Diluted earnings per share	VI(XXIV)				
9810	Owner of parent company		$	2.00	$	1.00
9820	Equity owned by the previous holder under the joint control			-		0.14
9850	Diluted earnings per share		$	2.00	$	1.14

The accompanying notes to parent company only financial statements constitute part of this parent company only financial report.

Chairman: Chia-Chi Hou　Managerial Officer: Hsien-Wen Liu　Accounting Officer: Chien-Chang Luo

Ascent Development Co., Ltd.
(Previous name: CHUWA WOOL INDUSTRY CO., (TAIWAN) LTD.)
Parent Company Only Statement of Changes in Individual Equity
January 1 to December 31, 2023 and 2022

Expressed in thousands of NT$

	Notes	Common stock capital	Capital surplus	Retained earnings: Legal reserve	Retained earnings: Special reserves	Retained earnings: Undistributed earnings	Unrealized gains or losses on financial assets measured at fair value through other comprehensive income	Equity owned by the previous holder under the joint control	Total equity
2022									
Balance at January 1, 2022		$ 920,000	$ 145,021	$ 341,774	$ 7,856	$ 969,473	($ 117,229)	$ 347,601	$ 2,614,496
Current period net profit		-	-	-	-	92,205	-	13,190	105,395
Other comprehensive income of current period	VI(XV)	-	-	-	-	696	(106,487)	-	(105,791)
Total comprehensive income of the current period		-	-	-	-	92,901	(106,487)	13,190	(396)
Appropriation and distribution of earnings	VI(XIV)								
Appropriation of legal reserve		-	-	15,236	-	(15,236)	-	-	-
Cash dividends		-	-	-	-	(18,400)	-	-	(18,400)
Capital reduction in cash		-	-	-	-	-	-	(99,330)	(99,330)
Disposal of equity instruments at FVTOCI	VI(VI)(XV)	-	-	-	-	76	(76)	-	-
Changes in the net equity value of affiliates recognized under the equity method	VI(VII)	-	7,372	-	-	-	-	-	7,372
Disposal of equity instruments at FVTOCI by affiliates	VI(VII)(XV)	-	-	-	-	(19,604)	19,604	-	-
Impact of organizational reorganization	VI(XIII)(XXV)	-	30,461	-	-	-	-	(261,461)	(231,000)
Balance at December 31, 2022		$ 920,000	$ 182,854	$ 357,010	$ 7,856	$ 1,009,210	($ 204,188)	$ -	$ 2,272,742
2023									
Balance at January 1, 2023		$ 920,000	$ 182,854	$ 357,010	$ 7,856	$ 1,009,210	($ 204,188)	$ -	$ 2,272,742
Current period net profit		-	-	-	-	184,402	-	-	184,402
Other comprehensive income of current period	VI(XV)	-	-	-	-	-	132,235	-	132,235
Total comprehensive income of the current period		-	-	-	-	184,402	132,235	-	316,637
Appropriation and distribution of earnings	VI(XIV)								
Appropriation of legal reserve		-	-	7,337	-	(7,337)	-	-	-
Special reserve		-	-	-	204,188	(204,188)	-	-	-
Cash dividends		-	-	-	-	(27,600)	-	-	(27,600)
Disposal of equity instruments at FVTOCI	VI(VI)(XV)	-	-	-	-	1,170	(1,170)	-	-
Disposal of equity instruments at FVTOCI by affiliates	VI(VII)(XV)	-	-	-	-	(517)	517	-	-
Balance at December 31, 2023		$ 920,000	$ 182,854	$ 364,347	$ 212,044	$ 955,140	($ 72,606)	$ -	$ 2,561,779

The accompanying notes to parent company only financial statements constitute part of this parent company only financial report.

Chairman: Chia-Chi Hou　　Managerial Officer: Hsien-Wen Liu　　Accounting Officer: Chien-Chang Luo

Ascent Development Co., Ltd.
(Previous name: CHUWA WOOL INDUSTRY CO., (TAIWAN) LTD.)
Parent Company Only Statement of Cash Flows
January 1 to December 31, 2023 and 2022

Expressed in thousands of NT$

	Notes	January 1 to December 31, 2023	January 1 to December 31, 2022
Cash flow from operating activities			
Net income before tax		$ 184,466	$ 111,886
Adjustment items			
Income and expenses			
Depreciation expense	VI(VIII)(IX)(XXI)	2,143	2,129
Interest expense	VI(XX)	1,874	385
Interest income	VI(XVII)	(3,918)	(1,605)
Shares of interests in subsidiaries and affiliated companies recognized using the equity method	VI(VII)	(219,982)	(188,751)
Impairment loss	VI(VII)(XIX)	-	46,403
Changes in operating assets/liabilities and net change in operating assets			
Notes receivable		(15,241)	(1,950)
Accounts receivable		-	2,615
Other receivables		(77)	(4)
Inventory		(153,602)	(664,565)
Prepayments		(3,570)	(1,008)
Other financial assets - current		(69,954)	-
Other current assets - others		(30,036)	(45)
Net changes in liabilities related to operating activities			
Contract liabilities - current		163,134	-
Notes payable		30,759	12,066
Accounts payable		10,526	9
Other payables		9,869	2,784
Other payables - related parties		-	(32)
Other current liabilities		(1,601)	1,911
Cash outflow from operations		(95,210)	(677,772)
Interest paid		(1,874)	(385)
Income tax paid		(5,935)	(110)
Net cash outflow from operating activities		(103,019)	(678,267)

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Ascent Development Co., Ltd.
(Previous name: CHUWA WOOL INDUSTRY CO., (TAIWAN) LTD.)
Parent Company Only Statement of Cash Flows
January 1 to December 31, 2023 and 2022

Expressed in thousands of NT$

	Notes	January 1 to December 31, 2023	January 1 to December 31, 2022
Cash flow from investment activities			
Acquisition of financial assets at amortized cost		$ -	($ 60,000)
Disposal of financial assets measured at amortized cost		60,000	-
Payments for organizational restructuring	VI(XXV)	-	(231,000)
Refund of capital reduction of investments under the equity method		-	200,000
Increase in refundable deposits		(96)	(22)
Decrease in refundable deposits		89	2
Interest collected		3,473	1,625
Dividends received		90,000	147,000
Net cash inflow from investing activities		153,466	57,605
Cash flow from financing activities			
Increase in short-term borrowings	VI(XXVI)	443,560	743,680
Decrease in short-term borrowings	VI(XXVI)	(437,900)	(257,978)
Lease principal repayment	VI(XXVI)	(51)	(34)
Increase in deposits received	VI(XXVI)	-	605
Decrease in guarantee deposits received	VI(XXVI)	(194)	(200)
Distribution of cash dividends	VI(XIV)	(27,600)	(18,400)
Net cash (outflow) inflow from financing activities		(22,185)	467,673
Increase (decrease) in cash and cash equivalents for the period		28,262	(152,989)
Cash and cash equivalents		265,162	418,151
Cash and equivalent cash balance at the beginning of the period		$ 293,424	$ 265,162

The accompanying notes to parent company only financial statements constitute part of this parent company only financial report.

Chairman: Chia-Chi Hou　Managerial Officer: Hsien-Wen Liu　Accounting Officer: Chien-Chang Luo

Ascent Development Co., Ltd.

(Previous name: CHUWA WOOL INDUSTRY CO., (TAIWAN) LTD.)

Notes to Parent Company Only Financial Statements

2023 and 2022

Expressed in thousands of NT$

(unless otherwise stated)

I. History

(I) ASCENT DEVELOPMENT CO., LTD. (hereinafter referred to as "the Company"), formerly CHUWA WOOL INDUSTRY CO., (TAIWAN) LTD. was established on August 19, 1964 in accordance with the Company Act. On June 23, 2022, the resolution of the shareholders' meeting approved the change of name. The main business of the Company and its subsidiaries is sales of wool tops, carbonized wool, scoured wool, shrink-resistant wool tops and real estate development, lease and sale, etc. The Company's stock has been listed on the Taiwan Stock Exchange since May 22, 1989.

(II) Hanyang Global Co., Ltd. holds 53.41% equity of the Company, and Hanshin Asset Management Co., Ltd. is the ultimate parent company of the Company.

II. Dates and Procedures for Approval of Financial Reports

The parent company only financial statements are approved and issued by the board of directors on March 13, 2024.

III. Application of new and revised standards and interpretations

(I) The impact of the newly released and revised International Financial Reporting Standards ("IFRSs") that have been approved and issued by the Financial Supervisory Commission (FSC)

The following table summarizes the newly issued, revised and revised standards and interpretations of the International Financial Reporting Standards (IFRSs) applicable in 2023 that were recognized and issued by the FSC:

Application of new/corrected/revised standards and interpretations	Effective date of IASB's announcement
Amendments to IAS 1 "Disclosure of Accounting Policies"	January 1, 2023
Amendments to IAS 8 "Definition of Accounting Estimates"	January 1, 2023
Amendments to IAS 12 regarding "Deferred Tax related to Assets and Liabilities arising from a Single Transaction"	January 1, 2023
Amendments to IAS 12 "International Tax Reform — Pillar Two Model Rules"	May 23, 2023

The Company has assessed that the above standards and interpretations have no material impact on the Company's financial position and financial performance.

(II) The impact of the newly released and revised International Financial Reporting Standards that have not yet been adopted by the FSC

The following table summarizes the newly issued, corrected and revised standards and interpretations of the International Financial Reporting Standards applicable in 2024 that were recognized and issued by the FSC:

Application of new/corrected/revised standards and interpretations	Effective date of IASB's announcement
Amendments to IFRS 16 “Lease Liability in a Sale and Leaseback”	January 1, 2024
Amendments to IAS 1 “Classification of Liabilities as Current or Non-current”	January 1, 2024
Amendments to IAS 1 “Non-current Liabilities with Covenants”	January 1, 2024
Amendments to IAS 7 and IFRS 7 “Supplier Finance Arrangements”	January 1, 2024

The Company has assessed that the above standards and interpretations have no material impact on the Company's financial position and financial performance.

(III) Impacts of IFRSs issued by the IASB but not yet endorsed by the FSC

The following table summarizes the newly released, amended, and revised standards and interpretations of the IFRSs issued by the IASB but not yet recognized by the FSC:

Application of new/corrected/revised standards and interpretations	Effective date of IASB's announcement
Amendments to IFRS 10 and IAS 28 “Sale or Contribution of Assets between an Investor and its Associate or Joint Venture”	To be decided by IASB
IFRS 17 “Insurance Contracts”	January 1, 2023
Amendments to IFRS 17 “Insurance Contracts”	January 1, 2023
Amendments to IFRS 17 “Initial Application of IFRS 17 and IFRS 9 - Comparative Information”	January 1, 2023
Amendments to IAS 21 “Lack of Exchangeability”	January 1, 2025

The Company has assessed that the above standards and interpretations have no material impact on the Company's financial position and financial performance.

IV. Summary of Significant Accounting Policies

The major accounting policies adopted in the preparation of the parent company only financial statements are described below. Unless otherwise stated, these policies apply consistently throughout all reporting periods.

(I) Compliance statement

The parent company only financial statements are prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

(II) Compilation basis

1. Except for the financial assets at fair value through other comprehensive profit and loss which are at fair value, this parent company only financial statement is prepared at historical cost.
2. The compilation of financial statement in compliance with the International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations and SIC Interpretations (collectively referred herein as the "IFRSs") that came into effect as endorsed by the Financial Supervisory Commission requires the use of some important accounting estimates. In the process of adopting the Company's accounting policies, management also needs to adopt the judgments, which involve in highly judgmental or complex items, or major assumptions and estimated items in parent company only financial statements. For details, please refer to Note 5.

(III) Foreign currency conversion

The items listed in the Company's parent company only financial statement are all measured in the currency of the main economic environment in which the Company operates (the functional currency). The parent company only financial statement is presented in the Company's functional currency "NT$" as the presentation currency.

Foreign currency transactions and balances

1. Foreign currency transactions are converted into functional currency at the spot exchange rate on the transaction date or measurement date, and the conversion difference arising from the conversion of these transactions is recognized as current profit or loss.
2. The balance of foreign currency monetary assets and liabilities is evaluated and adjusted according to the spot exchange rate on the balance sheet date, and the translation difference arising from the adjustment is recognized as current profit or loss.
3. The balance of foreign currency non-monetary assets and liabilities, which are at FVTPL, shall be adjusted according to the spot exchange rate on the balance sheet date, and the exchange difference arising from the adjustment shall be recognized as current profit or loss; if it is at FVTOCI, it shall be adjusted at the spot exchange rate on the balance sheet date, and the exchange difference arising from the adjustment shall be recognized in other comprehensive profit or loss; if it is not at fair value, it shall be at the historical exchange rate on the initial transaction date.
4. All exchange gains and losses are listed in "Other Gains and Losses" in the Parent Company Only Income Statement.

(IV) Classification criteria for current and non-current assets and liabilities

The Company is engaged in entrusting construction companies to build or sell buildings, and its business cycle is usually longer than one year. Assets and liabilities related to construction projects are classified as current or non-current based on the business cycle; and the standards for the classification of other items as current and non-current are as follows:

1. Assets that meet one of the following conditions are classified as current assets:

   (1) The asset is expected to be realized, or it is intended to be sold or

consumed in the normal business cycle.

(2) Mainly held for the purpose of trading.

(3) Those expected to be realized within 12 months after the balance sheet date.

(4) Cash or cash equivalents, except those that can be exchanged at least 12 months after the balance sheet date or used to settle liabilities are restricted.

The Company classifies all assets that do not meet the above conditions as non-current.

2. Liabilities that meet one of the following conditions are classified as current liabilities:

(1) Expected to be settled in the normal business cycle.

(2) Mainly held for the purpose of trading.

(3) Those expected to be paid off within 12 months after the balance sheet date.

(4) The repayment period cannot be unconditionally postponed to at least 12 months after the balance sheet date. The terms of the liabilities may be based on the choice of the counterparty, which may be settled by issuing equity instruments, and its classification is not affected.

