Company Code: 1442

Advancetek Enterprise Co., Ltd.

Financial Statement for the

Years Ended December 31, 2022 and 2021 and

Independent Auditor's Report

Advancetek Enterprise Co., Ltd.

5F., No. 16, Ln. 189, Sec. 1, Chengtai Rd., Wugu Dist., New Taipei City

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Advancetek Enterprise Co., Ltd.

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INDEPENDENT AUDITOR'S REPORT

To Advancetek Enterprise Co., Ltd.

Opinion

We have audited the financial statements of Advancetek Enterprise Co., Ltd. ("the Company"), which comprise the balance sheets as of December 31, 2022 and 2021, and the statements of comprehensive income, changes in equity and cash flows for the years then ended, and the notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Advancetek Enterprise Co., Ltd. as of December 31, 2022 and 2021, and its financial performance and its cash flows for the years then ended in accordance with the Regulation Governing the Preparation of Financial Reports by Securities Issuers.

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of Advancetek Enterprise, Co., Ltd. for the year ended December 31, 2022. These matters were addressed in the context of our audit of the financial statements as a whole, and by forming of our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matters for the Company's financial statements for the year ended December 31, 2022 are stated as follows:

1. Revenue Recognition (timing of recognition and classification of revenue)

Please refer to Note IV(Xiv) of the Notes for Individual financial statements for the accounting policies of the construction industry on operating revenue, the Company recognized the timing of real estate sales revenue in accordance to IFRS 15, of which the criteria that have been satisfied by the Company for recognition of revenue are with influence on net operating revenue and operating cost in financial statements, as recognition of sales revenue and its attribution are listed as one of the key audit matters.

We performed the following key audit procedures in respect of the above key audit matter:

(1) Understood and tested the design and operating effectiveness of the Company's internal control of sales and collection cycle.

(2) Understood and assessed reasonableness of method used by the management to recognize real estate sales revenue.

(3) Performed substantive test of revenue, randomly audited reasonableness of reregistration certificate of transfer of property ownership right and the date on handover document, verified transferring of legal ownership of property and control right to the buyer.

(4) Performed revenue cut-off test for sales and sales returns, sample audited ownership right transferring of property and its handover after the balance sheet date, and audited reasonableness of the timing of revenue recognition.

2. Inventory Valuation

As the inventory of the Company is measured at a lower cost and net realizable value, thus it is necessary to use judgements and estimates to determine the net realizable value of inventory at the end of the reporting period.

The Company evaluates inventory falling price loss or its gain from price recovery arise from public announced current value, economic environment and changes in the price of real estate transaction at the end of the reporting period. In contrast, estimates of the above are based on publicly announced current value, the most current market price of sales of the same construction project, assessment of land development benefits, and comparable information of the market, as these involve considerable uncertainty, inventory evaluation is listed as one of the key audit matters.

We performed the following key audit procedures in respect of the above key audit matter:

(1) Understood and assessed the reasonableness of assumption and method used by the management to estimate inventory evaluation.

(2) Examined reasonableness of calculation for net realizable value and information for related evaluation.

Responsibilities of Management and those Charged with Governance for the Financial Statements

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

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

From matters communicated with those charged with governance, we determined an issue that was most significant in the audit of the financial statements for the year ended December 31, 2022, and is, therefore, the key audit matter. We describe this matter in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Earnest & Company CPAs.
CPA: Hsiang Wen-Ting
CPA: Lu Lien-Sheng
Document approved by the Competent Authority of securities:
Jin-Guan-Zheng-Liu-Zi No. 0950106502
Tai-Cai-Zheng-Liu-Zi No. 0910156783
March 13, 2023

Notes to Readers

The accompanying financial statements are intended only to present the financial position, financial performance and cash flows in accordance with the accounting principles and practices generally accepted in the Republic of China and not those of any other jurisdictions. The standards, procedures and practices to audit such financial statements are those generally accepted and applied in the Republic of China.The independent auditors' audit report and the accompanying financial statements are the English translation of the Chinese version prepared and used in the Republic of China. If there is any conflict between, or any difference in the interpretation of the English and Chinese language independent auditors' audit report and financial statements, the Chinese version shall prevail.

(English Translation of Individual Balance Sheets Originally Issued in Chinese)
Advancetek Enterprise Co., Ltd.
Balance Sheets
December 31, 2022 and 2021
(Expressed in Thousands of New Taiwan Dollars)

Code	Assets Items	Note	December 31, 2022 Amount	%	December 31, 2021 Amount	%
	Current assets					
1100	Cash and cash equivalents	IV、VI	$ 160,404	0.97	$ 212,130	1.51
1120	Current financial assets at fair value through other comprehensive income	IV、VI、XII	474	-	525	-
1150	Notes receivable, net	IV、VI	9,957	0.06	3,551	0.03
1170	Accounts receivable, net	IV、VI	962,184	5.81	18,195	0.13
1200	Other receivables		12	-	-	-
1220	Current tax assets	IV、VI	-	-	21	-
130x	Inventories	IV、VI、VII、VII	14,241,155	86.05	12,874,659	91.36
1410	Prepayments	VII	248,624	1.50	182,810	1.30
1476	Other current financial assets	VI、VIII	213,641	1.29	50,332	0.36
1479	Other current assets, others		998	0.01	1,291	0.01
1480	Current assets recognised as incremental costs to obtain contract with customers	IV	170,696	1.04	35,894	0.25
11xx	**Total current assets**		16,008,145	96.73	13,379,408	94.95
	Non-current assets					
1517	Non-current financial assets at fair value through other comprehensive income	IV、VI、XII	24,372	0.14	27,223	0.19
1600	Property, plant and equipment	IV、VI、VIII	24,073	0.15	24,352	0.17
1760	Investment property, net	IV、VI、VIII	458,542	2.77	623,141	4.42
1780	Intangible assets	IV、VI	1,058	0.01	806	0.01
1920	Guarantee deposits paid		11,430	0.07	7,945	0.06
1930	Long-term notes and accounts receivable	IV、VI	1,649	0.01	8,408	0.06
1980	Other non-current financial assets	VI、VIII	19,721	0.12	19,691	0.14
15xx	**Total non-current assets**		540,845	3.27	711,566	5.05
1xxx	**Total assets**		$ 16,548,990	100.00	$ 14,090,974	100.00

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(English Translation of Individual Balance Sheets Originally Issued in Chinese)
Advancetek Enterprise Co., Ltd.
Balance Sheets
December 31, 2022 and 2021
(Expressed in Thousands of New Taiwan Dollars)

(Continued from previous page)

Liabilities and Equity			December 31, 2022		December 31, 2021	
Code	Items	Note	Amount	%	Amount	%
	Current liabilities					
2100	Short-term loans	VI	$ 422,090	2.55	$ 455,980	3.24
2110	Short-term notes and bills payable	VI	240,954	1.46	39,963	0.28
2130	Current contract liabilities	IV、VI	427,503	2.58	73,995	0.53
2150	Notes payable		21,139	0.13	16,164	0.11
2170	Accounts payable		30,835	0.19	15,599	0.11
2180	Accounts payable to related parties	VII	333,062	2.01	241,420	1.71
2200	Other payables	VI	107,443	0.65	87,538	0.62
2220	Other payables to related parties	VII	45	-	30,953	0.22
2230	Current tax liabilities	IV、VI	51,397	0.31	-	-
2250	Current provisions	VI	1,760	0.01	1,065	0.01
2280	Current lease liabilities	IV、VI	2,365	0.01	2,320	0.02
2310	Advance receipts	IV	55	-	75	-
2320	Long-term liabilities, current portion	VI	823	-	81,172	0.58
2399	Other current liabilities, others		13,836	0.09	1,985	0.01
21xx	**Total current liabilities**		1,653,307	9.99	1,048,229	7.44
	Non-current liabilities					
2540	Long-term loans	VI	8,448,701	51.05	6,813,011	48.35
2552	Non-current warranty provision	IV、VI	23,409	0.14	23,061	0.16
2570	Deferred tax liabilities	IV、VI	49,905	0.30	30,582	0.22
2580	Non-current lease liabilities	IV、VI	325,454	1.97	327,819	2.33
2645	Guarantee deposits received		1,648	0.01	1,775	0.01
25xx	**Total non-current liabilities**		8,849,117	53.47	7,196,248	51.07
2xxx	**Total liabilities**		10,502,424	63.46	8,244,477	58.51
	Share capital					
3110	Ordinary share	VI	3,662,113	22.13	3,662,113	25.99
3100	**Total share capital**		3,662,113	22.13	3,662,113	25.99
3200	**Capital surplus**	VI	991,852	5.99	991,852	7.04
	Retained earnings					
3310	Legal reserve	VI	642,342	3.88	590,827	4.19
3320	Special reserve	VI	170	-	170	-
3350	Unappropriated retained earnings	VI	747,405	4.52	593,914	4.22
3300	**Total retained earnings**		1,389,917	8.40	1,184,911	8.41
3400	**Other equity interest**		2,684	0.02	7,621	0.05
3xxx	**Total equity**		6,046,566	36.54	5,846,497	41.49
3x2x	**Total liabilities and equity**		$ 16,548,990	100.00	$ 14,090,974	100.00