The Company classifies all liabilities that do not meet the above conditions as non-current.

(V) Cash equivalents

Cash equivalents refer to short-term and highly liquid investments that can be converted into fixed amounts of cash at any time with little risk of changes in value. Time deposits that meet the definition above and are held to meet short-term cash commitments in operations are classified as cash equivalents.

(VI) Financial assets at FVTOCI

1. Refers to an irrevocable choice made at the time of original recognition to present changes in the fair value of equity instrument investments not held for trading in other comprehensive income.

2. The Company adopts transaction-day accounting for financial assets at fair value through other comprehensive gains and losses that conform to transaction practices.

3. The Company measures at its fair value plus transaction costs at the time of original recognition, and subsequently at fair value:

Changes in the fair value of equity instruments are recognized in other comprehensive profit or loss. When delisting, the accumulated gains or losses previously recognized in other comprehensive profit or loss shall not be reclassified to profit or loss, and shall be transferred to retained earnings. When the right to receive dividends is established, the economic benefits related to dividends are likely to flow in, and the amount of dividends can be measured reliably, hence the Company recognizes dividend income in profit or loss.

(VII) Financial assets at amortized cost

1. Refers to those who meet the following conditions at the same time:
   (1) The financial asset is held under the business model for the purpose of collecting contractual cash flow.
   (2) The contract terms of the financial asset generate cash flow on a specific date, which is entirely the payment of principal and interest on the outstanding principal amount.
2. The Company adopts transaction-day accounting for financial assets at cost after amortization that comply with transaction practices.
3. The Company measures its fair value plus transaction costs at the time of initial recognition, and then adopts the effective interest method to recognize interest income and impairment losses during the circulation period according to the amortization procedure, and when delisting, it will be recognized the gain or loss is recognized in profit or loss.
4. The time deposits held by the Company that are not categorized as cash equivalents are measured by the investment amount because the holding period is short and the impact of discounting is not significant.

(VIII) Accounts and Notes Receivable

1. Refers to accounts and notes that have the unconditional right to receive the consideration amount in exchange for the transfer of goods or services in accordance with the contract.
2. For unpaid short-term accounts and notes receivable, since discounting has little effect, the Company measures them based on the original invoiced amount.

(IX) Impairment of financial assets

On each balance sheet date, for financial assets at amortized cost, after considering all reasonable and supportable information (including forward-looking information), the Company has no significant increase in credit risk since the original recognition , which measures the allowance loss by the amount of 12-month expected credit losses; for those whose credit risk has increased significantly since the original recognition, the allowance for loss shall be measured according to the amount of expected credit loss during the duration; for accounts receivable that do not include significant financial components, the allowance for loss shall be measured according to the amount of expected credit loss during the duration.

(X) Delisting of financial assets

Financial assets will be delisted when the Company's contractual rights to receive cash flows from the financial assets lapse.

(XI) Lessor's lease transaction - Business lease

Lease income from business leases and net of any incentives given to the lessee will be amortized on a straight-line basis over the lease term and recognized as current profit or loss.

(XII) Inventory

1. Including land for construction, premises under construction, and premises for sale, etc., the acquisition cost is adopted as the accounting basis, and the project profit and loss is recognized according to the completed contract

method. The land for construction is listed as the premises under construction when it is actively developed, and the relevant interest is capitalized from the time of active development or construction to the completion of the work.

2. Inventory at the end of the period is measured by the lower of cost and net realizable value. When comparing the lower of cost and net realizable value, the item-by-item comparison method is adopted; and the net realizable value refers to the balance after deducting the estimated selling price in the normal course of business and the estimated cost to be invested in completion and related variable expenses.

(XIII) Investments/Subsidiaries and affiliates using the equity method

1. The subsidiary refers to an entity controlled by the Company, when the firm is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity, it shall be regarded that the Company is controlling the entity.
2. The unrealized gains and losses arising from transactions between the Company and its subsidiaries have been eliminated. The accounting policies of the subsidiaries have been adjusted as necessary to be consistent with the policies adopted by the Company.
3. The Company recognizes the share of profit and loss acquired by the affiliated enterprises as profit and loss of the current period, and the share of other comprehensive profit and loss acquired by the Company and its subsidiaries as other comprehensive profit or loss. If the share of losses recognized by the Company for a subsidiary is equal to or exceeds the equity in the subsidiary, the Company will continue to recognize losses in proportion to its shareholding.
4. If the change in the shareholding of the subsidiary does not result in a loss of control (transactions with non-controlling interests), it will be regarded as an equity transaction, which is being regarded as the transaction with the owner. Any difference between the adjusted amount of non-controlling interests and the fair value of the consideration paid or received is directly recognized in equity.
5. When the Company loses control over the subsidiary, the remaining investment in the former subsidiary is remeasured at fair value and adopted as the fair value of the originally recognized financial assets or the cost of the originally recognized investment in affiliated enterprises or joint ventures. The difference between the fair value and the carrying amount is recognized as profit or loss of the current period. For all amounts previously recognized in other comprehensive profit or loss related to the subsidiary, the accounting treatment is the same as if the Company directly disposes of the relevant assets or liabilities, that is, if the benefit or loss previously recognized as other comprehensive profit or loss will be reclassified as profit or loss when disposing of the relevant assets or liabilities, when control of the subsidiary is lost, the benefit or loss will be reclassified from equity to profit or loss.
6. Affiliated enterprises refer to all entities over which the Company has significant influence but no control, generally directly or indirectly holding more than 20% of their voting shares. The Company adopts the equity

method to dispose of the investment in affiliated enterprises, and recognizes it at cost when acquired.

7. The Company recognizes the share of profit and loss acquired by the affiliated enterprises as profit and loss of the current period, and the share of other comprehensive profit and loss acquired by the Group as other comprehensive profit or loss. If the Company's share of losses to any affiliated enterprise is equivalent to or exceeds its equity in the affiliated enterprise (including any other unsecured receivables), the Company will not recognize further losses unless the Company has any legal or constructive obligations to, or has paid on behalf of the affiliated enterprise.
8. When the affiliate has any non-profit or loss and other comprehensive profit or loss equity changes that do not affect the shareholding ratio, the Company will recognize all equity changes as “capital surplus” based on the shareholding ratio.
9. The unrealized gains and losses arising from transactions between the Company and affiliates have been eliminated in proportion to its equity in the affiliated enterprises; unless there is further evidence that the assets transferred in the transaction have been impaired, unrealized losses will also be eliminated. Necessary adjustments have been made to the accounting policies of the affiliate, which are consistent with the policies adopted by the Group.
10. In the event that an affiliate issues new shares, and the Company does not subscribe to the new shares in accordance with the proportion, resulting in a change in the investment ratio but still having a significant impact on it, the increase or decrease of the change in the net equity value is to adjust the “capital surplus” and “investments accounted for under the equity method”. If the proportion of investment is reduced, in addition to the above-mentioned adjustments, the gains or losses related to the reduction of ownership interests that have been previously recognized in other comprehensive profit or loss, and the gains or losses must be reclassified to profit or loss when disposing of related assets or liabilities, it shall be reclassified to profit or loss according to the reduction ratio.
11. According to the Regulations Governing the Preparation of Financial Reports by Securities Issuers, the profit or loss and other comprehensive income or loss for the current period in the parent company only financial statement should be the same as the apportionment of profit or loss and other comprehensive income or loss attributable to the owners of the parent company in the financial statements prepared on a consolidated basis, and the owners' equity in the individual financial statements should be the same as the equity attributable to the owners of the parent company only financial statement prepared on the basis of consolidation.

(XIV) <u>Joint Agreements</u>

For the interests in joint operations, the Company recognizes the direct rights (and their shares) to the assets, liabilities, income and expenses of the joint operations, and has included them in the applicable items of the parent company only financial statement.

(XV) Property, plants, and equipment

1. Real estate, plant and equipment are recorded on the basis of acquisition cost.
2. Subsequent costs are included in the book value of assets or recognized as a separate asset only when the future economic benefits related to the project are likely to flow into the Company and the cost of the project can be measured reliably. The book value of the replaced part shall be delisted. All other maintenance expenses are recognized as current profit or loss when incurred.
3. The subsequent measurement of property, plant and equipment adopts the cost model. Except for land, which is not listed for depreciation, the depreciation will be calculated using the straight-line method based on the estimated service life. If the composition of property, plant and equipment is significant, it will be depreciated separately.
4. The Company examines the residual value, service life and depreciation method of each asset at the end of each financial year. If the expected value of the residual value and service life is different from the previous estimate, or the future economic value contained in the asset If there is a significant change in the expected consumption pattern of benefits, it shall be handled in accordance with the accounting estimate change provisions of International Accounting Standard No. 8 “Accounting Policies, Changes in Accounting Estimates and Errors” from the date of the change.

   The useful lives of each asset are as follows:

Houses and buildings	8 - 20 years
Office equipment	5 - 23 years

(XVI) Lessee's lease transaction - right-of-use asset/lease liability

1. Lease assets are recognized as right-of-use assets and lease liabilities on the day they become available to the Company. When the lease contract is a short-term lease or a lease of a low-value underlying asset, the lease payment is recognized as an expense during the lease period using the straight-line method.
2. Lease liabilities are recognized at the present value of unpaid lease payments discounted at the Company's incremental borrowing rate on the lease commencement date. Lease payments are fixed payments, less any lease incentives that can be received. Subsequent adoption of the interest method is measured by the amortized cost method, and interest expenses are provided during the lease period. When the lease term or lease payment changes due to non-contract modification, the lease liability will be reassessed, and the re-measurement amount will be adjusted to the right-of-use asset.
3. The right-of-use asset is recognized at cost on the lease commencement date, and the cost is the original measured amount of the lease liability. Subsequent measurement is made using the cost model, and depreciation expenses are provided when the service life of the right-of-use asset expires or when the lease period expires, whichever is earlier. When the lease liability is reassessed, the right-of-use asset will adjust any remeasurement of the lease liabilities.

4. For a lease modification that reduces the scope of the lease, the lessee will reduce the book amount of the right-of-use asset to reflect partial or complete termination of the lease, and recognize the difference between it and the remeasured amount of the lease liability in profit or loss.

(XVII) Investment property

Investment real estate is recognized at acquisition cost, and the subsequent measurement adopts the cost model. Except for land, depreciation is provided by the straight-line method according to the estimated service life which ranges from 8 to 60 years.

(XVIII) Impairment of non-financial assets

On the date on the balance sheet, the Company will estimate the recoverable amount of assets which may be subject to impairment, and recognize the impairment loss when the recoverable amount is lower than its book value. The recoverable amount is the fair value of an asset less costs of disposal or its value in use, whichever is higher. When the asset impairment recognized in the previous year does not exist or decreases, the impairment loss shall be reversed. However, the increase in the book value of the asset due to the reversal of the impairment loss shall not exceed the book amount of the asset after deducting depreciation or amortization if no impairment loss is recognized.

(XIX) Borrowings

Refers to short-term borrowings from banks. The Company measured it at the fair value less transaction costs at the time of original recognition, and subsequently recognized any difference between the price after deducting transaction costs and the redemption value, and adopted the effective interest method and amortizing procedures to recognize interest expenses during the circulation period in profit and loss.

(XX) Notes and Accounts Payable

1. Refers to the debts incurred due to the purchase of raw materials, commodities, or services on credit, and the notes payable incurred due to business and non-business matters.
2. For unpaid short-term accounts and notes payable, since discounting has little effect, the Company measures them based on the original invoiced amount.

(XXI) Delisting of financial liabilities

The Company delists financial liabilities when the obligations specified in the contract are performed, canceled or expired.

(XXII) Employee benefits

1. Short-term employee benefits

   Short-term employee benefits are at non-discounted amounts expected to be paid and are recognized as an expense when the related service is rendered.

2. Pension

   For a definite contribution plan, the amount of the pension fund that shall be appropriated is recognized as the current pension cost on the basis of accruals. Advance payments are recognized as assets to the extent that they are refundable in cash or reduce future payments.

3. Severance benefits

Severance benefits are benefits provided when the employee's employment is terminated before the normal retirement date or when the employee decides to accept the company's welfare offer in exchange for the termination of employment. The Company recognizes an expense when it is no longer possible to withdraw the offer of termination benefits or when the related restructuring costs are recognized, whichever is earlier. Benefits that are not expected to be fully settled within 12 months after the balance sheet date will be discounted.

4. Employees and directors remuneration

Employee remuneration and directors' remuneration are recognized as expenses and liabilities when there is a legal or constructive obligation and the amount can be reasonably estimated. If there is a discrepancy between the actual distribution amount and the estimated amount in subsequent resolutions, it shall be treated as a change in accounting estimate. In addition, if employee remuneration is paid by stock, the basis for calculating the number of shares is the closing price on the day before the resolution of the board of directors.

(XXIII) Income Tax

1. Income tax expense includes current and deferred income tax. Income taxes are recognized in profit or loss, except for income taxes that relate to items that are recognized in other comprehensive profit or loss or directly in equity, respectively.
2. The Company calculates current income tax based on the tax rate that has been enacted or substantively enacted on the balance sheet date in the country where the Group operates and generates taxable income. The management level periodically assesses the status of income tax filings with respect to applicable income tax regulations and, where applicable, estimates income tax liabilities based on the expected tax payments to the taxation competent authorities. For undistributed earnings, additional income tax is levied in accordance with the Income Tax Law. In the year following the year in which the earnings are generated, the undistributed earnings income tax expense shall be recognized based on the distribution of the actual earnings after the shareholders' meeting approves the earnings distribution proposal.
3. The balance sheet method is adopted for deferred income tax, which is recognized according to the temporary difference between the tax basis of assets and liabilities and their carrying amount on the parent company only balance sheet. Deferred income tax liabilities arising from the original recognition of goodwill are not recognized if the deferred income tax arises from the original recognition of assets or liabilities in a transaction (excluding business combinations) and at the time of the transaction. If it does not affect accounting profit or taxable income (tax loss), and does not generate equivalent taxable and deductible temporary differences, it will not be recognized. For temporary differences related to investment in subsidiaries and affiliated enterprises, if the Company can control the timing of the reversal of the temporary difference and it is highly likely that

the temporary difference will not reverse in the foreseeable future, it will not be recognized. The deferred income tax is based on the tax rate (and taxation laws) that has been enacted or substantively enacted on the balance sheet date and is expected to be applicable when the relevant deferred income tax assets are realized or the deferred income tax liabilities are settled.

4. Deferred income tax assets are recognized within the scope of temporary differences, unused tax losses and unused income tax credits that are likely to be available in future taxable income, and are reassessed on each balance sheet date. Evaluate unrecognized and recognized deferred tax assets.
5. The later part of the unused income tax deduction due to the purchase of equipment or technology, research and development expenditure, and equity investment, etc., which is within the scope of future taxable income that is likely to be used for the unused income tax deduction. Recognize deferred income tax assets.

(XXIV) Dividend distribution

The dividends distributed to the shareholders of the Company are recognized in the financial report when the shareholders' meeting of the Company resolves to distribute dividends, and the distribution of cash dividends is recognized as the liability.

(XXV) Revenue recognition

1. Product sales

Mainly wool tops, shrink-resistant wool tops and shrink-resistant loose wool, etc. Sales revenue is recognized when the goods are sold to customers, and revenue is recognized based on the price stated in the contracts. The Company has had no such operating revenue since June 2022.

2. Real estate sales for land development

(1) The main business of the Company is land development and sales of real estate, and the revenue is recognized when the control of real estate is transferred to customers. For the signed residential sales contracts, due to the restrictions of the contract terms, the real estate has no other use for the Company, but the Company will not have the enforceable right to the contract payment until the legal ownership or use right of the real estate is transferred to the customer. Revenue is recognized when the ownership or use right is transferred to the customer.

(2) Part of the Company's sales contracts include the change consideration of price reduction, and the Company takes the expected value or the most likely amount as the appropriate estimate of the change consideration.

(3) The Company's contract for the sale of pre-sale houses contains the terms of advance payment from customers, and the time interval between the time of advance receipt and the transfer of commodity control is longer than one year. According to the provisions of IFRS15, if the Company judges that there are significant financial components in individual pre-sale house contracts, it should adjust the amount of

promised consideration and recognize interest expenses. In addition, IFRS15 states that enterprises shall only consider the materiality of financial components at the contract level, and not consider whether financial financing is significant at the portfolio level.

3. Lease revenue

A lease is classified as a finance lease when the terms of the lease transfer substantially all the risks and rewards of the leased asset to the lessee. The others are classified as operating leases. Under a finance lease, amounts due from the lessee are included as lease receivables. Financing income is apportioned to each accounting period to reflect the fixed rate of return available in each period. Lease income from operating leases is recognized as income on a straight-line basis over the term of the relevant lease.

(XXVI) Organizational restructuring under joint control

1. According to the IFRS Q&A of “Accounting Concerns about Business Combinations under Joint Control” issued by the Accounting Research and Development Foundation on October 26, 2018, due to the International Financial Reporting Standard No. 3 “Business Combinations”, there is no clear regulation on the merger of enterprises under joint control, so the accounting treatment of organizational reorganization within the group shall still apply the provisions of the relevant explanation letters issued in Taiwan. The book value method is adopted, and it is regarded as the restructuring of the previous financial statements from the beginning of the merger.
2. In the third quarter of 2022, the Company acquired 33% of the equities of Hanlin Development Co., Ltd. (hereinafter referred to as Hanlin Development), a subsidiary of Hanshin Asset Management Co., Ltd. (the ultimate parent company of the Group), and obtained more than half of seats of its board of directors. Because this equity transaction is an organizational reorganization under common control, according to the ARDF official letter (2012) Ji Mi Zi No. 301, the Company considers that Hanlin Development has been merged from the beginning, and when recompiling the financial statements of previous years, it shall attribute the share of the equity originally belonged to the shareholders of Hanlin Development (Hanshin Asset Management Co., Ltd.) to the "equity owned by the previous holder under the joint control", and the share of profits and losses originally belonged to the shareholders of Hanlin Development (Hanshin Asset Management Co., Ltd.) shall attributed to the "net profit (loss) owned by the previous holder under the joint control".

V. Major sources of uncertainty in major accounting judgments, estimates and assumptions

When the Company prepared these parent company only financial statements, the management level has adopted its judgment to determine the accounting policies adopted, and made accounting estimates and assumptions based on the current situation at the balance sheet date and reasonable expectations of future events. The major accounting estimates and assumptions made may differ from the actual results, and will be continuously evaluated and adjusted taking into account historical experience and other factors. These estimates and assumptions have a risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year. Please explain in detail the following explanations on the uncertainty of major accounting judgments, estimates and assumptions:

(I) Important Judgments for Adoption of Accounting Policies

None.

(II) Important Accounting Estimates and Assumptions

1. Impairment testing of investment using the equity method

When there is an indication of impairment that an investment using the equity method may have been impaired so that the carrying amount cannot be recovered, the Company immediately assesses the impairment of the investment. The Company evaluates the recoverable amount based on the discounted present value of the expected future cash flow of the invested company, and analyzes the rationality of the relevant assumptions.

2. Valuation of inventories

Because inventories shall be priced at the lower of cost and net realizable value, the Company shall adopt judgment and estimation to determine the net realizable value of inventories on the balance sheet date. The management of the Company mainly relies on historical experience and the amount of future market sales value It is the basis of estimation and therefore may be subject to material changes.

VI. Explanation of important accounting items

(I) Cash and cash equivalents

	December 31, 2023		December 31, 2022	
Working capital	$	53	$	30
Demand deposits		184,166		235,132
Time deposits		109,205		30,000
	$	293,424	$	265,162

1. The credit quality of the financial institutions that the Company interacts with is good, and the Company interacts with a number of financial institutions to diversify the credit risk, and the risk of default is expected to be very low.
2. Please refer to Note 8 for the Company's trust deposit account as collateral (recorded in “other financial assets - current”).

(II) Financial assets at amortized cost- Current

	December 31, 2023		December 31, 2022	
Time deposits	$	20,000	$	80,000

1. In 2023 and 2022, the Company's interest income recognized in profit or loss due to financial assets at amortized cost was NT$1,331 and NT$186 (tabled as “interest income”) respectively.
2. Without regard to the collateral held or other credit enhancements, it is the most representative of the financial assets held by the Company at amortized cost. On December 31, 2023 and 2022, the amount of the maximum credit risk exposure was NT$20,000 and NT$80,000, respectively.
3. The Company has not provided financial assets at amortized cost as pledge guarantees.

(III) Notes receivable, net

	December 31, 2023	December 31, 2022
Notes receivable	$ 17,451	$ 2,210

1. The Company's notes receivable are not past due and not impaired.
2. The balance of notes receivable of the Company as of December 31, 2023 and 2022 were from contracts with customers, and the balance of receivables from contracts with customers on January 1, 2022 was NT$2,875.
3. The Company has not provided pledge guarantees for bills receivable.
4. Regardless of the collateral held or other credit enhancements, the amount of exposure that best represents the maximum credit risk of the Company's notes and accounts receivable on December 31, 2023 and 2022 were NT$17,451 and NT$2,210 respectively.
5. Please refer to Note 12 (2) for the credit risk information of relevant notes receivable.

(IV) Inventory

	December 31, 2023	December 31, 2022
Building and land under construction		
Project Kuo Yang Intercontinental (previously known as Project Neihu Jiuzong)	$ 447,276	$ 384,372
Project Kuo Yang Digital (previously known as project Sanchong Chunghsing)	433,312	372,755
Ascent Development Original Development Project (formerly Project Zhonghe Chungyuan)	530,750	510,863
Project Tucheng Zhongyi	258,363	248,109
	$ 1,669,701	$ 1,516,099

1. The inventories as of December 31, 2023 and 2022 were the percentage of shares held by the Company in joint operations. Please refer to Note 6(5) for details.
2. The cost of inventories recognized as expense losses by the Company in 2023 and 2022 were NT$0 and NT$14,624, respectively.
3. The capitalized amount of the inventory interest of the Company in 2023 and 2022 was NT$27,293 and NT$14,635, respectively, and the capitalized interest rate was 2.425%~2.76% and 1.80%~3.00%, respectively.
4. Please refer to Note 8 for details of the Company's provision of guarantees for inventories.

(V) Joint Operation

1. Part of the Company's development projects are joint operations. For the rights and interests of joint operations, the Company recognizes its direct interests (and their shares) in the assets, liabilities, income and expenses of joint operations, and has included them in the parent company only financial statement of the applicable items.
2. The information on the joint operation and development projects held by the Company is as follows:

Project name	Shareholding percentage	Co-builder	Explanation
Ascent Development Original Project (Formerly Project Zhonghe Chungyuan)	40%	Weili International Development Co., Ltd. and two other companies	Zhonghe District, New Taipei City
Project Kuo Yang Digital (Original Sanchong Zhongxing Project)	15%	Kuo Yang Construction Co., Ltd. and three other companies	Sanchong District, New Taipei City
Project Kuo Yang Intercontinental (Original Neihu Jiuzong Project)	10%	Kuo Yang Construction Co., Ltd. and four other companies	Neihu District, Taipei City
Project Tucheng Zhongyi	10%	Kuo Yang Construction Co., Ltd. and three other companies	Tucheng District, New Taipei City

3. The aggregate information on the shares of joint operation held by the Company is as follows:

	December 31, 2023			
Balance Sheet	Project Kuo Yang Intercontinental	Project Tucheng Zhongyi	Project Kuo Yang Digital	Ascent Development Original Project
Current assets				
Inventory	$ 447,276	$ 258,363	$ 433,312	$ 530,750
Other current assets	10,199	11,577	123,171	73,742
	457,475	269,940	556,483	604,492
Non-current assets	-	26	-	-
Total assets	$ 457,475	$ 269,966	$ 556,483	$ 604,492
Current liabilities				
Short-term borrowings	$ 270,372	$ 159,710	$ 267,900	$ 401,200
Other current liabilities	61,519	795	168,416	618
	331,891	160,505	436,316	401,818
Non-current liabilities	-	-	-	430
Total liabilities	$ 331,891	$ 160,505	$ 436,316	$ 402,248

	December 31, 2023			
Statement of Comprehensive Income	Project Kuo Yang Intercontinental	Project Tucheng Zhongyi	Project Kuo Yang Digital	Ascent Development Original Project
Income	$ -	$ 3,197	$ -	$ 2,165
Costs	$ -	$ 3,197	$ -	$ -
Expenses	$ 258	$ 295	$ 18	$ 631

	December 31, 2022			
Balance Sheet	Project Kuo Yang Intercontinental	Project Tucheng Zhongyi	Project Kuo Yang Digital	Ascent Development Original Project
Current assets				

Inventory	$ 384,372	$ 248,109	$ 372,755	$ 510,863
Other current assets	9,532	1,801	15,521	18,267
	393,904	249,910	388,276	529,130
Non-current assets	20	-	-	-
Total assets	$ 393,924	$ 249,910	$ 388,276	$ 529,130
Current liabilities				
Short-term borrowings	$ 261,178	$ 149,710	$ 267,900	$ 324,734
Other current liabilities	16,925	438	549	3,446
	278,103	150,148	268,449	328,180
Non-current liabilities	-	24	-	601
Total liabilities	$ 278,103	$ 150,172	$ 268,449	$ 328,781

	December 31, 2022			
	Project Kuo Yang Intercontinental	Project Tucheng Zhongyi	Project Kuo Yang Digital	Ascent Development Original Project
Consolidated Statement of Endowments				
Income	$ 286	$ 137	$ -	$ 362
Costs	$ -	$ -	$ -	$ -
Expenses	$ 255	$ 274	$ 237	$ 59

(VI) Financial assets at FVTOCI - non-current

	December 31, 2023	December 31, 2022
Equity instruments		
Stocks of listed/OTC companies	$ 218,814	$ 218,814
Evaluation adjustment	(112,410)	(137,539)
	$ 106,404	$ 81,275

1. The Company categorizes strategic investments and equity instrument investments for stable dividend collection as financial assets at fair value through other comprehensive profit and loss, and the fair values of these investments on December 31, 2023 and 2022 were NT$106,404 and NT$81,275, respectively.
2. The details of the financial assets at fair value through other comprehensive profit and loss recognized in profit or loss and comprehensive profit or loss are as follows:

Disposal of equity instruments at FVTOCI	2023	2022
Changes in fair value recognized in other comprehensive profit or loss	$ 25,129	($ 29,657)
Accumulated benefits or loss transferred to retained earnings due to delisting	$ 1,710	$ 76
Dividend income recognized in profit or loss		
Held at the end of the current period	$ -	$ -

3. Regardless of the collateral held or other credit enhancements, the most representative of the financial assets held by the Company at fair value through other comprehensive profit and loss. On December 31, 2023 and

2022, the amount of risky exposure with the largest credit risk was NT$106,404 and NT$81,275, respectively.

4. The Company has not provided financial assets at FVTOCI as pledge guarantees.

(VII) Investments accounted for using equity method

	2023	2022
January 1	$ 1,319,796	$ 1,692,540
Refund of capital reduction of investments under the equity method	-	(299,330)
Investment gains and losses recognized using the equity method	219,982	188,751
Distribution of investment surplus using the equity method	(90,000)	(147,000)
Impairment losses on investments using the equity method	-	(46,403)
Changes in capital surplus	-	7,372
Changes in other equity	107,106	(76,134)
December 31	$ 1,556,884	$ 1,319,796

Investee	December 31, 2023	December 31, 2022
HCW Investment Co., Ltd.	$ 258,118	$ 219,671
Hanlin Development Co., Ltd.	272,372	267,085
- Affiliate		
Hanshin Shopping Plaza Co., Ltd.	976,651	779,176
Jollify Creative, Ltd.	49,743	53,864
Jollify4ever Ltd.	-	-
	$ 1,556,884	$ 1,319,796

1. For information on subsidiaries, please refer to Note 4(3) of the Company's 2023 consolidated financial statements.

2. The Company acquired 33% of the equity of Hanlin Development Industry Co., Ltd. in the third quarter of 2022, and acquired more than half of the seats in the Board of Directors. Therefore, the equity transaction belongs to the organizational reorganization under common control, and it should be considered as acquired from the beginning. For information on the organizational reorganization, please refer to Note 6(25). In addition, the Company's shareholding in Hanlin Development Industries Co., Ltd. on March 11, 2024 was increased from 33% to 51%. Please refer to Note 11 for details.