(The Notes for Individual Financial Statements are part of the Individual Financial Statements and should be read together.)

Chairman：Hung-Ying Wu　　General Manager：Sheng-Li Wu　　Accountant Officer：Hui-Chin Huang

(English Translation of Individual Statements of Comprehensive Income Originally Issued in Chinese)

Advancetek Enterprise Co., Ltd.

Comprehensive Income Statement

December 31,2022 and 2021

(Expressed in Thousands of New Taiwan Dollars, Except for earnings per share)

Code	Items	Note	2022 Amount	2022 %	2021 Amount	2021 %
4000	**Operating revenue**	IV、VI	$ 2,003,352	100.00	$ 3,450,135	100.00
5000	**Operating costs**	IV、VI	1,264,216	63.11	2,633,984	76.34
5900	**Gross profit from operations**		739,136	36.89	816,151	23.66
	Operating expenses					
6100	Selling expenses	IV	91,996	4.59	185,579	5.38
6200	Administrative expenses		118,511	5.91	120,027	3.48
6000	**Total operating expenses**	VII	210,507	10.50	305,606	8.86
6900	**Net operating income**		528,629	26.39	510,545	14.80
	Non-operating income and expenses					
7010	Other income	VI	5,824	0.29	8,953	0.26
7020	Other gains and losses	VI	191,355	9.55	13,100	0.38
7050	Finance costs	VI	(7,018)	(0.35)	(13,261)	(0.39)
7000	**Total non-operating income and expenses**		190,161	9.49	8,792	0.25
7900	**Net profit before tax**		718,790	35.88	519,337	15.05
7950	Tax expense	IV、VI	(74,330)	(3.71)	(4,185)	(0.12)
8200	**Profit**		644,460	32.17	515,152	14.93
	Other comprehensive income					
	Components of other comprehensive income that will not be reclassified to profit or loss					
8316	Unrealized gains (losses) from investments in equity instruments measured at fair value through other comprehensive income	IV、VI	(4,937)	(0.25)	255	0.01
8349	Income tax related to components of other comprehensive income that will not be reclassified to profit or loss		-	-	-	-
8310	**Components of other comprehensive income that will not be reclassified to profit or loss**		(4,937)	(0.25)	255	0.01
8300	**Total other comprehensive income**		(4,937)	(0.25)	255	0.01
8500	**Total comprehensive income**		$ 639,523	31.92	$ 515,407	14.94
	Earnings Per Share					
9750	Total basic earnings per share	IV、VI	$ 1.76		$ 1.41	

(The Notes for Individual Financial Statements are part of the Individual Financial Statements and should be read together.)

Chairman：Hung-Ying Wu　　General Manager：Sheng-Li Wu　　Accountant Officer：Hui-Chin Huang

(English Translation of Individual Statements of Changes in Equity Originally Issued in Chinese)

Advancetek Enterprise Co., Ltd.

Statement of Changes in Equity

December 31, 2022 and 2021

(Expressed in Thousands of New Taiwan Dollars)

	Share capital	Capital surplus			Retained earnings				Total other equity interest	
Summary	Ordinary share	Capital arising from ordinary share	Treasury stock transaction	Total capital surplus	Legal reserve	Special reserve	Unappropriated retained earnings	Total retained earnings	Unrealized gains (losses) from investments in equity instruments measured at fair value through other comprehensive income	Total equity
Balance on January 1, 2022	$ 3,662,113	$ 964,821	$ 27,031	$ 991,852	$ 590,827	$ 170	$ 593,914	$ 1,184,911	$ 7,621	$ 5,846,497
Appropriation and distribution of retained earnings 2021：										
Legal reserve appropriated	-	-	-	-	51,515	-	(51,515)	-	-	-
Cash dividends of ordinary share	-	-	-	-	-	-	(439,454)	(439,454)	-	(439,454)
	-	-	-	-	51,515	-	(490,969)	(439,454)	-	(439,454)
Net profit in 2022	-	-	-	-	-	-	644,460	644,460	-	644,460
Other comprehensive income in 2022	-	-	-	-	-	-	-	-	(4,937)	(4,937)
Total comprehensive income	-	-	-	-	-	-	644,460	644,460	(4,937)	639,523
Balance as of December 31, 2022	$ 3,662,113	$ 964,821	$ 27,031	$ 991,852	$ 642,342	$ 170	$ 747,405	$ 1,389,917	$ 2,684	$ 6,046,566
Balance on January 1, 2021	$ 3,662,113	$ 964,821	$ 27,031	$ 991,852	$ 583,146	$ 170	$ 269,549	$ 852,865	$ 7,366	$ 5,514,196
Appropriation and distribution of retained earnings 2020：										
Legal reserve appropriated	-	-	-	-	7,681	-	(7,681)	-	-	-
Cash dividends of ordinary share	-	-	-	-	-	-	(183,106)	(183,106)	-	(183,106)
	-	-	-	-	7,681	-	(190,787)	(183,106)	-	(183,106)
Net profit in 2021	-	-	-	-	-	-	515,152	515,152	-	515,152
Other comprehensive income in 2021	-	-	-	-	-	-	-	-	255	255
Total comprehensive income	-	-	-	-	-	-	515,152	515,152	255	515,407
Balance as of December 31, 2021	$ 3,662,113	$ 964,821	$ 27,031	$ 991,852	$ 590,827	$ 170	$ 593,914	$ 1,184,911	$ 7,621	$ 5,846,497

(The Notes for Individual Financial Statements are part of the Individual Financial Statements and should be read together.)

Chairman：Hung-Ying Wu General Manager：Sheng-Li Wu Accountant Officer：Hui-Chin Huang

(English Translation of Individual Statements of Cash Flows Originally Issued in Chinese)

Advancetek Enterprise Co., Ltd.

Statements of Cash Flows

For the years ended December 31, 2022 and 2021

(Expressed in Thousands of New Taiwan Dollars)

	2022	2021
Cash flows from (used in) operating activities：		
Profit before tax	$ 718,790	$ 519,337
Adjustments：		
Adjustments to reconcile profit (loss)		
Depreciation expense	5,833	6,910
Amortization expense	532	296
Expected credit losses	22	104
Interest expense	7,018	13,261
Interest income	(1,074)	(1,103)
Dividend income	(2,111)	(1,558)
Loss (Gain) on disposal of property(Construction land)	4	(11,823)
Gain on disposal of investment properties	(191,359)	(1,277)
Other adjustments -Inventory valuation losses	2,549	3,924
Changes in operating assets and liabilities		
increase in notes receivable	(3,755)	(5,561)
(Increase) decrease in accounts receivable	(939,619)	41,130
(Increase) decrease in other receivables	(12)	486
Increase in inventories	(1,173,306)	(927,321)
Increase in prepayments	(61,814)	(71,713)
Decrease in other current assets, others	293	222
Increase in other current financial assets	(163,339)	(62,239)
(Increase) decrease in assets recognised as incremental costs to obtain contract with customers	(134,802)	71,469
Increase (decrease) in current contract liabilities	347,741	(357,113)
Increase (decrease) in notes payable	3,802	(2,290)
Increase (decrease) in accounts payable	15,236	(7,723)
Increase in accounts payable to related parties	91,642	48,824
Increase in other payables	16,259	50,732
(Decrease) increase in other payables to related parties	(30,908)	12,296
Increase in provisions	1,043	411
(Decrease) increase in advance receipts	(20)	38
Increase (decrease) in other current liabilities	11,851	(42,899)
Cash outflow generated from operations	(1,479,504)	(723,180)
Interest received	790	70
Dividends received	2,111	1,558
Interest paid	(192,312)	(144,779)
Income taxes refund receivable	21	-
Income taxes paid	(3,610)	(7,156)
Net cash flows used in operating activities	(1,672,504)	(873,487)

(Continued on the next page)

(English Translation of Individual Statements of Cash Flows Originally Issued in Chinese)

Advancetek Enterprise Co., Ltd.

Statements of Cash Flows

For the years ended December 31, 2022 and 2021

(Expressed in Thousands of New Taiwan Dollars)

(Continued from previous page)

	2022	2021
Cash flows from (used in) investing activities：		
Acquisition of financial assets at fair value through other comprehensive income	(2,035)	(2,446)
Increase in current prepayments for investments	(4,000)	-
Acquisition of property, plant and equipment	(488)	(388)
Proceeds from disposal of property(Construction land)	1,615	29,452
Increase in guarantee deposits paid	(3,490)	(118,019)
Decrease in guarantee deposits paid	5	118,610
Acquisition of intangible assets	(784)	(651)
Acquisition of investment property	(1,308)	-
Proceeds from disposal of investment property	353,453	6,220
Net cash flows from investing activities	342,968	32,778
Cash flows from (used in) financing activities：		
Increase in short-term loans	1,427,600	1,234,500
Decrease in short-term loans	(1,461,490)	(978,520)
Increase in short-term notes and bills payable	291,000	133,000
Decrease in short-term notes and bills payable	(90,000)	(163,000)
Proceeds from long-term loans	1,732,620	2,362,396
Repayments of long-term loans	(180,019)	(1,458,689)
Increase in guarantee deposits received	76	431
Decrease in guarantee deposits received	(203)	(451)
Payments of lease liabilities	(2,320)	(2,248)
Cash dividends paid	(439,454)	(183,106)
Net cash flows from financing activities	1,277,810	944,313
Net increase (decrease) in cash and cash equivalents	(51,726)	103,604
Cash and cash equivalents at beginning of period	212,130	108,526
Cash and cash equivalents at end of period	$ 160,404	$ 212,130

(The Notes for Individual Financial Statements are part of the Individual Financial Statements and should be read together.)

Chairman：Hung-Ying Wu General Manager：Sheng-Li Wu Accountant Officer：Hui-Chin Huang

Advancetek Enterprise Co., Ltd.

Notes To Financial Statements For the Year 2021-2022

(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

I. GENERAL INFORMATION

Advancetek Co., Ltd (the Company) was incorporated in July, 1974 to engage primarily in commissioning builders to construct public housings and commercial buildings for lease and sell. The address of its registered office and the principal place of business is 5F., No.16, Ln. 189, Sec. 1, Chengtai Rd., Wugu Dist., New Taipei City. In November 1989, the Company's shares were listed on the Taiwan Stock Exchange (TWSE).

II. APPROVAL OF FINANCIAL STATEMENTS

The financial statements were authorized for issue by the Company's board of directors on March 13, 2023.

III. Application of New, Amended And Revised Standards And Interpretations

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

The initial application of the IFRSs endorsed and issued into effect by the FSC did not have any material impact on the Company's accounting policies.

2.The IFRSs endorsed by the FSC with an effective date starting 2023.

New, Revised, Amended Standards and Interpretation	Effective in the year after following dates as issued by the IASB
Amendments to IAS 1 – "Disclosure Initiative – Accounting Policies"	January 1, 2023(Note 1)
Amendments to IAS 8 – "Definition of Accounting Estimates"	January 1, 2023(Note 2)
Amendments to IAS 12 – "Deferred Tax related to Assets and Liabilities arising from a Single Transaction"	January 1, 2023(Note 3)

Note1: This amendment shall be applicable to the reporting period commencing after January 1, 2023.

Note2: This amendment applies to accounting estimate changes and accounting policy changes occurring during the reporting period commencing after January 1, 2023.

Note3: This amendment applies to transactions occurring after January 1, 2022, except for temporary differences recognized for deferred income taxes related to leases and decommissioning obligations as of January 1, 2022.

As of the date the financial statements were authorized for issue, the Company is continuously assessing the possible impact that the application of the above standards and interpretations will have on the Company's financial position and financial performance and will disclose the relevant impact when the assessment is completed.

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

New, Revised, Amended Standards and Interpretation	Effective in the year after following dates as issued by the IASB
Amendments to IFRS 10 and IAS 28 "Sale or Contribution of Assets between an Investor and its Associate or Joint Venture"	To be determined by IASB
Amendments to IAS 1 "Classification of Liabilities as Current or Non-current"	January 1,2023
Amendments to IFRS 16 "Leases" – Lease Liability in a Sale and Leaseback	January 1,2024

As of the date the financial statements were authorized for issue, the Company is continuously assessing the possible impact that the application of the above standards and interpretations will have on the Company's financial position and financial performance and will disclose the relevant impact when the assessment is completed.

IV. Summary of Significant Accounting Policies

The significant accounting policies presented in the financial statements are summarized below. The following accounting policies were applied consistently throughout the period presented in the financial statements unless stated otherwise.

(i) Statement of Compliance

The financial statements have been prepared in accordance with Regulations Governing the Preparation of Financial Reports by Securities Issuers.

(ii) Basis of Preparation

1. The accompanying financial statements have been prepared on a historical cost basis, except for important matters explained below.

(1) Financial assets and liabilities at fair value through profit or loss (including derivatives).

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

2. Historical cost is generally based on the fair value of the consideration given in exchange for the assets.

(iii) Classification of Current and Non-current Assets and Liabilities

An asset is classified as current under one of the following criteria, and all other assets are classified as non-current assets:

1. It is expected to be realized, or intended to be sold or consumed, in the normal operating cycle;

2. It is held primarily for the purpose of trading;
3. It is expected to be realized within 12 months after the reporting period; or
4. The asset is cash or cash equivalent, unless the asset is restricted from being exchanged or used for settle a liability at least 12 months after the reporting period.

A liability is classified as current under the following criteria, and all other liabilities are classified as non-current liabilities:

1. It is expected to be settled in a normal operating cycle;
2. It is expected to be held for the purpose of trading;
3. It is expected to be settled within 12 months after the reporting period; or
4. The Company does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting period. Terms of a liability that could, at the counterparty's option, result in its settlement by issuing equity instruments do not affect its classification.

The Company engages mainly in the building of real estate, which accounted for a year-long operating cycle. Thus assets and liabilities regarding building business are classified as current or non-current based on a normal operating cycle.

(iv) Cash and Cash Equivalent

Cash and cash equivalent comprises cash, cash on hand, demand deposits, and short-term, highly liquid investments that are readily convertible to known amounts of cash and are subject to an insignificant risk of changes in value. Time deposits that meet the above definition and are held for the operational purpose of meeting short-term cash commitments should be recognized as a cash equivalent.

(v) Financial Instruments

Financial assets and financial liabilities are recognized when the Company becomes a party to the contractual provisions of the instruments. The scope of IFRS 9 defined “Financial instrument” is applicable to financial assets and financial liabilities of which transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at FVTPL) are added or deducted from the fair value of the financial assets and financial liabilities, as appropriate, on initial recognition.