3. Affiliate

(1) Basic information of the major affiliates of the Company is as follows:

Company name	Principal place of business	Shareholding percentage December 31, 2023	Shareholding percentage December 31, 2022	Nature of relationship	Measurement method
Hanshin Shopping Plaza Co., Ltd.	Taiwan	16.00%	16.00%	- Affiliate	Equity method

(2) The summarized financial information of the major affiliates of the Company is as follows: Balance Sheet

	Hanshin Shopping Plaza Co., Ltd.	
	December 31, 2023	December 31, 2022
Current assets	$ 5,491,584	$ 3,524,083
Non-current assets	8,871,395	9,144,384
Current liabilities	(4,152,159)	(3,398,127)
Non-current liabilities	(6,159,437)	(6,472,357)
Total net assets	$ 4,051,383	$ 2,797,983
Proportion of net assets of affiliated enterprises	$ 680,994	$ 483,520
Goodwill	295,657	295,657
Book value of affiliated enterprises	$ 976,651	$ 779,177

Statement of Comprehensive Income

	Hanshin Shopping Plaza Co., Ltd.	
	2023	2022
Income	$ 3,610,735	$ 3,102,720
Net income from continuing operations	$ 1,276,009	$ 1,092,767
Other comprehensive income (net, after tax)	553,189	(338,884)
Total comprehensive income of the current period	$ 1,829,198	$ 753,883

(3) As of December 31, 2023 and 2022, the total book value of the individual non-significant affiliates of the Company was NT$49,743 and NT$53,864, respectively. The share of the operating result is summarized as follows:

	2023	2022
Net loss from continuing operations	$ 3,269	($ 10,594)
Other comprehensive income (net, after tax)	(7,390)	(4,105)
Total comprehensive income of the current period	($ 4,121)	($ 14,699)

4. In 2022, the Company assessed that the investment in Jollify4ever Ltd. using the equity method had been impaired, so it recognized an impairment loss of NT$46,403 and listed it in “Other Gains and Losses”.
5. Jollify Creative, Ltd. handled a cash capital increase in September 2022. The Company did not participate in the subscription according to the shareholding ratio, and hence the shareholding ratio of Jollify Creative, Ltd. decreased from 46.83% to 37.46%. The Company is the largest single shareholder of that company. Since other shareholders (non-related persons of the Company) have signed a shareholder agreement, it shows that the company has no actual ability to lead relevant activities, so it is judged that it has no control over the company and only has a significant influence.
6. In June 2023, JOLLIFY4EVER LTD. was resolved in the shareholders' meeting to reduce capital to make up for losses and increase capital in cash. The capital reduction amounted to NT$111,361, and 11,136 thousand shares were written off, representing a capital reduction ratio of 52.16%;

the capital increase was NT$60,861. The Company has not participated in the subscription according to the shareholding ratio, and thus the shareholding of JOLLIFY4EVER LTD. was reduced from 46.83% to 29.34%. The Company is the largest single shareholder of that company. However, the combined shareholding of the other two largest shareholders exceeds the shareholding of the Company, it shows that the company has no actual ability to lead relevant activities, so it is judged that it has no control over the company and only has a significant influence.

7. There is no public quotation for the investment targets of the Company. For 2023 and 2022, the recognized share of investment income on investments accounted for using the equity method were NT$219,982 and NT$188,751, respectively; the share of other comprehensive income were NT$107,106 and (NT$76,134), respectively. All are based on valuation of the financial statements audited and certified by the CPA of each investee company over the same period.

(VIII) Lease transactions - Lessee

1. The underlying assets leased by the Company include office equipment and buildings, and the lease contract period is usually 2 to 3 years. Lease contracts are negotiated individually and contain various terms and conditions. Except that the leased assets may not be used as loan guarantees, no other restrictions are imposed.
2. The book value of the right-of-use assets and the information of recognized depreciation expenses are as follows:

	December 31, 2023	December 31, 2022
	Book value	Book value
Office equipment	$ 95	$ 13
	2023	2022
	Depreciation expense	Depreciation expense
Office equipment	$ 51	$ 33

3. The increase in the Company's right-of-use assets for 2023 and 2022 were NT$133 and NT$0, respectively.
4. The information of income items related to lease contracts is as follows:

	2023	2022
Items affecting current profit and loss		
Interest expense of lease liabilities	$ 2	$ -
Expenses of short-term lease contracts	2,273	2,257

5. The total cash outflow for leases of the Company in 2023 and 2022 amounted to NT$2,326 and NT$2,291, respectively.

(IX) Investment property

1. Investment property refers to the Company's own investment property. The Company signs commercial property lease contracts for its own investment properties. The lease contract term is usually 1~2 years, and the details are as follows:

	2023		
	Land	Houses and buildings	Total
January 1	$ 72,160	$ 57,278	$ 129,438
Depreciation expense	-	(2,067)	(2,067)
December 31	$ 72,160	$ 55,211	$ 127,371

	2022		
	Land	Houses and buildings	Total
January 1	$ 72,160	$ 59,349	$ 131,509
Depreciation expense	-	(2,071)	(2,071)
December 31	$ 72,160	$ 57,278	$ 129,438

2. Rent income and direct operating expenses of investment property:

	2023	2022
Rental income from investment real estate	$ 2,191	$ 2,212
Direct operating expenses incurred in the investment real estate generating rental income in the current period	$ 431	$ 448
Direct operating expenses incurred in the investment real estate not generating rental income in the current period	$ 2,318	$ 2,530

3. The fair values of the investment real estate held by the Company on December 31, 2023 and 2022 were NT$213,641 and NT$248,060, respectively, which were based on the recent transaction prices of comparable similar targets in the area where the investment real estate is located and based on independent Evaluation results of evaluation experts. On December 31, 2023, the valuation was based on the comparative approach and the income approach, which was a Level 3 fair value. The main assumption was that the capitalization rate of gains was 1.17% - 1.89%.

4. The Company does not provide any investment property as collateral.

(X) Short-term borrowings

Nature of loan	December 31, 2023	Interest rate range	Collaterals
Bank loans			
Secured loans	$ 1,066,710	2.55%~2.76%	Please refer to Note 8
Credit loans	32,472	2.55%~2.65%	None
	$ 1,099,182		

Nature of loan	December 31, 2022		Interest rate range	Collaterals
Bank loans				
Secured loans	$	980,244	2.425%~2.635%	Please refer to Note 8
Credit loans		113,278	2.425%~2.525%	None
	$	1,093,522		

1. Guaranteed borrowings recognized in the book are the shares recognized by the Company for its participation in joint operations based on its percentage. Please refer to Note 6(5) for details.
2. The interest expenses recognized in profit or loss in 2023 and 2022 were NT$1,859 and NT$380, respectively.

(XI) Pension

Since July 1, 2005, the Company has established a defined retirement contribution in accordance with the "Labor Pension Act", which is applicable to domestic employees. The Company shall contribute 6% of their monthly salaries into individual accounts held by the Bureau of Labor Insurance for employees who elect to apply the labor pension system under the "Labor Pension Act". Depending on the amount of the personal pension account and the accumulated income, the pension will be paid on a monthly basis or in lump sum.

In 2023 and 2022, the Company recognized pension cost amounting to NT$783 and NT$595, respectively, in accordance with the above regulations governing the recognition of pension fund.

(XII) Share capital

As of December 31, 2023 and 2022, the Company's authorized capital was NT$1,100,000, which was divided into 110,000 thousand shares and issued in tranches. The paid-in capital was NT$920,000, and the par value was NT$10 per share. The payment for the shares issued by the Company has been received.

(XIII) Capital surplus

1. According to the requirements of IFRS Questions and Answers, Letter (95) Ji-Mi-Zi No. 081 and Letter (100) Ji-Mi-Zi No. 390 published by the Accounting Research and Development Foundation on October 26, 2018, the acquisition of the Company's shares in Hanlin Development, a subsidiary of the ultimate parent company, is considered an organizational reorganization under common control as described in Note 6, (25). The consideration paid by the Company exceeds the ultimate parent company's book value of the investment under the equity method, and capital surplus-issuance premium shall be adjusted. If the capital surplus-issuance premium is insufficient, the retained earnings shall be adjusted down.
2. According to the Company Act, in addition to the surplus from the issuance of shares in excess of the par value and from the capital surplus from the receipt of gifts, which may be used to make up for losses, the Company shall pay dividends, in which case new shares or cash may be issued, in proportion to the original shares when the Company has no accumulated losses. new shares or cash. In addition, according to the relevant

regulations of the Securities and Exchange Act, the total amount of the above-mentioned capital surplus to be appropriated as capital may not exceed 10% of the paid-in capital each year. The Company may not use the surplus reserve to supplement the capital deficit, except when there is insufficient surplus reserve to cover the capital deficit.

	December 31, 2023	December 31, 2022
Treasury stock trading	$ 8,516	$ 8,516
Impact of organizational reorganization	30,461	30,461
Disposal of equity instruments at FVTOCI by affiliates	11,286	11,286
Changes in the net equity value of affiliates	132,421	132,421
Others	170	170
	$ 182,854	$ 182,854

(XIV) Retained earnings

1. According to the Articles of Incorporation, annual surpluses concluded by the Company are first subject to taxation and making up for previous losses, followed by a 10% provision for legal reserves; however, no further provision is needed when legal reserves have accumulated to the same amount as the Company's paid-in capital. Any surpluses remaining shall then be subject to provision or reversal of special reserves, as the laws. The residual balance (if any) can then be added to undistributed earnings carried from previous years per board resolution, and the shareholder meeting resolved to distribute shareholder bonus shares.
2. On June 23, 2022, the shareholders' meeting approved the amendment to the Company's Articles of Association. According to the surplus distribution policy of the Company's Articles of Association, profit distribution or loss compensation can be carried out after the end of each quarter in accordance with the Company Act. When distributing surplus, it is necessary to estimate and retain tax payables, make up for losses according to law, set legal reserves, and transfer or reverse special reserves in accordance with relevant laws and regulations. When the distribution of earnings in this item is made by issuing new shares, it shall be subject to a resolution of the shareholders' meeting in accordance with Article 240 of the Company Act; if it is distributed in cash, it shall be subject to a resolution of the board of directors.
3. The Company's dividend distribution policy depends on factors such as the company's current and future investment environment, capital needs, domestic and foreign competition conditions, and capital budgets, taking into account the interests of shareholders, balancing dividends, and the company's long-term financial planning. Dividends shall be distributed in combination, of which cash dividends shall not be less than 20% of the total dividends.
4. According to the Company Act, the legal reserve shall be contributed until its total amount reaches the total capital. The legal reserve shall not be used except to make up for the company's losses and to issue new shares or cash in proportion to the shareholders' original shares. However, the issuance of new shares or cash shall be limited to the portion of the reserve

exceeding 25% of the paid-in capital.

5. When the Company distributes surplus, according to the laws, the debit balance of other equity items on the balance sheet date of the current year shall be withdrawn as a special reserve for distribution. When the debit balance of other equity items is subsequently reversed, the reversed amount may be included in the distributable surplus.

   When adopting IFRSs for the first time, the special surplus reserve was listed in the official letter Jin Guan Zheng Fa Zi No. 1010012865 issued on April 6, 2012. When the Company subsequently uses, disposes or reclassifies the relevant assets, it will reverse the original proportion of the special reserve.

6. On June 21, 2023 and June 23, 2022, the shareholders' meeting resolved to distribute surplus for 2022 and 2021 as follows:

	2022		2021	
	Amount	Dividends per share (NT$)	Amount	Dividends per share (NT$)
Legal reserve	$ 7,337		$ 15,236	
Special reserves	204,188		-	
Cash dividends	27,600	$ 0.30	18,400	$ 0.20

7. On March 13, 2024, the Company's 2023 surplus distribution proposed by the board of directors is as follows:

	2023	
	Amount	Dividends per share (NT$)
Legal reserve	$ 18,375	
Reversal of special reserve	(131,582)	
Cash dividends	27,600	$ 0.30

   The above-mentioned earnings distribution resolved by the Board of Directors and Shareholders' Meeting is available on the "Market Observation Post System" of Taiwan Stock Exchange.

(XV) Other equity items

	2023	2022
	Unrealized gains or losses on financial assets at FVTOCI	Unrealized gains or losses on financial assets at FVTOCI
January 1	($ 204,188)	($ 117,229)
Evaluation adjustment:		
- The Company	25,129	(29,657)
-Subsidiary	15,952	(11,708)
-Affiliated enterprises	91,154	(65,122)
Valuation adjustment transferred to retained earnings		
-Subsidiary	(1,170)	(76)
-Affiliated enterprises	517	19,604
December 31	($ 72,606)	($ 204,188)

(XVI) Revenue

	2023	2022
Revenue from customer contracts		
Product sales revenue	$ -	$ 14,780
Lease revenue	4,357	2,996
Total	$ 4,357	$ 17,776

1. The revenue of the Company's customer contracts comes from goods transferred at a certain point in time, or services that are gradually transferred over time. The revenue may be broken down according to the type of operation as follows.

	Product sales	Lease	Total
2023			
Time for revenue recognition			
Revenue transferred over time	$ -	$ 4,357	$ 4,357
2022			
Time for revenue recognition			
Revenue recognized at a point in time	$ 14,780	$ -	$ 14,780
Revenue transferred over time	-	2,996	2,996
	$ 14,780	$ 2,996	$ 17,776

2. For the sales contracts entered into by the Company as of December 31, 2023, the aggregate amount of the transactions amortized from the performance obligations that have not yet been met and the estimated revenue for the year are as follows:

The year expected to be recognized as revenue	Amount of contract entered into
2025-2026	$ 1,011,479

3. Contract assets and liabilities

   The contractual liabilities related to the contract revenue recognized by the Company are as follows:

	December 31, 2023	December 31, 2022
Contract liabilities - current:		
- Advance payment for land	$ 85,309	$ -
- Prepaid housing payment	77,825	-
	$ 163,134	$ -

(1) The Company's contract for the sale of pre-sale houses contains the terms of advance payment from customers, and the time interval between the time of advance receipt and the transfer of commodity control is longer than one year. Recognize contract liabilities related to pre-sale house contracts according to the requirements of IFRS 15.

(2) The amount of revenue recognized in current period from contract liabilities in 2023 and 2022 is NT$0.

(XVII) Interest income

	2023	2022
Interest on bank deposit	$ 2,587	$ 1,419
Interest income from financial assets at amortized cost	1,331	186
	$ 3,918	$ 1,605

(XVIII) Other income

	2023	2022
Other income - others	$ 370	$ 288

(XIX) Other gains and losses

	2023	2022
Foreign exchange gain (loss)	($ 22)	$ 2,835
Impairment losses on investments using the equity method	-	(46,403)
Other gains and losses	-	(2)
	($ 22)	($ 43,570)

(XX) Financial cost

	2023	2022
Interest expense		
Bank loans	$ 29,151	$ 14,894
Interest on lease liabilities	2	-
Others	14	126
	29,167	15,020
Less: Amount of capitalized assets that meet the criteria	(27,293)	(14,635)
	$ 1,874	$ 385

(XXI) Additional Information on Nature of Expenses

	2023		
	Attributable to operating costs	Attributable to operating expenses	Total
Employee welfare expenses	$ -	$ 28,906	$ 28,906
Depreciation expense	2,067	76	2,143
	$ 2,067	$ 28,982	$ 31,049

	2022		
	Attributable to operating costs	Attributable to operating expenses	Total
Employee welfare expenses	$ -	$ 20,574	$ 20,574
Depreciation expense	2,071	58	2,129
	$ 2,071	$ 20,632	$ 22,703

(XXII) Employee welfare expenses

	2023	2022
Salary expenses	$ 16,050	$ 10,068
Labor and health insurance premiums	1,334	1,046
Pension expense	783	595
Director Compensation	9,602	8,129
Other employee expenses	1,137	736
	$ 28,906	$ 20,574

1. According to the Company's Articles of Incorporation, the Company shall appropriate 0.5%~5% of the balance as the remuneration to employees, and no more than 0.2% to the remuneration to Directors, after deducting the accumulated losses based on the current profit status of the Company.
2. The remuneration to employees was estimated at NT$935 and NT$559 in 2023 and 2022, respectively; the remuneration to directors was estimated at NT$935 and NT$559.

   The remuneration of employees and remuneration of directors 2023 is estimated according to the profits of the current period and in accordance with the Articles of Incorporation.

   As resolved by the Board of Directors, the remuneration to employees and directors is consistent with the recognized amounts in the 2022 financial statements.

   Information on remuneration to employees and directors approved by the Company's Board of Directors is available on the Market Observation Post System.

(XXIII) Income Tax

1. Income tax expenses

   Components of income tax expense:

	2023	2022
Current income tax:		
Additional tax on undistributed earnings	$ -	$ 5,936
Underestimation of income tax in previous years	68	-
Total income tax for the period	68	5,936
Deferred income tax:		
The original generation and reversal of temporary difference	(4)	555
Income tax expenses	$ 64	$ 6,491

2. Relationship between income tax expenses and accounting profit

	2023	2022
Income tax on net profit before tax calculated at statutory tax rate	$ 37,012	$ 22,377
Income exempted from taxation under the Tax Act	(80,513)	(28,478)
Additional tax on undistributed earnings	-	5,936
Deferred income tax assets for unrecognized taxation losses	43,497	6,656
Underestimation of income tax in previous years	68	-
Income tax expenses	$ 64	$ 6,491

3. The amounts of deferred income tax assets or liabilities arising from temporary differences are as follows:

	2023			
	January 1	Recognized in profit or loss	Recognized in other comprehensive net income	December 31
Deferred income tax assets				
Impairment loss of investment property	$ 338	$ -	$ -	$ 338
Deferred income tax liabilities				
Unrealized exchange gain	(511)	4	-	(507)
	($ 173)	$ 4	$ -	($ 169)

	2022			
	January 1	Recognized in profit or loss	Recognized in other comprehensive net income	December 31
Deferred income tax assets				
Impairment loss of investment property	$ 338	$ -	$ -	$ 338
Unrealized exchange loss	57	(57)	-	-
	$ 395	($ 57)	$ -	$ 338
Deferred income tax liabilities				
Valuation of financial assets	($ 13)	$ 13	$ -	$ -
Unrealized exchange gain	-	(511)	-	(511)
	($ 13)	($ 498)	$ -	($ 511)
	$ 382	($ 555)	$ -	($ 173)

4. The effective periods of the Company's unused tax losses and the related amounts of unrecognized deferred income tax assets are as follows:

December 31, 2023				
Year of occurrence	Amount reported/authorized	Amount yet to be offset	Amount of unrecognized deferred income tax assets	Last crediting year
2018	$ 59,130	$ 24,080	$ 24,080	2028
2020	37,594	37,594	37,594	2030
2021	26,178	26,178	26,178	2031
2022	33,276	33,276	33,276	2032
2023	217,483	217,483	217,483	2033
	$ 373,661	$ 338,611	$ 338,611	

December 31, 2022				
Year of occurrence	Amount reported/authorized	Amount yet to be offset	Amount of unrecognized deferred income tax assets	Last crediting year
2018	$ 59,130	$ 24,080	$ 24,080	2028
2020	37,594	37,594	37,594	2030
2021	26,178	26,178	26,178	2031
2022	33,276	33,276	33,276	2032
	$ 156,178	$ 121,128	$ 121,128	

5. Deductible temporary differences not recognized as deferred income tax assets

	December 31, 2023	December 31, 2022
Deductible temporary difference	$ 338,704	$ 121,221

6. The income tax for the profit-seeking business of the Company has been approved by the tax collection authority up to 2021.

(XXIV) Earnings per share

	2023		
	After-tax amount	Weighted average outstanding shares (thousand shares)	Earnings per share (NT$)
Basic earnings per share			
Net income attributable to common shareholders	$ 184,402	$ 92,000	$ 2.00
Diluted earnings per share			
Net income attributable to common shareholders	$ 184,402	92,000	$ 2.00
Effect of potential dilutive common stock			
Employee remuneration	-	63	
Net income attributable to common shareholders plus effect of potential common shares	$ 184,402	92,063	$ 2.00

	2022		
	After-tax amount	Weighted average outstanding shares (thousand shares)	Earnings per share (NT$)
Basic earnings per share			
Net income attributable to common shareholders			
Owner of parent company	$ 92,205	92,000	$ 1.00
Equity owned by the previous holder under the joint control	13,190	-	0.14
Net income attributable to common shareholders	$ 105,395	$ 92,000	$ 1.14

	After-tax amount	Weighted average outstanding shares (thousand shares)	Earnings per share (NT$)
Diluted earnings per share			
Net income attributable to common shareholders			
Owner of parent company	$ 92,205	92,000	$ 1.00
Equity owned by the previous holder under the joint control	13,190	-	0.14
Effect of potential dilutive common stock			
Employee remuneration	-	-	
Net income attributable to common shareholders of the parent company plus effect of potential common shares	$ 105,395	92,000	$ 1.14

(XXV) Organizational reorganization

1. In order to integrate and enhance the development resources for the rental and sale business and real estate business, on August 10, 2022, the Board of Directors resolved to acquire a 33% equity of Hanlin Development from the ultimate parent company, Hanshin Asset Management Co., Ltd. The business scope is investment in real estate, residential building. On August 26, 2022, the Board of Directors of Hanlin Development was elected by the interim extraordinary meeting and obtained a majority of the seats, gained control.

2. Therefore, the equity transaction is a reorganization under common control, and the book value method was adopted for the accounting treatment. The consideration paid and the book value of the net assets acquired by Hanlin Development on the transaction base date are as follows:

Acquisition cost	$ 231,000
Less: Book value of net assets acquired	(261,461)
Difference: Adjusted additional paid-in capital	($ 30,461)

3. As of August 26, 2022, the Company recognized a balance of NT$261,461 in “equity owned by the previous holder under the joint control” attributable to Hanshin Asset Management Co., Ltd. This amount was written off upon completion of the above transaction.

(XXVI) Changes in liabilities from financing activities

	2023			
	Short-term borrowings	Lease liabilities	Deposits received	Total liabilities from financing activities
January 1	$1,093,522	$ 13	$ 1,028	$ 1,094,563
Changes in cash flow from financing	5,660	(51)	(194)!	5,415
Interest expenses paid (Note)	-	(2)	-	(2)
Other non-cash changes	-	135	-	135
December 31	$1,099,182	$ 95	$ 834	$ 1,100,111

	2022			
	Short-term borrowings	Lease liabilities	Deposits received	Total liabilities from financing activities
January 1	$ 607,820	$ 47	$ 623	$ 608,490
Changes in cash flow from financing	485,702	(34)	405	486,073
December 31	$1,093,522	$ 13	$ 1,028	$ 1,094,563

Note: Cash flow from operating activities is presented in the table.

VII. Related party transactions

(I) Names of related parties and their relationship

Name of related party	Relationship with the Company
Hanshen Asset Management Co., Ltd.	The Company's ultimate parent company
HCW INVESTMENT CO., LTD.	Investee
Hanlin Development Co., Ltd.	Investee
Hi-Lai Foods Co., Ltd.	Other related parties
Grand Hi-Lai Hotel Co., Ltd.	Other related parties
Hanqi Technology Co., Ltd.	Other related parties
Hanshin Department Store Co., Ltd.	Other related parties
Kuo Yang Construction Co., Ltd.	Other related parties
Weili International Development Co., Ltd.	Other related parties
Shenyang Construction Co., Ltd.	Other related parties
Liyang Agricultural Technology Co., Ltd.	Other related parties

(II) Material transactions with related parties

1. Administrative expenses

Ultimate parent company

The Company signs lease contracts with related parties in accordance with general market conditions, and rents are paid on a monthly basis in accordance with the contracts.

	2023	2022
Ultimate parent company	$ 2,247	$ 2,244

2. Entertainment expenses

	2023	2022
Hi-Lai Foods Co., Ltd.	$ 636	$ 303
Grand Hi-Lai Hotel Co., Ltd.	9	65
Hanshin Department Store Co., Ltd.	9	-
	$ 654	$ 368

The Company's entertainment expenses are mainly gifts given to customers, and the payment terms to related parties are “paid when incurred”.

3. Deposits received

	2023	2022
Ultimate parent company	$ 392	$ 392

4. Endorsements and guarantees provided to related parties

	December 31, 2023	December 31, 2022
Weili International Development Co., Ltd.	$ 1,003,000	$ 811,834

5. Others

(1) On July 15, 2021, the Company entered into a joint investment and development contract with Weili International Development Co., Ltd., Guo Yang Construction Co., Ltd., Hanshin Asset Management Co., Ltd., and Grand Hi-Lai Hotel Co., Ltd. for 9 pieces of land including No. 28, Zhongxing Section, Sanchong District, with a total area of 1,828.28 pings, with Guo Yang Construction Co., Ltd. acting as the manager of the project according to the contract. The investment ratio was 15% by the Company, 10% by Weili International Development Co., Ltd., 50% by Guo Yang Construction Co., Ltd., 10% by Hanshin Asset Management Co., Ltd., and 15% by Grand Hi-Lai Hotel Co., Ltd.

(2) On November 23, 2020, the Company entered into a joint investment and development contract with Weili International Development Co., Ltd., Guo Yang Construction Co., Ltd., Hanshin Asset Management Co., Ltd., Liyang Agricultural Technology Co., Ltd. and Grand Hi-Lai Hotel Co., Ltd. for 4 pieces of land including 83-1, Jiuzong Section, Neihu District, Taipei City, with a total area of 2,127.33 pings. Guo Yang Construction Co., Ltd. was the manager of the project according to the contract. 10% of the investment was by the Company, 50% by Guo Yang Construction Co., Ltd., and 10% by all other companies.

(3) On January 28, 2021, the Company entered into a joint investment and development contract with Weili International Development Co., Ltd., Guo Yang Construction Co., Ltd., Hanshin Asset Management Co., Ltd., Liyang Agricultural Technology Co., Ltd. and Grand Hi-Lai Hotel Co., Ltd. for 19 pieces of land including Lot No. 365, Zhongyi Section, Tucheng District, New Taipei City, with a total area of 5,344.27 pings. Guo Yang Construction Co., Ltd. was the manager of the project according to the contract. 10% of the investment was by the Company, 50% by Guo Yang Construction Co., Ltd., and 10% by all other companies. Subsequently, on June 29, 2021, "Grand Hi-Lai Hotel Co.,

Ltd." withdrew from the project. The original holding ratio was changed to Hanshin Asset Management Co., Ltd. effective on July 1, 2021.

(4) On August 11, 2022, the Company and its subsidiary, Hanlin Development Co., Ltd., entered into a joint investment and development contract with Weili International Development Co., Ltd. and Shenyang Construction Co., Ltd. for 12 pieces of land, with an area of 2,259,85 pings, including Lot 258, Zhongyuan Section, Zhonghe District, New Taipei City. Its investment ratio includes the Company (40%), Hanlin Development (10%), Shenyang Construction Co., Ltd. (40%), and Weili International Development Co., Ltd. (10%).