*Recognition and measurement of financial assets

All regular way purchases or sales of financial assets are recognized and derecognized on a trade date basis.The Company categories financial assets into financial assets at amortized cost, financial assets at FVTOCI, and financial assets at FVTPL on the following basis:

A.The business model for managing financial assets.

B.Contractual cash flow characteristics of financial assets.

1. Financial assets measured at amortized cost

Financial assets meet the following two criteria, are measured at amortized cost, and shall listed in the balance sheet as items of bill receivable, accounts receivable, financial assets measured at amortized cost, and other receivables:

A. The business model for managing financial assets: financial assets are held for the collection of contractual cash flow.

B. Contractual cash flow characteristics of financial assets: the contractual cash flow is solely for the payments of principal and interest on the principal amount outstanding.

This type of financial assets (not including those involve hedging relationship) are measured at amortized cost, which is the amount measured at initial recognition, deduct principal paid, plus or minus the accumulated amortization (determined by effective interest method) arising from the difference between the initial amount and the amount due, and with adjustment of the loss allowance. The gain or loss arising from derecognition, through amortization procedure or recognition of impairment gain or loss, are recognized as profit or loss.

For interest that is determined by effective interest method (multiplying effective interest rate with the total carrying amount of financial assets) or following calculations, is recognized in profit or loss:

A. For purchased or originated credit-impaired financial assets, calculated by multiplying the credit-adjusted effective interest rate and the cost of amortized financial assets.

B. For non-purchased but originated credit-impaired financial assets, it is calculated by multiplying effective interest rate and cost of amortized financial assets.

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

Financial assets that meet the following two criteria are measured at FVTOCI, and shall be listed as assets at FVTOCI on the balance sheet:

A. The business model for managing financial assets: collecting contractual cash flows and selling financial assets.

B. Contractual cash flow characteristics of financial assets: cash flows are solely payments of principal and interest on the principal amount outstanding.

Recognition of related profit or loss of this type of financial assets are as follows:

A. Before derecognition or reclassification, except impairment gain or loss and foreign currency exchange profit or loss is recognized in profit or loss, the gains or losses of an asset are recognized in other comprehensive income.

B. Derecognition of assets is achieved by adjustment for reclassification of the accumulated income or loss that were previously recognized in other comprehensive income and reclassified from equity to income.

C. Interest calculated by using of effective (multiplying effective interest rate with the total carrying amount of financial assets) interest method or following calculations, are recognized as income:

(a) For purchased or originated credit-impairment financial assets, calculated by multiplying the credit-adjusted effective interest rate and the cost of amortized financial assets.

(b) For non-purchased but originated credit-impaired financial assets, it is calculated by multiplying effective interest rate and cost of amortized financial assets.

In addition, for equity instrument applicable at IFRS 9, and that equity instrument is not specifically for the transaction, nor it is applicable at IFRS 3 of recognized contingent consideration by the acquirer in a business combination, the equity instrument, at initial recognition, elect (irrevocable) to include the changes at fair value through other comprehensive income. The amount presented in other comprehensive income may not transfer to profit or loss (upon disposal of the equity instrument, it will be included in the cumulative amount of other equity instrument item and directly turned into retained earnings), and the financial assets measured at fair value through other comprehensive income is presented on the balance sheet. Invest in dividend is included in profit or loss unless the dividend shows the obvious partial recovery of investment cost.

3. Financial Assets at fair value through profit or loss (FVTPL)

Except for the abovementioned meet the criteria of measured at amortized cost or at fair value through other comprehensive income, financial assets are measured at fair value through profit or loss and presented on the balance sheet as financial assets at FVTPL.

The gains or losses arising from remeasuring the financial assets measured at fair value are recognized as profit or loss. The recognized profit or loss from the gains and losses includes any dividend or interest collected by the financial assets.

(vi) Impairment of Financial Assets

The Company recognizes and measures loss allowances for expected credit loss (ECL) on debt investments measured at FVTOCI and financial assets measured at amortized cost. The loss allowance for the debt instrument investment measured at FVTOCI is recognized in other comprehensive income instead of reducing the carrying amount of the asset.

The Company measures expected credit losses (ECL) in accordance with those listed below:

A. Through evaluation of the range of possible outcomes for determining an unbiased and probability-weighted amount.

B. Time value of money.

C. Reasonable and supportable information (which involved no undue cost or effort if obtained) about past events, current conditions and reasonable and supportable forecasts of future economic conditions.

Methods for measuring loss allowance are as follows:

A. Measured at an amount equal to 12-month ECLs: Including financial assets that show no significant increase in credit risk since initial recognition or that is determined as low credit risk at the balance sheet date. The financial assets, which have loss allowance measured at lifetime expected credit losses in the prior reporting period but no longer show a significant increase in credit risk since initial recognition at the current balance sheet date, is also included.

B. Measured at an amount of lifetime expected credit losses: Including financial assets that have shown a significant increase in credit risk since initial recognition or that of purchased or originated credit-impaired financial assets.

C. For account receivable and contract assets arising from the transaction within the scope of IFRS 15, the Company measured loss allowance at lifetime expected credit losses.

The Company compared the financial instrument at balance sheet date with changes in breach of contract risk at initial recognition for evaluating whether financial instruments have shown a significant increase in credit risk since initial recognition.

(vii) Property, Plant, and Equipment

Property, plant and equipment that is held for producing a commodity or for management, use acquisition cost as basis for an account entry and presented in the balance sheet with the amount that has deducted accumulated depreciation and accumulated impairment.

Aside from land, depreciation of all the property, plant and equipment is computed using the straight-line method and is recognized so as to write off the cost of the assets less their residual values over their useful lives. If each property, plant, and equipment consist of a significant part, it shall be depreciated separately.

The estimated useful lives of property, plant and equipment are as follows:

1. Buildings: 50 years.
2. Computers and communication facilities: 3-5 years.
3. Delivery equipment: 5 years.
4. Office equipment: 3-5 years.
5. Machinery and equipment: 5 years.

The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimates accounted for on a prospective basis.

An item of property, plant and equipment should be removed from the statement of financial position on disposal or when no future economic benefits are expected from the continued use of the assets. Any gain or loss arising from the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in profit or loss.

(viii) Investment Property

Either to earn rent income or have assets increase in value or both are purposes to hold this property, including those under construction for the same purposes. Investment property also comprised property that is held but not yet determines its use. Thus it is considered held for the acquisition of capital appreciation.

Investment property is originally measured at cost (including transaction cost) and subsequently measured at cost less accumulated depreciation and accumulated impairment.

Investment property under construction is recognized at the cost less accumulated impairment loss. Cost comprised of the professional service fee, and the amount of IAS 23 "Borrowing Costs" that are directly attributable to the qualifying asset form part of the cost of that asset should be capitalized. Recognition of depreciation is commenced when this asset is built and achieved its expected usage.

Recognition of depreciation of the building and affiliated facilities use a straight-line method as the basis. The cost of the asset is spread out equally over the expected life of the investment property.

An investment property should be removed from the statement of financial position on disposal on disposal or when it is permanently withdrawn from use and no future economic benefits are expected from its disposal. The amount of gain or loss on disposal is the difference between the net disposal proceeds and the carrying amount of the asset and should be recognized in profit and loss.

The estimated use life of each item of investment property is as follows:

1. House and building (comprised renovation): 3~50 years.

(ix) Leases

For a contract that contains a lease component and non-lease component, the Company may elect to account for the lease and non-lease components as a single lease component.

If the contractual terms have the right to direct the use of the asset and obtain substantially all of the economic benefits through the period of use, then the contract is, or contains, a lease. The Company recognizes right-of use assets and lease liabilities for all leases, except for short-term leases and low-value leases.

As the lessee, the Company recognizes right-of use assets and lease liabilities for all leases at the commencement date of the lease, except for low-value asset leases and short-term leases which are recognized as expenses on a straight-line basis. The depreciation expense of right-of-use asset and the interest incurred from lease liability measured at the effective interest method shall present separately on the comprehensive income statement. Whereas in statements of cash flows, the principal amount of payment for lease liability and part of paid interest are presented separately as financing activities and operating activities.