(III) Remuneration of key management personnel

	2023	2022
Short-term employee benefits	$ 11,835	$ 10,331

VIII. Assets collateralized (pledged)

The details of collateral for the Company's assets are as follows:

	Book value		
Assets	December 31, 2023	December 31, 2022	Purpose of guarantee
Inventory - building and land under construction	$ 1,632,622	$ 1,439,906	Short-term borrowings
Other financial assets - current (restricted assets)	69,954	-	Trust deposit account
	$ 1,702,576	$ 1,439,906	

IX. Significant contingent liabilities and unrecognized contractual commitments

As of December 31, 2023, the total cost of construction contracts signed between the Company and non-related parties amounted to NT$506,917, and the amount signed but yet to be paid amounted to NT$378,624.

X. Losses from major disasters

None.

XI. Subsequent events

On February 26, 2024, as resolved by the Board of Directors, the Company acquired 12,600 thousand shares of common stock from Hanlin Development Co., Ltd. from Hanshin Asset Management Co., Ltd. for NT$132,300 thousand. On March 11, 2024, the share transfer was completed, and the Company's shareholding was increased from 33% to 51%.

XII. Others

(I) Capital management

The Company's capital management objective is to maintain a sound credit rating and a good capital ratio to support corporate operations and maximize shareholders' equity. The Company manages and adjusts the capital structure according to the economic situation, and may achieve the purpose of maintaining and adjusting the capital structure by adjusting the payment of dividends, returning capital or issuing new shares.

(II) Financial instruments

1. Types of financial instruments

	December 31, 2023	December 31, 2022
Financial assets		
Financial assets at FVTOCI		
Investment in designated equity instruments	$ 106,404	$ 81,275
Financial assets at amortized cost		
Cash and cash equivalents	$ 293,424	$ 265,162
Financial assets at amortized cost	20,000	80,000
Notes receivable	17,451	2,210
Other receivables	549	27
Deposits received	423	416
	$ 331,847	$ 347,815
Financial liabilities		
Financial liabilities at amortized cost		
Short-term borrowings	$ 1,099,182	$ 1,093,522
Notes payable	42,825	12,066
Accounts payable	13,130	2,604
Other payables	21,224	11,355
Deposits received	834	1,028
	$ 1,177,195	$ 1,120,575
Lease liabilities	$ 95	$ 13

2. Risk management policy

(1) The Company's financial risk management objectives are mainly to manage market risks, credit risks and liquidity risks related to operating activities. The Company identifies, measures and manages the aforementioned risks in accordance with the Group's policies and risk preferences.

(2) The Company has established appropriate policies, procedures, and internal controls for the aforementioned financial risk management in accordance with relevant regulations, and important financial activities must be reviewed by the board of directors in accordance with relevant regulations and internal control systems. During the execution of financial management activities, the Company shall faithfully comply with the relevant regulations on financial risk management.

(3) The Company has not undertaken derivatives to avoid financial risks.

3. Nature and extent of material financial risks

(1) Market risk

Interest rate risk

A. The Company is exposed to the exchange rate risk arising from transactions where the functional currency is different from the Company's functional currency, which is mainly USD. The associated exchange rate risk arises from future commercial trades and recognized assets and liabilities.

B. The management of the Company has formulated the policy to manage the exchange rate risk relative to its functional currency within the Company.

C. The business of the Company involves non-functional currency (the functional currency of the Company is NT$), so it is affected by exchange rate fluctuations, and the foreign currency assets and liabilities with significant exchange rate fluctuations are as follows:

	December 31, 2023			
(Foreign currency : Functional currency)	Foreign currency (in thousand)	Exchange rate	Book value (NT$)	
Financial assets				
Monetary items				
USD: NT$	$ 962	30.71	$	29,532

	December 31, 2022			
(Foreign currency : Functional currency)	Foreign currency (in thousand)	Exchange rate	Book value (NT$)	
Financial assets				
Monetary items				
USD: NT$	$ 945	30.71	$	29,016

D. The Company's monetary items have a significant impact due to exchange rate fluctuations. The total amount of all exchange (losses) benefits recognized in 2023 and 2022 (including realized and unrealized) were (NT$22) and NT$2,835, respectively.

E. The Company's foreign currency market risk analysis due to major exchange rate fluctuations is as follows:

The exchange risk between USD and NT$ mainly comes from US dollar-denominated cash and equivalent cash, resulting in foreign currency exchange losses or gains during conversion. If holding NT$ against USD depreciates or appreciates by 1% and all other factors remain unchanged, the net profit in 2023 and 2022 will increase or decrease by NT$236 and NT$232 respectively.

Price risk

A. The equity instruments of the Company exposed to price risk are financial assets at FVTOCI. In order to manage the price risk of equity instrument investment, the Company manages the price risk of equity securities by diversifying investment and setting limits for single and overall equity investment. The information on investment portfolio of equity securities needs to be regularly provided to the senior management of the Company, and the board of directors must review all equity securities investment decisions and approve the diversification of its investment portfolio.

B. The Company mainly invests in equity instruments issued by domestic companies. The prices of these equity instruments will be affected by the uncertainty of the future value of the investment target. If the value of the equity instruments rises or falls by 1%, with all other factors remaining unchanged, the other comprehensive income in 2023 and 2022 is classified as equity investment at FVTOCI. The profit or loss increased or decreased by NT$1,064 and NT$813, respectively.

Cash flow and fair value interest rate risk

A. The Company's interest rate risk mainly comes from short-term loans issued at floating interest rates, which exposes the Company to cash flow interest rate risk. In 2023 and 2022, the Company's borrowings at floating interest rates were mainly denominated in NT$.

B. When the NT$ loan interest rate increases or decreases by 1%, and all other factors remain unchanged, the after-tax net profit in 2023 and 2022 will decrease or increase by NT$8,793 and NT$8,748 respectively, mainly due to floating rate loans The interest expense changes accordingly.

(1) Credit risk

A. The credit risk of the Company is the risk of financial loss of the Company due to the inability of the customer or the counterparty of the financial instrument to perform the contractual obligations, which mainly arises from the inability of the counterparty to settle the receivables paid on collection terms and the contractual cash flows classified as investments in debt instruments at amortized cost.

B. Each unit of the Company follows credit risk policies, procedures and controls to manage credit risk. The credit risk assessment of all customers is based on comprehensive consideration of the customer's financial status, credit rating agency ratings, past historical transaction experience, current economic environment, and the Company's internal rating standards and other factors.

C. The Company's Finance and Accounting Department manages the credit risks of bank deposits, fixed-income securities and other financial instruments in accordance with the Company's policies. Because the Company's transaction partners are determined by internal control procedures, and they are banks with good credit, financial institutions, corporate organizations and government agencies with investment grades, and hence there is no significant credit risk.

D. The Company is mainly engages in the leasing and selling of residential buildings, industrial plants and commercial buildings. The sale of premises is recognized as revenue when the contract price is fully collected and the ownership transfer is completed and the actual house is handed over. Hence, the amount of accounts receivable arising from the sale of premises should be small, and the risk of irrecoverability is minor for notes receivable. The amount of credit impairment assessed to the Company as of December 31, 2023 and 2022, was insignificant. In addition, for the accounts receivable arising from other transactions, the Company shall manage the credit risk. When the contract payment is overdue for more than 90 days according to the agreed payment terms, it shall be deemed as a breach of contract.

E. The Company adopts the presumption provided by IFRS 9. When the contract payment is overdue for more than 30 days according to the agreed payment terms, it is considered that the credit risk of the financial asset has increased significantly since the original recognition.

F. When the Company assesses that the financial assets cannot be reasonably expected to be recovered (for example, the issuer or the debtor has significant financial difficulties, or has gone bankrupt), it will be written off.

(2) <u>Liquidity risk</u>

A. The cash flow forecast is executed and summarized by the Company's Finance Department. The Finance Department of the Company monitors the forecast of the Company's working capital needs to ensure that there are sufficient funds to meet the operating needs, and maintain sufficient undrawn commitments at all times to prevent the Company from breaching the relevant borrowing limits or terms. The forecast takes into account the Company's debt financing plan, compliance with the terms of the debt, and compliance with the financial ratio targets in the internal balance sheet.

B. The Company invests the remaining funds in interest-bearing demand deposits, time deposits and securities, and the instruments it chooses have appropriate maturity dates or sufficient liquidity to respond to the above forecasts and provide sufficient dispatch levels.

C. The Company's unused loan quota is detailed as follows:

	December 31, 2023	December 31, 2022
Floating interest rate Overdue in more than one year	$ 294,316	$ 197,476

D. The following table categorizes the Company's non-derivative financial liabilities according to the relevant maturity date, and carries out analysis based on the remaining period from the balance sheet date to the contractual maturity date. Except for notes payable, accounts payable, other payables, and deposits, the undiscounted contractual cash flow amount is approximately equivalent to its book value and is due within one year. The undiscounted contractual cash flow amounts of the remaining financial liabilities are detailed in the table below:

Non-derivative financial liabilities:

Non-derivative financial liabilities: December 31, 2023	Within 1 year	1-2 years	2-3 years	3 years or above
Short-term borrowings	$ 28,369	$ 298,664	$ 178,063	$ 701,263
Lease liabilities	69	29	-	-

Non-derivative financial liabilities: December 31, 2022	Within 1 year	1-2 years	2-3 years	3 years or above
Short-term borrowings	$ 115,147	$ 24,501	$ 285,612	$ 777,768
Lease liabilities	13	-	-	-

E. The Company does not expect that the cash flow in the due date analysis will occur significantly earlier, or the actual amount will be significantly different.

(III) Fair Value Information

1. The definitions of the various levels of evaluation techniques adopted to measure the fair value of financial and non-financial instruments are as follows:

   Level 1: Quoted prices (unadjusted) in an active market for the same assets or liabilities available to the enterprise on the measurement date. An active market is one in which transactions in assets or liabilities occur with sufficient frequency and volume to provide pricing information on an ongoing basis. The fair value of the listed/OTC stock invested by the Company belongs to this category.

   Level 2: Observable inputs, directly or indirectly, for assets or liabilities other than quoted prices included in Level 1.

   Level 3: Unobservable inputs to assets or liabilities.

2. For information on the fair value of investment real estate at cost, please refer to Note 6(10).

3. Financial instruments not measured by fair value

   The book value of the Company’s cash and cash equivalents, notes receivable, other receivables, refundable deposits, short-term borrowings, notes payable, accounts payable, other payables, and deposits received are reasonable approximations of fair values.

4. Financial and non-financial instruments measured by fair value are classified by the Company based on the nature, characteristics and risks of assets and liabilities and the basis of fair value levels. The relevant information is as follows:

(1) The Company classifies them according to the nature of assets and liabilities, and the relevant information is as follows:

December 31, 2023	Level 1	Level 2	Level 3	Total
Assets				
Recurring fair value				
Financial assets at FVTOCI				
Equity securities	$ 106,404	$ -	$ -	$ 106,404

December 31, 2022	Level 1	Level 2	Level 3	Total
Assets				
Recurring fair value				
Financial assets at FVTOCI				
Equity securities	$ 81,275	$ -	$ -	$ 81,275

(2) The methods and assumptions used by the Company to measure the fair value are as follows:

The Company adopts the market quotation as the input value of fair value (i.e. Level 1), and the characteristics of the instruments are as follows:

	Listed (OTC) stock
Market quotation	Closing price

5. The Company did not have any transfer between Level 1 and Level 2 in 2023 and 2022.
6. There was no transfer in or out of Level 3 in 2023 and 2022.
7. The Company is responsible for verifying the fair value of financial instruments, using independent source data to make the evaluation results close to the market status, confirming that the data source is independent, reliable, and other data sources Consistent and representative executable prices, and regularly calibrate the evaluation model, conduct back testing, update the input values and data required for the evaluation model, and make any other necessary fair value adjustments to ensure that the evaluation results are reasonable.

XIII. Other disclosures

(I) Information about important transactions

1. Loans to others: None.
2. Endorsements/guarantees provided for others: Please refer to Table 1.
3. Marketable securities held at the end of the period (excluding investments in subsidiaries, affiliates, and jointly controlled companies): Please refer to Table 2.
4. Accumulated purchase or sale of the same marketable securities for an amount exceeding NT$300 million or 20% of the paid-in capital: None.
5. Acquisition amount of real estate reaching NT$300 million or more than 20% of the paid-in capital: None.

6. Disposal of real estate reaching NT$300 million or 20% of paid-in capital or more: None.
7. Purchases or sales of goods from or to related parties reaching NT$100 million or 20% of paid-in capital or more: None.
8. Receivables from related parties reaching NT$100 million or 20% of paid-in capital or more: None.
9. Engagement in derivatives transactions: None.
10. The business relationship between the parent company and its subsidiaries, and the status and amount of important transactions between each subsidiary: None.

(II) Information on invested businesses

The name and location of the investee company and other relevant information (excluding mainland China investee companies): Please refer to Table 3.

(III) Investment information in Mainland China

1. Basic information: None.
2. Significant transactions with investee companies in Mainland China directly or indirectly through businesses in a third region: None.

(IV) Information of major shareholders

Information on major shareholders: Please refer to Table 4 for details.

XIV. Information on operating segment

Not applicable.

Ascent Development Co., Ltd.

(Previous name: CHUWA WOOL INDUSTRY CO., (TAIWAN) LTD.)

Statement of Cash and Cash Equivalents

December 31, 2023

Table 1 Expressed in thousands of NT$

Items	Summary	Amount
Working capital		$ 53
Bank deposits		
Demand deposits		183,838
Foreign currency demand deposits	US$10,666.09, exchange rate 30.71	328
Cash equivalents		
Time deposits	The maturity date is January 2024, the annual interest rate is 1.16%	30,000
	The maturity date is February 2024, the annual interest rate is 1.35%	50,000
Foreign currency time deposit	US$951,134.30, exchange rate 30.71 The maturity date is January 2024, the annual interest rate is 5.40%	29,205
		$ 293,424

Ascent Development Co., Ltd.
(Previous name: CHUWA WOOL INDUSTRY CO., (TAIWAN) LTD.)
Financial Assets at Amortized Cost - Current Statement
December 31, 2023

Table 2 Expressed in thousands of NT$

Name	Summary	Number	Face value	Total amount	Interest rate	Book value	Accumulated impairment	Note
Time deposits								
Land Bank of Taiwan	Time deposit in NT$	1	$ 2,600	$ 2,600	1.335%	$ 2,600	$ -	
Land Bank of Taiwan	Time deposit in NT$	1	2,900	2,900	1.335%	2,900	-	
Land Bank of Taiwan	Time deposit in NT$	1	2,900	2,900	1.335%	2,900	-	
Land Bank of Taiwan	Time deposit in NT$	1	2,900	2,900	1.335%	2,900	-	
Land Bank of Taiwan	Time deposit in NT$	1	2,900	2,900	1.335%	2,900	-	
Land Bank of Taiwan	Time deposit in NT$	1	2,900	2,900	1.335%	2,900	-	
Land Bank of Taiwan	Time deposit in NT$	1	2,900	2,900	1.335%	2,900	-	
				$ 20,000		$ 20,000	$ -	

Ascent Development Co., Ltd.
(Previous name: CHUWA WOOL INDUSTRY CO., (TAIWAN) LTD.)
Inventory Statement
December 31, 2023

Table 3 Expressed in thousands of NT$

Items	Amount		Note
	Costs	Market price (Note)	
Building and land under construction			
Project Kuo Yang Intercontinental (previously known as Project Neihu Jiuzong)	$ 447,276	$ 447,276	
Project Kuo Yang Digital (previously known as project Sanchong Chunghsing)	433,312	433,312	
Ascent Development Original Development Project (formerly Project Zhonghe Chungyuan)	530,750	530,750	
Project Tucheng Zhongyi	258,363	258,363	
	$ 1,669,701	$ 1,669,701	

Note: Due to the characteristics of construction companies, the market price of land and buildings under construction is stated at the lower of cost or net realizable value.

Ascent Development Co., Ltd.
(Previous name: CHUWA WOOL INDUSTRY CO., (TAIWAN) LTD.)
Statement of Changes in Land and Construction in Progress
January 1 to December 31, 2023

Table 4

Expressed in thousands of NT$

Project name	Balance at the beginning of period	Increase in the current period: Input cost	Increase in the current period: Capitalized interest	Amount transferred in the current period: Transferred in from land to be built	Amount transferred in the current period: Sold in the current period	Amount transferred in the current period: Transfer-out upon completion	Balance at the end of period	Note
Project Kuo Yang Intercontinental (Original Neihu Jiuzong Project)	$ 384,372	$ 56,148	$ 6,756	$ -	$ -	$ -	$ 447,276	Provided as collateral for borrowings
Project Tucheng Zhongyi	248,109	6,205	4,049	-	-	-	258,363	〃
Project Kuo Yang Digital (Original Sanchong Zhongxing Project)	372,755	53,727	6,830	-	-	-	433,312	〃
Ascent Development Original Project (Formerly Project Zhonghe Chungyuan)	510,863	10,229	9,658	-	-	-	530,750	〃
	$ 1,516,099	$ 126,309	$ 27,293	$ -	$ -	$ -	$1,669,701	

Ascent Development Co., Ltd.
(Previous name: CHUWA WOOL INDUSTRY CO., (TAIWAN) LTD.)
Statement of Changes in Investment Using the Equity Method
January 1 to December 31, 2023

Table 5

Expressed in thousands of NT$

	Balance at the beginning of period		Increase in the current period (Note 1)		Decrease in the current period (Note 2)		Balance at the end of period			Market price or equity net value			
Name	Number of shares	Amount	Number of shares	Amount	Number of shares	Amount	Number of shares	Ownership held by the Company	Amount	Unit price	Total price	Guarantee or pledge	Note
HCW Investment Co., Ltd.	20,000,000	$ 219,671	-	$ 48,447	-	($ 10,000)	20,000,000	100.00%	$ 258,118	$ 12.91	$ 258,118	None	
Hanlin Development Co., Ltd.	23,100,000	267,085	-	5,287	-	-	23,100,000	33.00%	272,372	11.79	272,372	〃	
Jollify4ever Ltd.	9,997,574	-	-	-	(5,214,697)	-	4,782,877	29.34%	-	-	-	〃	
Jollify Creative, Ltd.	3,746,163	53,864	-	3,269	-	(7,390)	3,746,163	37.46%	49,743	13.28	49,743	〃	
Hanshin Shopping Plaza Co., Ltd.	8,000,000	779,176	-	277,939	-	(80,464)	8,000,000	16.00%	976,651	85.12	680,994	〃	
		$1,319,796		$ 334,942		($ 97,854)			$ 1,556,884		$1,261,227		

Note 1: The increase in the current period includes the recognition of investment gains of NT$219,982 and other equity of NT$114,960.
Note 2: The decrease in the current period includes the cash dividend received by NT$90,000 and other equity by NT$7,854.

Ascent Development Co., Ltd.
(Previous name: CHUWA WOOL INDUSTRY CO., (TAIWAN) LTD.)
Statement of Short-term Borrowings
December 31, 2023

Table 6 | Expressed in thousands of NT$

Type of loan	Explanation	Balance at the end of period	Duration of contract	Interest rate range	Financing limit	Mortgage or guarantee
Secured loans	Chang Hwa Commercial Bank Co., Ltd.	$ 237,900	2022/7/1-2025/12/31	2.55%	$ 237,900	Building and land under construction
	The Bank of Taiwan	129,920	2021/3/10-2026/3/10	2.61%	129,920	Building and land under construction
	The Bank of Taiwan	16,000	2021/8/24-2026/8/24	2.61%	16,000	Building and land under construction
	The Bank of Taiwan	13,790	2022/7/20-2026/8/24	2.76%	14,000	Building and land under construction
	First Commercial Bank Co., Ltd.	225,000	2023/6/1-2027/6/1	2.60%	225,000	Building and land under construction
	First Commercial Bank Co., Ltd.	42,900	2023/6/1-2027/6/1	2.60%	42,900	Building and land under construction
	First Commercial Bank Co., Ltd.	401,200	2022/11/9-2029/11/9	2.55%	401,200	Building and land under construction
Credit loans	Chang Hwa Commercial Bank Co., Ltd.	32,472	2022/7/1-2025/12/31	2.55%-2.65%	124,078	None
		$1,099,182			$ 1,190,998	

Ascent Development Co., Ltd.
(Previous name: CHUWA WOOL INDUSTRY CO., (TAIWAN) LTD.)
Statement of Operating Income
January 1 to December 31, 2023

Table 7

Expressed in thousands of NT$

Items	Summary	Amount
Lease revenue		$ 4,357

Ascent Development Co., Ltd.
(Previous name: CHUWA WOOL INDUSTRY CO., (TAIWAN) LTD.)
Statement of Operating Costs
January 1 to December 31, 2023

Table 8 Expressed in thousands of NT$

Items		Amount
Inventory at beginning of period		
Building and land under construction	$	1,516,099
Add: Current purchases		1,228
Expenses invested in construction in the current period		125,081
Capitalization of interest		27,293
Lease cost		2,749
Less: Inventory at end of period		
Building and land under construction	(	1,669,701)
Operating Costs	$	2,749

Ascent Development Co., Ltd.
(Previous name: CHUWA WOOL INDUSTRY CO., (TAIWAN) LTD.)
Statement of Sales and Marketing Expenses
January 1 to December 31, 2023

Table 9 Expressed in thousands of NT$

Items	Summary	Amount	Note
Advertising expenses		$ 1,316	
Entertainment expenses		1,024	
Other expenses	The balance of other items did not exceed 5% of the balance of this item.	11	
		$ 2,351	

Ascent Development Co., Ltd.
(Previous name: CHUWA WOOL INDUSTRY CO., (TAIWAN) LTD.)
Statement of Administrative Expenses
January 1 to December 31, 2023

Table 10 Expressed in thousands of NT$

Items	Summary	Amount	Note
Salary expenses		$ 16,833	
Director Compensation		9,602	
Rent expenses		2,273	
Labor service expense		2,107	
Other expenses	The balance of other items did not exceed 5% of the balance of this item.	6,350	
		$ 37,165	

Ascent Development Co., Ltd.
(Previous name: CHUWA WOOL INDUSTRY CO., (TAIWAN) LTD.)
Summary Table of Employee Benefits, Depreciation, Depletion, and Amortization Expenses Incurred in the Current Period by Function
January 1 to December 31, 2023

Table 11

Expressed in thousands of NT$

By nature \ By function	2023			2022		
	Attributable to operating costs	Attributable to operating expenses	Total	Attributable to operating costs	Attributable to operating expenses	Total
Employee welfare expenses						
Salary expenses	$ -	$ 16,050	$ 16,050	$ -	$ 10,068	$ 10,068
Labor and health insurance premiums	-	1,334	1,334	-	1,046	1,046
Pension expense	-	783	783	-	595	595
Director Compensation	-	9,602	9,602	-	8,129	8,129
Other employee benefit expenses	-	1,137	1,137	-	736	736
Depreciation expense	2,067	76	2,143	2,071	58	2,129
Amortization expense	-	-	-	-	-	-

Note 1: As of December 31, 2023 and 2022, the Company had 22 and 19 employees, respectively, of which 7 were directors who did not serve as employees concurrently.

Note 2: The Company's average employee benefit expenses for 2022 and 2022 were NT$1,287 and NT$1,037, respectively; the average employee salary expenses for 2023 and 2022 were NT$1,070 and NT$839, respectively; the adjusted change in average employee salary expenses for 2023 was 27.53%.

Note 3: The remuneration of directors is authorized at board meetings based on their level of participation in and contribution to the Company's operation. The remuneration follows the standards among the industry peers. The amount of remuneration given to the managerial officers of the Company is based on their performance, contributions, the Company's annual operating performance, and the Company's operation risks, which shall be reviewed by the Remuneration Committee and submitted to the board of directors for resolution. The amount of remuneration given to employees is mainly based on their personal performance, the Company's performance, the industry standards, and the Company's operation risks, which shall be reviewed regularly every year, and year-end bonuses are given to employees based on the current year's profit status.

Seven. Financial Status and Performance Analysis and the Risk Management Matters

I. Financial status

Table for Comparison of Financial Status (Consolidated)

Expressed in thousands of NTD

Items \ Year	2022	2023	Difference	
			Amount	Percentage (%)
Current assets	2,741,867	3,000,943	259,076	9.45
Investments accounted for using equity method	939,639	1,155,041	215,402	22.92
Investment property	887,049	865,808	(21,241)	(2.39)
Other assets	254,209	285,152	30,943	12.17
Total assets	4,822,764	5,306,944	484,180	10.04
Current liabilities	1,485,605	1,685,998	200,393	13.49
Non-current liabilities	522,155	506,168	(15,987)	(3.06)
Total liabilities	2,007,760	2,192,166	184,406	9.18
Share capital	920,000	920,000	0	0.00
Capital surplus	182,854	182,854	0	0.00
Retained earnings	1,374,076	1,531,531	157,455	11.46
Other equity	(204,188)	(72,606)	131,582	(64.44)
Equity owned by the previous holder under the joint control	0	0	0	0
Non-controlling interests	542,262	552,999	10,737	1.98
Total equity of shareholders	2,815,004	3,114,778	299,774	10.65

The main reasons and impacts of major changes (changes of more than 20% in the previous and later periods, and the amount of changes reached NT$10 million) and future response plans:

1. Main reasons and impacts of major changes:
   (1) Investment under the equity method: mainly due to the increase in profit on investment under the equity method in 2023.
   (2) Other equity: mainly due to the decrease in the unrealized gain or loss on investments in equity instruments measured at fair value through other comprehensive income in 2023.
2. The aforementioned change has no material impact on the operation of the Company and the overall performance of the Company has no material abnormality. Accordingly, there is no need to establish a response plan.

II. Financial Performance

Table for Comparison of Financial Performance (Consolidated)

Expressed in thousands of NTD

Items \ Year	2022	2023	Difference	
			Amount	Percentage (%)
Revenues	570,153	199,191	(370,962)	(65.06)
Operating Costs	(446,013)	(144,009)	302,004	(67.71)
Gross profit	124,140	55,182	(68,958)	(55.55)
Operating Expenses	(83,289)	(68,277)	15,012	(18.02)
Net operating income	40,851	(13,095)	(53,946)	(132.06)
Non-operating revenues and expenses	121,185	212,390	91,205	75.26
Income (loss) before tax	162,036	199,295	37,259	22.99
Current net income (loss)	143,592	195,139	51,547	35.90
Other comprehensive income (net, after tax)	(105,791)	132,235	238,026	(225.00)
Net total comprehensive income of the current period attributable to:				
Owner of parent company	92,205	184,402	92,197	99.99
Equity owned by the previous holder under the joint control	13,190	0	(13,190)	(100.00)
Non-controlling interests	38,197	10,737	(27,460)	(71.89)
Total consolidated income for the period	143,592	195,139	51,547	35.90

1. The main reasons and impacts of major changes (changes of more than 20%, and the amount of changes reached NT$10 million):
   (1) Operating revenue, operating cost, gross profit, operating income/loss:
   Mainly due to the decrease in recognition of participation in joint operations in 2023 in accordance with the percentage of ownership.
   (2) Non-operating income and expenses, income (loss) before tax, and net income (loss) for the period: mainly due to an increase in the recognition of long-term investment gains in 2023.
   (3) Other comprehensive income: mainly due to the recognition of the unrealized gain or loss on investments in equity instruments measured at fair value through other comprehensive income in 2023.
   (4) Owners' and non-controlling interests of the parent company: due mainly to an increase in long-term investment gains recognized in 2023.
2. The expected sales volume and the judgement basis, the potential impact on the Company's future financial business and the response plans: The Company has not disclosed its financial forecast, so it is not applicable.