Right-of-use assets are measured at cost (including the cost of right of use assets comprises the initial measurement of lease liabilities adjusted for lease payment, lease payment and initial direct costs made at or before the commencement date, and an estimate of costs needed to restore the underlying assets). Subsequent measurement is calculated as cost less accumulated depreciation and accumulated impairment loss and adjusted for changes in lease liabilities resulting from lease term modifications or other related factors.

Right-of-use assets are depreciated using the straight-line method from the commencement dates to the earlier end of the useful lives of the right-of-use assets or the end of the lease terms. If the lease transfers ownership of the underlying assets to the Company by the end of the lease terms or if the cost of right-of-use assets reflects that the Company will exercise a purchase option, the Company depreciates the right-of-use assets from the commencement dates to the end of the useful lives of the underlying assets.

Lease liabilities are measured at the present value of lease payments. Lease payments comprise fixed payments, variable lease payments which depend on an index or rate and the exercise price of a purchase option if the Company is reasonably certain to exercise that option. The lease payments are discounted using the lessee’s increment borrowing rates.

The carrying amount of lease liabilities are either added or deducted due to the interests and lease payments of subsequent lease liabilities. The interests of lease liabilities during each lease term, of which the amount can turn each term's interest calculated at the remaining balance of lease liability a fixed interest.

The right-of-use assets and lease liabilities are presented in the Company’s balance sheet. In contrast, depreciation expense and interest related to leases are presented separately on the comprehensive income statement. For short-term leases or low-value asset leases, the lease payment of related leases is recognized as an expense during the leasing term on the basis of the straight-line method. Impairment of right-of-use assets recognized are evaluated at balance sheet date, and incurred impairment losses are treated as well.

The right-to-use asset is recognized in inventory if it complies with the definition of inventory, whereas the measurement of it afterward will be treated according to IAS 2.

(x) Intangible Assets

Other intangible assets with finite useful lives that the Company acquired are measured at cost less accumulated amortization and accumulated impairment loss.

Subsequent expenditure is capitalized only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is recognized in profit or loss as incurred, where amortization is calculated on the basis of the cost of the asset or amount of other alternative costs, less its residual value.

The useful life of each item of externally generated intangible asset is as follows:

1. Trademark rights: 12 years.
2. Computer software: 2-5 years.

(xi) Impairment - Non financial Assets

The Company recognized impairment loss when there is an indication that the recoverable amount of an asset is less than its carrying amount. The recoverable amount of an asset is the greater of its value in use and its fair value less costs to sell. When the impairment no longer exists, the impairment loss recognized in prior years shall be recovered.

(xii) Provision

In accordance with IAS 37 “Provisions, Contingent Liabilities and Contingent Assets,” the Company has complied with “Instructions should be / should not be Described in a Standard Contract of the Sale and Purchase of Presale House” announced by the Ministry of Interior and provide 15 years of partial warranty on building structure, and 1 year of partial warranty for fixed building material and facilities, the Company has based on past experience to recognize the best estimates of warranty that are probably most requested as the provisions of the warranty.

(xiii) Treasury Shares

Treasury shares shall be accounted for using the cost method and presented as a deduction from equity. The number of shares shall be noted.

(xiv) Accounting practice of revenue, cost and expense

The accounting treatments of revenue, cost, and expense related to investment in building houses for sale are as follows:

1. Operating revenue

The Company commissioned builders to construct pre-sale real estate or for existing home sales, which complies with IFRS 15 regulation on goods sales to recognize revenue.

Sell goods is recognized revenue through following procedure:

(a) Identify the contract with custome
(b) Identify the performance obligations in the contract;
(c) Determine transaction price;
(d) Allocate the transaction price to each performance obligation; and
(e) Recognize revenue when a performance obligation is satisfied.

The Company runs the business in land development and selling real estate. Related revenue is recognized when transferring the control of real estate to the customer. Based on terms and conditions of a signed residential sale contract, the real estate no longer provides usage to the Company other than that stated in the contract, but the Company will have the enforceable right not until the legal ownership right or use rights of the real estate is transferring to the customer. Thus, revenue is recognized when legal ownership right or use right is transferred to the customer and the real estate has been handover. But if only one of the above-mentioned procedures is done before the end of the reporting period, revenue could also be recognized after reporting period if another is done within 20 days before delivering to the board of directors for approval.

Revenue is measured at a price agreed in the contract. The payment of contract price is made by the customer when transferring legal ownership of the real estate. In a few cases, the Company and customer may come to an agreement to defer the time for payment, the time span between transferring of real estate ownership right to customer and the payment made by customer may extent to a year long. Therefore, it is necessary to adjust the consideration promised in the contract to reflect the impact on the time value of money if the contract includes a significant financing arrangement.

2. Operating Cost

The cost arising from the investment of the Company in constructing houses is included in construction in progress. When the house is recognized as revenue, the cost shall be included in the operating cost of the year, whereas established houses but not yet sold are presented as property ready for sale. The operating cost is allocated using the income approach, floor space approach, or method of current assed land value, but if the method used by a construction site has been chosen, then the change cannot be made.

The land purchased for building houses to sale is included in the Land held for construction site, whereas the land with on going construction is included in land under construction. When the house and the land are recognized revenue, the land will turn to the operating cost of the year.

Since the superficies of leased land acquired by the Company is held for the construction project development, the royalties for superficies right is recognized as the cost of inventories.

The Company uses cost as the basis of accounting for land held for a construction site, land with ongoing construction, and real estate property ready for sale, which is evaluated at cost and net realized value at the end of the financial period.

3. Cost of contract with customer - incremental cost of obtaining a contract and operating expense

If the Company expected the recoverable incremental cost of obtaining a contract, the cost is recognized as assets. The incremental cost of obtaining a contract is incurred when obtaining a contract from the customer, whilst the cost will not be incurred if failed to obtain the contract. Whether the contract is obtained or not, the cost is incurred and recognized when obtaining a contract, unless the cost can certainly be collected from the customer no matter the contract is successfully obtained.

4. Capitalization of interest cost

Interest expenses arising from the advance payment before the transfer of legal ownership of the Company's purchased land are capitalized and included in land cost. Loan interests arising from the cost of land and house construction incurred during the time of establishing houses are capitalized and included in the house under construction to reflect the cost for building a house.

(xv) Employee Benefits

1. Retirement benefit plans

Payment to defined contribution retirement benefit plans is recognized as an expense when employees have rendered services entitling them to the contributions.

2. Employee's compensation and directors' / supervisors' remuneration

Employee's compensation and directors' (supervisors') remuneration of the Company are recognized as expense, and included in appropriate accounting item under operating cost or operating expense according to the attribution, whilst the actual amount distributed is the basis on the resolution of the shareholder's meeting in the next year. Any difference between the resolved amount by the shareholders' meeting and that presented on financial statements is considered changes in estimates and recognized as profit or loss of the period resolved by the shareholders' meeting.

(xvi) Taxation

Income tax represents the sum of the tax currently payable and deferred tax.

1. Income tax

Current tax liabilities are the basis of the tax of the year. As there are income and expense in other periods that are items of either taxable or deductible, or that of non taxable or non deductible, which resulted in taxable income is different from the net income reported in the statements of comprehensive income. The current income tax and related liabilities of the Company are calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date.

According to the Income Tax Act, an additional tax of unappropriated retained earnings is provided for as profit-seeking enterprise income tax. It is recorded as an expense in the year resolved by the shareholders.

2. Deferred tax

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are recognized when it is probable that taxable profit will be available against which those deductible temporary differences can be utilized. If the temporary differences incurred from the initial recognition of other assets and liabilities, which has no effects on taxable income and accounting profit, it's not recognized as deferred tax assets and liabilities.

The carrying amount of deferred tax assets is reviewed at the end of each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the assets to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the year in which the liabilities are settled or the assets are realized, based on the tax rate and tax laws that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

3. Current and deferred tax

Current and deferred tax are recognized in profit or loss, except when they relate to items that are recognized in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognized in other comprehensive income or directly in equity, respectively.

(xvii) Earnings per Share

Calculation of earnings per share is treated according to IAS 33 "Earnings per Share." Earning per share is calculated as the net income after tax divided by the weighted average number of outstanding shares during the period. If there is an increase in number of shares due to a capital increase out of earnings or capital reserve, then the calculation of retrospective adjustment shall be used. When calculating diluted earnings per share, shall be taken into account the effect of dilutive potential ordinary shares convert into ordinary share. In contrast, potential ordinary shares with the anti-dilution effect are not included in the calculation.

V. Critical Accounting Judgements and Key Sources of Estimation Uncertainty

In the application of the Company's accounting policies as described in Note 4, the Company is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the year in which the estimate is revised if the revision affects only that year, or in the year of the revision and future years if the revision affects both current and future years.

Information about future assumptions and other key sources of estimation uncertainties at the end of the financial reporting period that have a significant risk of resulting in a material adjustment to the carrying amount of assets and liabilities in the coming year is as follows:

1. Valuation of Inventory

Inventories are stated at the lower of cost or net realizable value. The Company uses judgement and estimates to determine the realizable value of inventory at the end of each balance sheet date. Due to the rapid industrial transformation, the Company estimates the net realizable value of inventory for fluctuating market and unmarketable items at the end of the balance sheet date and then writes down the cost of inventories to net realizable value. The net realizable value of the inventory is determined mainly based on assumptions about future demand within a specific time horizon. Thus there may be significant changes in the net realizable of inventories.

2. Lessees' Incremental Borrowing Rates

In determining a lessee's incremental borrowing rate used in discounting lease payments, the Company mainly takes into account the risk-free market rates, the estimated lessee's credit spreads and secured status in a similar economic environment.

VI. Note To Significant Accounting Items

(i)Cash and cash equivalents

Item	2022.12.31	2021.12.31
Petty cash	$ 80	$ 80
Checking accounts	3,873	1
Demand deposit	156,451	212,049
Total	$ 160,404	$ 212,130

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

Item	2022.12.31	2021.12.31
Current item:		
Listed company's stocks		
En Tie Commercial Bank Co., Ltd.	$ 548	$ 548
Less: Valuation Adjustment	(74)	(23)
Net amount	$ 474	$ 525

Item	2022.12.31	2021.12.31
Noncurrent item:		
Listed company’s stocks		
Asia Pacific Telecom Co., Ltd.	$ 8,271	$ 8,271
Unlisted company’s stocks		
Taiwan Biotech Co., Ltd.	13,343	11,308
Tah Chung Steel Corporation	—	—
Subtotal	21,614	19,579
Add: Valuation Adjustment	2,758	7,644
Net amount	$ 24,372	$ 27,223

1.As for December 31, 2022 and 2021, the Company's financial assets measured at fair value through other comprehensive income was not pledged.

2.The board of directors of Taiwan Biotch Co., Ltd. has resolved on April 28, 2021 to require a capital injection at NT$15 per share, the capital increase base date was July 1,2021. The Company then subscribed 163,083 shares and increased the stock held from 767,452 shares to 930,535 shares.

3.The board of directors of Taiwan Biotch Co., Ltd. has resolved on July 11, 2022 to require a capital injection at NT$18 per share, the capital increase base date was October 3,2022. The Company then subscribed 113,060 shares and increased the stock held from 930,535 shares to 1,043,595 shares.

(iii) Net notes receivable and long-term notes receivable

Item	2022.12.31	2021.12.31
Notes receivable	$ 11,287	$ 7,532
Less: Loss allowance	—	—
Subtotal	11,287	7,532
Less: Long-term installment notes receivable	(1,330)	(3,981)
Net notes receivable	$ 9,957	$ 3,551

No notes receivable was pledged to others.

(iv) Net accounts receivable and long-term installment accounts receivable

Item	2022.12.31	2021.12.31
Accounts receivable	$ 959,018	$ 1,176
Less: Loss allowance	(136)	(114)
Subtotal	958,882	1,062
Installment accounts receivable	3,669	21,892
Less: Unrealized interest income	(48)	(332)
Less: Net long-term installment accounts receivable	(319)	(4,427)
Subtotal	3,302	17,133
Net accounts receivable	$ 962,184	$ 18,195

The Company's primary business is to commission builders to construct public housing for sale or lease. Thus, receivables are primarily incurred from the selling of the Company's buildings and land, of which payments were collected according to terms and conditions stated in the sale contract as agreed upon by both sides. Transfer of house will be made only when full payment is collected or that the bank has approved a loan. If a customer has insufficient funds and needs to apply for an installment plan, the Company will valuate credit and repayment capacity of the person, and implement installment payments in accordance with Terms and Conditions agreement.

1. No accounts receivable was pledged to others.
2. Provision matrix approach is used to measure loss allowance of receivables, related information as follows:

(1) As of December 31, 2022

		Days past due						
	Not past due (Note)	Within a month	1-3 months	4-6 months	7-12 months	above 12 months	Forward-looking information on an individual basis	Total
Total book value	$ 973,005	$ 587	$ 89	$ 163	$ -	$ -	$ 130	$ 973,974
Loss rate	-%	-%	1%	3%	30%	100%	100%	
Lifetime expected credit loss	-	-	(1)	(5)	-	-	(130)	(136)
Total	$ 973,005	$ 587	$ 88	$ 158	$ -	$ -	$ -	$ 973,838

(2) As of December 31, 2021

		Days past due						
	Not past due (Note)	Within a month	1-3 months	4-6 months	7-12 months	above 12 months	Forward-looking information on an individual basis	Total
Total book value	$ 30,313	$ 164	$ 9	$ -	$ -	$ -	$ 114	$ 30,600
Loss rate	-%	-%	1%	3%	30%	100%	100%	
Lifetime expected credit loss	-	-	-	-	-	-	(114)	(114)
Total	$ 30,313	$ 164	$ 9	$ -	$ -	$ -	$ -	$ 30,486

Note: All notes receivable of the Company were not past due.

3. As of December 31, 2022, and 2021, information on changes in loss allowance of the Company's receivables are as follows:

Item	2022.12.31	2021.12.31
Opening balance	$ 114	$ 68
Increase in current period	22	104
Decrease in current period	-	(58)
Balance at December 31	$ 136	$ 114

(v) Inventories

Item	2022.12.31	2021.12.31
Buildings and land held for sale	$ 1,492,965	$ 1,232,800
Land held for construction site	2,631,077	2,632,696
Construction in progress	10,129,756	8,120,867
Prepayment for land purchases	—	—
Royalties for superficies right	—	715,881
Right-of-use assets	—	182,509
Cost	14,253,798	12,884,753
Less: Allowance for inventory valuation losses	(12,643)	(10,094)
Total	$ 14,241,155	$ 12,874,659

1. Buildings and land held for sale

Construction Projects	2022.12.31	2021.12.31
Xinzhuang Hefeng	$ 12,489	$ 13,742
Jiaoxi Park	58,242	87,419
Linkou A7	—	7,433
Luodong Gongzheng	276,610	325,718
Xinzhuang Fuduxin	226,298	613,619
Taoyuan Kuaiji	50,744	80,472
Lot 8, Taichung Zhenxing section	96,133	104,397
Taichung Lianwu	772,449	—
Cost	1,492,965	1,232,800
Less: Allowance for inventory valuation losses	(6,473)	(3,924)
Total	$ 1,486,492	$ 1,228,876

(1) As for December 31, 2022 and 2021, the Company's buildings and land held for sale were insured for the amounts of NT$ 271,062 thousand and NT$ 311,986 thousand, respectively.

(2) The total interest capitalized incurred in converting construction in progress to buildings and land held for sale was found to be NT$ 19,762 thousand and NT$ 6,823 thousand for the end of December 31, 2022 and 2021, as described in Note VI(xxiii).