III. Cash flow

(I) Analysis of changes in cash flow in the most recent year

Expressed in thousands of NTD

Cash balance at the beginning of 2024 ①	Net cash flows from operating activities for the whole year ②	Net cash flow from investing and financing activities for the whole year (including exchange rate effects) ③	Cash surplus (deficit) amount on December 31, 2024 ①+②+③
746,396	55,687	(84,782)	717,301
Explanation for change of ratio increase/decrease: Operating activities: mainly due to the cash flow from the profit of operating activities. Investing and financing activities: mainly due to the cash inflow from the short-term borrowings.			

(II) Improvement plan for liquidity deficiency: No such situation.

(III) Cash flow forecast analysis for the next year (FY2024)

The Company focuses on maintaining the stability of cash liquidity and rigorously plans and controls relevant investments and operating cash expenditures according to the account cash balance and the cash flows of operating and investment activities along with the consideration of the financial market status.

IV. Effects of major capital expenditures on finance and operation in the most recent fiscal year

The Company's operating status is good, and the cash inflow from operating activities is stable. The source of funds for major capital expenditures in recent years is from the self-owned working capital, which has no material impact on the Company's finance.

V. Company's re-investment policy for the most recent fiscal year, the main reasons for the profits/losses generated thereby, the plan for improving re-investment profitability, and investment plans for the coming year

(I) Reinvestment policies

The Company’s investment policy is to cooperate with the business development strategy, future development needs and diverse development directions, in order to seek appropriate long-term strategic investment subject matters.

(II) Company's re-investment businesses for the most recent fiscal year, the main reasons for the profits/losses generated thereby, and the plan for improving re-investment profitability

Expressed in thousands of NTD

Name of the Investment Company	Reinvested businesses	Main business activities	Investment gains and losses recognized in 2024	Reasons for profit or loss	Improvement plan
Ascent Development Co., Ltd.	HCW INVESTMENT CO., LTD.	Professional investment	22,531	Dividends income.	-
	Jollify4ever Ltd.	Retail sale of unclassified other garments, wholesale of watches, clocks and related components, whole sale of kitchen cabinets, wholesale of unclassified other garments	-	Sales failed to meet expectations.	However, the company still maintained normal operations and also actively sought growth opportunities.
	Jollify Creative, Ltd.	Retail sale of unclassified other garments, wholesale of watches, clocks and related components, whole sale of kitchen cabinets, wholesale of unclassified other garments	3,269	Revenue from landscape and interior design and product design services and provision of advertisement marketing services.	-
	Hanshin Shopping Plaza Co., Ltd.	Operation of department store, rental and leasing,	188,895	Revenue from department store business operation	-

		retail sale, restaurants and supermarket business.			
	Hanlin Development Co., Ltd.	Real estate investment development, construction, lease of residential, and building development, rental and leasing	5,287	Real estate investment development, construction and building lease rental and leasing business.	
HCW INVESTMENT CO., LTD.	Hanshin Shopping Plaza Co., Ltd.	Operation of department store, rental and leasing, retail sale, restaurants and supermarket business.	21,107	Revenue from department store business operation	-

(III) Investment plan for the next year: The Company will adopt the long-term strategy to rigorously assess investment plans, in order to cope with the future market demands and to strengthen competition.

VI. Analysis and assessment of risks matters

(I) Impact of changes in interest rates and currency exchange and inflation on the Company's profit and loss and the response measures to be taken in the future:

1. Change in interest rate:

    The Company's interest rate risk mainly comes from the floating rate investment classified as financial assets measured by amortized cost. When the interest rate increases/decreases by 0.1%, the profit and loss of the Company in 2023 will increase/decrease by NT$14 thousand. Therefore, the change in interest rate is not expected to have material effect on the Company.

2. Change in exchange rate:

    The Company currently has no foreign currency transactions, and only the interest income generated from USD demand deposit, so changes in exchange rates are not expected have any material effect on the Company.

3. Inflation: Inflation is a change in the overall economic environment and should have no material effect on the Company's profit or loss.

Overall, the Company will continue to adopt sound and conservative risk management principle in the future, and will evaluate and respond to changes in interest rates and exchange rates, as well as inflation instantly.

(II) Policy, main reason for profit or loss, and future countermeasures of high-risk and high-leverage investments, funds loan to others, endorsements/guarantees, and transactions of derivative commodity:

1. Policies regarding high-risk investments, highly leveraged investments; the main reasons for the profits/losses generated thereby; and response measures to be taken in the future

   The Company focuses on its core business, and does not engage in any high-risk investments, highly leveraged investments.

2. Policies regarding 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

   The Company does not engage in loans to other parties and derivatives transactions; for the endorsements and guarantees, the "Operational Procedures for Making of Endorsements/Guarantees" are complied with.

(III) Future research and development projects and corresponding budget:

During the most recent year and up to the publication date of the annual report, the Company has had no R&D plans in progress.

(IV) Effects of and countermeasures to changes in major policies and regulations relating to corporate finance and sales:

The Company's operating policies are handled pursuant to the laws and regulations, and the changes in domestic and foreign policies and laws are monitored, and relevant experts are consulted when necessary. During the most recent year and up to the publication date of the annual report, the Company's finance and business has not been impacted due to important policies adopted and changes in the legal environment at home and abroad.

(V) Impacts of changes in technology (including cyber security risks) and industry on the financial business of the company and countermeasures:

1. The real estate rental and sales industry where the Company operates, is a traditional industry. In recent years, changes in technology and science, and changes in industry have not had a material effect on the real estate rental and sales industry. In the future, we will continue to observe the impact of changes

in technology and science and changes in industry, and make adjustments accordingly to strengthen the Company's financial and business capabilities.

2. For the effect of cyber security risk on the Company's finance and business, and the response measures to be taken, please refer to "VI. Cybersecurity Management" on page 69.

(VI) The impact of changes in corporate image on corporate crisis management and the countermeasures:

Since its establishment, the Company has been committed to maintaining its corporate image and complying with laws and regulations. During the most recent year and up to the publication date of the annual report, the Company has not experienced any major events that could affect its corporate image.

(VII) The estimated benefits and potential risks of M&A and the countermeasures:

As of the publication date of the annual report, the Company has no plan for mergers and acquisitions. If there are plans for mergers and acquisitions in the future, it will insist the attitude of prudent assessment, and the specific synergies will be considered, to protect the interests of the Company and shareholders.

(VIII) The estimated benefits and potential risks of the plant expansion and the countermeasures:

The Company has no plan for expanding plants. If there are plans for plant expansion in the future, it will insist the attitude of prudent assessment, and the specific synergies will be considered, to protect the interests of the Company and shareholders.

(IX) Risks associated with any consolidation of sales or purchasing operations and the countermeasures:

The Company's current business format is mainly engaged in real estate rental and sales, where the revenue from real estate rental is relatively stable, and there is no problem of consolidated purchases and sales; the real estate sales is mainly for the acquisition of construction land and project contracting. The acquisition of construction land is to select lands with development value based on the Company's strategy to promote projects. As for the project contracting, After prudential selection and evaluation, the Company contracts projects with mainly the Grade A construction companies with long-term partnership. The home-buying clients are general consumers, so the Company has no risk of consolidated purchase or sales.

(X) Effect upon and risk to the company in the event a major quantity of shares belonging to a director, supervisor, or shareholder holding greater than a 10 percent stake in the company has been transferred or has otherwise changed hands, and the countermeasures:

As of the publication date of the annual report, the Company has maintained the same business model and the equity transfer has no material effect and risk upon the Company.

(XI) Effect upon and risk to the Company associated with any change in governance personnel or top management and the countermeasures:

As of the publication date of the annual report, the major board member and the major management team have not changed materially, and has no material effect and risk upon the Company's operation.

(XII) Litigation or non-litigation matters, List major litigations, non-litigation or administrative litigation matters where a court's decision has been made or action is still pending of the company and company directors, supervisors, President, the de facto responsible persons, shareholders with over 10% shareholding, where the results may have a significant impact on shareholders' rights and interests or prices of securities, facts of disputes that shall be disclosed, price or claim value, litigation start date, major parties of the litigation and handling situation as of the publication date of the annual report: None.

(XIII) Other significant risks and countermeasure: None.

VII. Other Important Matters: None.

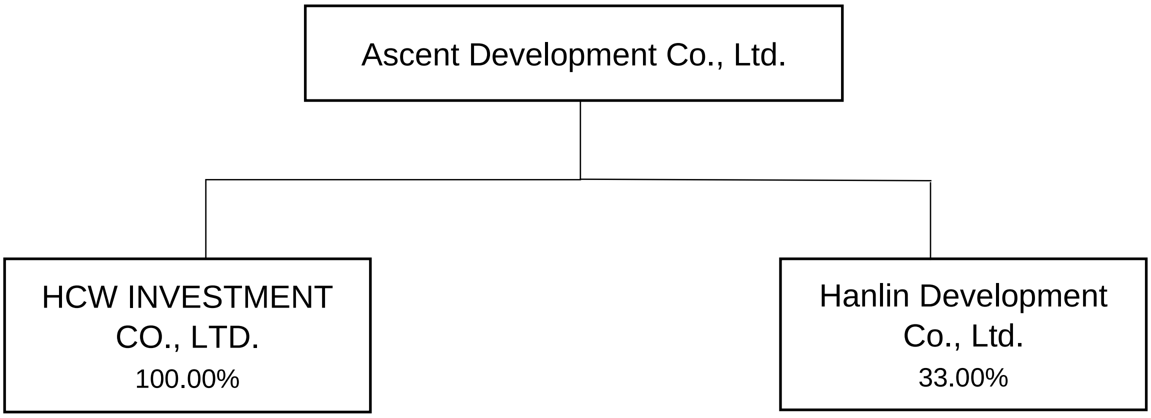
Eight. Special Disclosure

I. Information of affiliated companies

(I) Consolidated business report

1. Organizational chart of affiliated companies

2. Profile of each affiliated company



December 31, 2023
Expressed in thousands of NTD

Name of entity	Date of incorporation	Address	Paid-up capital	Major business or production items
HCW INVESTMENT CO., LTD.	August 13, 2018	19F, No. 557-1, Sec. 4, Zhongxiao E. Rd., Xinyi Dist., Taipei City	200,000	General investment
Hanlin Development Co., Ltd.	August 31, 2015	20F, No. 266, Chenggong 1st Rd., Qianjin Dist., Kaohsiung City	700,000	Real estate investment development, construction, lease of residential, and building development, rental and leasing

3. The Company does not have the controlling and subordinate relation defined in Article 369-3 of the Company Act: None.

4. Business sectors covered by other affiliates

Name of affiliate	Responsibilities
HCW INVESTMENT CO., LTD.	General investment
Hanlin Development Co., Ltd.	Real estate investment development, construction, lease of residential, and building development, rental and leasing

5. Directors, Supervisors and President of Affiliated Companies

Unit: Share; % NT$ thousand

Name of entity	Title	Name or name of representative	Shareholding (or capital contributed)	
			Number of shares	Ownership held by the Company
HCW INVESTMENT CO., LTD.	Chairman	Representative of ASCENT DEVELOPMENT CO., LTD.: Chia-Chi Hou	20,000,000	100%
	Director	Representative of ASCENT DEVELOPMENT CO., LTD.: Hsien-Wen Liu	20,000,000	100%
	Director	Representative of ASCENT DEVELOPMENT CO., LTD.: Chien-Chang Luo	20,000,000	100%
	Supervisor	Representative of ASCENT DEVELOPMENT CO., LTD.: Hsing-Hsueh Lin	20,000,000	100%
Hanlin Development Co., Ltd.	Chairman	Representative of ASCENT DEVELOPMENT CO., LTD.: Pei-Hsun Tu	23,100,000	33%
	Director	Representative of ASCENT DEVELOPMENT CO., LTD.: Chien-Chang Luo	23,100,000	33%
	Director	Hanshen Asset Management Co., Ltd.: Hsing-Hsueh Lin	46,900,000	67%
	Supervisor	Wan-Yin Li	0	0%

6. Performance of affiliated companies

Expressed in thousands of NTD

Reinvested businesses	Capital	Total assets	Total liabilities	Net worth	Revenues	Net operating income	Current profit and loss (after tax)	Earnings per share
HCW INVESTMENT CO., LTD.	200,000	271,997	205	271,792	0	(1,321)	10,448	0.52
Hanlin Development Co., Ltd.	700,000	1,675,676	850,305	825,371	194,835	26,133	16,023	0.23

(II) Consolidated Financial Statements of Affiliated Companies: Please refer to pages 90 to 155.

(III) Affiliated company report: None.

II. Private equity securities transactions in recent years and to the publication date of the annual report: None.

III. Holding or disposal of the company’s shares by the subsidiaries in the most recent year and to the publication date of the annual report: None.

IV. Other supplementary information: None.

V. Any matters stipulated in Article 36, Paragraph 3, Subparagraph 2 of the Securities and Exchange Act, which might materially affect shareholders' equity or the price of the Company's securities that occurred during the most recent fiscal year or during the current fiscal year up to the date of publication of the annual report: None.

Ascent Development Co., Ltd.

(Previous name: Chuwa Wool Industry Co., (Taiwan) Ltd.)

Audit Committee's Report on Financial Statements

The Board has prepared and submitted the 2023 Business Report, Financial Statements (the consolidated and parent-only financial statements included), and proposal for earning distribution. The Financial Statements have been audited by Hsiao, Chun-Yuan and Lin, Se-Kai, CPAs of PwC Taiwan with the issuance of Independent Auditor's Report with unqualified opinion and other matters. The Audit Committee has audited the above-mentioned business report and financial report. No discrepancy is found and the committee hereby presents the report in accordance with Article 14-4 of the Securities and Exchange Act and Article 219 of the Company Act for your approval.

Sincerely,

2024 Regular Shareholders' Meeting

Ascent Development Co., Ltd.

Audit Committee Convener: Liu, Deng-Cheng

March 13, 2024