(3) A total cost incurred in renting the Company's buildings and land held for sale was found to be NT$ 1,253 thousand and NT$ 129,592 thousand for the end of December 31, 2022 and 2021, which was accounted as an item under investment property. Please refer to Note VI(viii) for more details.

(4) The Company in 2021 exchanged the praking space of investment property to buildings and land held for sale at the price of NT$943 thoudand, as described in Note VI(viii).

(5) As for December 31, 2022 and 2021, the above mentioned buildings and land held for sale were pledged. Please refer to Note VIII for more details.

(6) As for December 31, 2022 and 2021, the changes in allowance for inventory valuation losses of buildings and land held for sale is as follows:

Item	2022	2021
Opening balance	$ 3,924	$ －
Recognized in current period	2,549	3,924
Balance at December 31	$ 6,743	$ 3,924

The amount of the loss of inventory price falling at Luodong Gongzheng project was found to be NT$ 2,549 thousand and NT$ 3,924 thousand for the end of December 31, 2022 and 2021, which was accounted as cost of goods sold.

2. Land held for construction site

Land Name	2022.12.31	2021.12.31
Land held for development	$ 127,144	$ 127,144
Land for capacity transfer	22,265	23,884
Hsinchu Zhongxing section	1,727,360	1,727,360
Weizhen Section of Houlong Town, Miaoli	599,398	599,398
Long Chair Section of Houlong Town, Miaoli	154,910	154,910
Subtotal	2,631,077	2,632,696
Less:Allowance for inventory valuation losses	(6,170)	(6,170)
Total	$ 2,624,907	$ 2,626,526

(1) As for December 31, 2022 and 2021, the above mentioned land held for the construction site was pledged. Please refer to Note VIII for more details.

(2) The cost of land for capacity transfer as approved by the Kaosiung City Government in June 2021 was NT$ 10,521 thousand, and recognized as construction in progress of the Kaosiung FuCheng project.

(3) In Janurary 2022, the Company sold the land for capacity for NT$ 1,616 thousand, deducting the amount of NT$1,619 thousand which was the book

value and NT$1 thousand which was other transaction cost, the loss on disposal was NT$4 thousand, and recorded as loss on disposal property (land held for construction site), please refer to Note VI(xxii).

(4) In May 2021, the Company sold the land for capacity for NT$29,557 thousand, deducting the amount of NT$17,629 thousand which was the book value and NT$105 thousand which was other transaction cost, the gain on disposal was NT$11,823 thousand, and recorded as gain on disposal property (land held for construction site), please refer to Note VI(xxii).

3. Construction in progress

Construction Projects	2022.12.31	2021.12.31
Danhai	$ 6,890,640	$ 5,297,374
Taichung Lianwu section	—	947,544
Case A of Taoyuan Sanmin section	816,157	584,027
Case B of Taoyuan Sanmin section	455,869	455,819
Kaosiung MRT O4 project	63,771	—
Kaosiung FuCheng project	997,261	836,103
Taipei Zhongzheng District	906,058	—
Total	$ 10,129,756	$ 8,120,867

(1) As of December 31, 2022 and 2021, interest capitalized is recognized as construction in progress, amounted NT$ 178,849 thousand and NT$ 127,442 thousand, respectively. Please refer to Note VI(xxiii). Capitalization rates range from 1.92%~2.76% and 2.04%~2.40%, respectively.

(2) Kaosiung FuCheng project is constructed buildings at Kaosiung Fengshan section superficies right. The duration of the superficies was 70 years, staring from August 21, 2020 to August 20, 2090. In line with IFRS 16 requirements, the rent for the land attached with superficies was recognized as right-of-use assets and lease liabilities. Please refer to Note VI(xv). The details are as follows:

Item	2022.12.31	2021.12.31
Royalties for superficies right	$ 603,638	$ 603,638
Right-of-use assets	150,265	150,265
Construction in progress	243,358	82,200
Total	$ 997,261	$ 836,103

As of December 31, 2022 and 2021, the right-of-use assets in Kaosiung FuCheng project was remeasured lease liabilities and increased the amount of NT$0 and NT$2,028 thousand in the right-of-use assets, because of land value adjustment and increasing land lease monthly.

(3) Taipei Zhongzheng District project is constructed buildings at Taipei Zhongzheng District section superficies right. The duration of the superficies was 70 years, staring from December 23, 2020 to December 22, 2090. In line with IFRS 16 requirements, the rent for the land attached with superficies was recognized as right-of-use assets and lease liabilities. Please refer to Note VI(xv). The details are as follows:

Item	2022.12.31	2021.12.31
Royalties for superficies right	$ 715,881	$ —
Right-of-use assets	182,509	—
Construction in progress	7,668	—
Total	$ 906,058	$ —

As of December 31, 2022, the right-of-use assets in Taipei Zhongzheng District project was not remeasured lease liabilities and increased the amount of the right-of-use assets, because of no land value adjustment and increasing land lease monthly.

(4) As of December 31, 2022 and 2021, the above mentioned constructions in progress were pledged. Please refer to Note VIII for more details.

4. Prepayment for land purchases

Capitalized interest expenses were recognized as prepayment for land purchases, which amounted NT$ 4,397 thousand, as of December 31, 2021. Please refer to Note VI(xxiii). The capitalization rate ranges from 2.04%~2.40%.

5. Royalties for superficies right

Item	2022.12.31	2021.12.31
Taipei Zhongzheng District	$ —	$ 715,881

(1) The Company has signed up a Contract of Establishment of Superficies for National Non-public Use Land for land in Zhongzheng District, Taipei, with the Northern Region Branch, National Property Administration, MOF. The duration of the superficies was 70 years, starting from December 23, 2020 to December 22, 2090.

The Company may build houses on the subject of the superficies right within this period, according to the objective and usage as agreed upon in the contract. The above mentioned superficies right will be sold for constructing buildings, whereas paid royalties NT$ 713,880 thousand, other necessary costs amounted NT$ 2,001 thousand, were accounted as inventory- royalties for superficies right, and were recognized as inventory-construction in progress during December 2022, please refer to Note VI(v)3.

(2) In line with IFRS 16 requirements, the rent for the land attached with superficies right was recognized as right-of-use assets and lease liabilities, please refer to Note VI(v)6 and VI(xv) .

(3) In 2021, interest capitalized is recognized as prepayment for land purchases to inventory- royalties for superficies right, amounted NT$ 854 thousand. Please refer to Note VI(xxiii).

(4) As of December 31, 2022 and 2021, the above Royalties for superficies right were pledged. Please refer to Note VIII for more details.

6. Right-of-use assets

Item	2022.12.31	2021.12.31
Right-of-use assets - land in Taipei Zhongzheng District	—	182,509

(1) As of December 31,2021, the right-of-use assets in Zhongzheng District, Taipei project was remeasured lease liabilities and increased the amount of NT$1,960 thousand in the right-of-use assets, because of land value adjustment and increasing land lease monthly.

(2) In line with IFRS 16 requirements, the rent for the land attached with superficies was recognized as right-of-use assets and lease liabilities. The paid royalties were accounted as inventory- royalties for superficies right. Right-of-use assets - land in Taipei Zhongzheng District was constructed in December 2022 and recorded as Inventory-Construction in progress(Taipei Zhongzheng District project). Please refer to Note VI(V)3 for more details.

(3) As of December 31, 2022 and 2021, the above mentioned right-of-use assets were pledged. Please refer to Note VIII for more details.

7. Relevant expenses of inventories recognized as sales cost:

Item	2022	2021
Cost of sales	$ 1,256,601	$ 2,623,855
Loss from price decline of inventory	2,549	3,924
Total	$ 1,259,150	$ 2,627,779

(vi) Other financial assets

Item	2022.12.31	2021.12.31
Other current financial assets:		
Pre-sale construction trust	$ 133,497	$ 50,332
Trust account of performance guarantee	80,144	—
Total	$ 213,641	$ 50,332

Item	2022.12.31	2021.12.31
Other non- current financial assets:		
Special bank account	$ 19,721	$ 19,691

(vii) Property, Plant, and Equipment

1. Details of net property, plant, and equipment are as follows:

Item	2022.12.31	2021.12.31
Land	$ 17,371	$ 17,371
Buildings and structures, net	5,326	5,486
Computer and telecommunication equipment, net	625	470
Transportation equipment, net	751	1,025
Office equipment, net	—	—
Property, plant and equipment, net	$ 24,073	$ 24,352

2. Details of changes in property, plant, and equipment are as follows:

Cost	Land	Buildings and structures	Computer and telecommunication equipment	Transportation equipment	Office equipment	Total
Balance at January 1, 2022	$ 17,371	$ 8,169	$ 1,571	$ 1,674	$ 1,809	$ 30,594
Addition from purchase	-	-	488	-	-	488
Balance at December 31, 2022	17,371	8,169	2,059	1,674	1,809	31,082
Accumulated depreciation and impairment						
Balance at January 1, 2022	-	2,683	1,101	649	1,809	6,242
Depreciation expense	-	160	333	274	-	767
Balance at December 31, 2022	-	2,843	1,434	923	1,809	7,009
Property, plant and equipment, net	$ 17,371	$ 5,326	$ 625	$ 751	$ -	$ 24,073

Cost	Land	Buildings and structures	Computer and telecommunication equipment	Transportation equipment	Office equipment	Total
Balance at January 1, 2021	$ 17,371	$ 8,169	$ 1,815	$ 1,674	$ 1,809	$ 30,838
Addition from purchase	-	-	388	-	-	388
Disposal and disposition	-	-	(632)	-	-	(632)
Balance at December 31, 2021	17,371	8,169	1,571	1,674	1,809	30,594
Accumulated depreciation and impairment						
Balance at January 1, 2021	-	2,523	1,461	376	1,809	6,169
Depreciation expense	-	160	272	273	-	705
Disposal and disposition	-	-	(632)	-	-	(632)
Balance at December 31, 2021	-	2,683	1,101	649	1,809	6,242
Property, plant and equipment, net	$ 17,371	$ 5,486	$ 470	$ 1,025	$ -	$ 24,352

3. As for December 31, 2022 and 2021, property, plant, and equipment were pledged. Please refer to Note VIII for more details.
4. As for December 31, 2022 and 2021, property, plant, and equipment were insured for the amounts of NT$ 10,617 thousand and NT$ 10,800 thousand, respectively.
5. As for the end of years 2022 and 2021, the above assets had no interest capitalized.
6. As for December 31, 2022, and 2021, the land on Bafenliao Subsection of Ruifang Town listed as property- land was accounted NT$ 7,481 thousand, while the land could not be transferred as it was attributed as agricultural land. On account of assets preservation, the right to mortgage has been attributed to the Company.

(viii) Investment property

1. Details of net investment property are as follows:

Item	2022.12.31	2021.12.31
Land	$ 307,131	$ 349,435
Buildings and structures, net	151,411	273,706
Investment property, net	$ 458,542	$ 623,141

2. Details of changes in investment property are as follows:

Cost	Land	Buildings and structures	Total
Balance at January 1, 2022	$ 349,435	$ 329,517	$ 678,952
Addition-purchase	-	1,308	1,308
Deduction-disposal	(42,962)	(134,078)	(177,040)
Transfer pricing	658	595	1,253
Balance at December 31, 2022	307,131	197,342	504,473
Accumulated depreciation and impairment			
Balance at January 1, 2022	-	55,811	55,811
Deduction-disposal	-	(14,946)	(14,946)
Depreciation expense	-	5,066	5,066
Balance at December 31, 2022	-	45,931	45,931
Investment property, net	$ 307,131	$ 151,411	$ 458,542

Cost	Land	Buildings and structures	Total
Balance at January 1, 2021	$ 273,451	$ 282,218	$ 555,669
Deduction-disposal	(1,293)	(3,998)	(5,291)
Deduction-asset exchange	(249)	(769)	(1,018)
Transfer pricing	77,526	52,066	129,592
Balance at December 31, 2021	349,435	329,517	678,952
Accumulated depreciation and impairment			
Balance at January 1, 2021	-	50,029	50,029
Deduction-disposal	-	(348)	(348)
Deduction-asset exchange	-	(75)	(75)
Depreciation expense	-	6,205	6,205
Balance at December 31, 2021	-	55,811	55,811
Investment property, net	$ 349,435	$ 273,706	$ 623,141

3. As for December 31, 2022 and 2021, investment properties were insured for the amounts of NT$ 77,980 thousand and NT$ 247,844 thousand, respectively.
4. The cost arising from lease out the buildings and land held for the sale of the Company was a total NT$ 1,253 thousand and NT$ 129,592 thousand, as for December 31, 2022 and 2021. It was recorded under investment property from buildings and land held for sale. Pleased refer to Note VI(v) for more details.
5. The Company in 2021 exchanged the praking space of investment property to buildings and land held for sale at the price of NT$943 thoudand, as described in Note VI(v)1.
6. Rental income and direct operating expenses of investment property:

	2022	2021
Rental income of investment property	$ 10,460	$ 10,565
Direct operating expenses arising from investment property that generated rental income	$ 9,229	$ 9,373

7. The fair value of investment property held by the Company was NT$ 663,798 thousand and NT$ 969,130 thousand, as of December 31, 2022 and 2021, respectively. The assessment of fair value was based on evaluations by independent external auditors, the economic environment, and changes in transaction prices in the market. The evaluation was performed through the sales comparison approach and income approach, and values generated by the two methods were averaged as a result. Significant unobservable inputs are individual factor and income capitalization rate, which is level 3 fair value. Please refer to Note XII(ii) for more details.
8. As for December 31, 2022 and 2021, the above investment properties were pledged. Please refer to Note VIII for more details.

(ix) Intangible Assets

1. Details of net intangible assets are as follows:

Item	2022.12.31	2021.12.31
Computer software, net	$ 1,058	$ 806

2. Details of changes in intangible assets are as follows:

Cost	Computer software	Cost	Computer software
Balance at January 1, 2022	$ 3,917	Balance at January 1, 2021	$ 3,266
Addition from purchase	784	Addition from purchase	651
Balance at December 31, 2022	4,701	Balance at December 31, 2021	3,917
Accumulated amortization and impairment		Accumulated amortization and impairment	
Balance at January 1, 2022	3,111	Balance at January 1, 2021	2,815
Amortization	532	Amortization	296
Balance at December 31, 2022	3,643	Balance at December 31, 2021	3,111
Net amount as of December 31, 2022	$ 1,058	Net amount as of December 31, 2021	$ 806

(x) Short-term loans

Type of borrowings	2022.12.31	2021.12.31	Collateral
Bank borrowings			
Secured borrowings	$ 72,090	$ 235,980	Investment property 、 Buildings and land held for sale
Credit borrowings	350,000	220,000	None
Total	$ 422,090	$ 455,980	

1. The interest rate collars of Short-term loans by the Company are 1.78%~2.63% and 1.74%~2.49% as of December 31, 2022 and 2021, respectively.
2. The amount in short-term loans granted by the bank that have not yet been used are NT$ 320,000 thousand and NT$ 50,000 thousand, as of December 31, 2022 and 2021, respectively.
3. The Company's assets were pledged to the above borrowings as collateral. Please refer to Note VIII for more details.

(xi) Short-term notes and bills payable

Item	2022.12.31	2021.12.31	Collateral
Short-term notes and bills payable	$ 241,000	$ 40,000	Buildings and land held for sale
Less: Discount	(46)	(37)	
Short-term notes and bills payable, net	$ 240,954	$ 39,963	

1. As of December 31, 2022 and 2021, the interest rate collars of short-term notes and bills payable are 1.95%~2.34% and 1.85%, respectively.
2. As of December 31, 2022 and 2021, the amounts of short-term notes and bills payable that have not yet been used are NT$ 0 thousand and NT$ 7,420 thousand, respectively.
3. The Company's assets were pledged to the above borrowings as collateral. Please refer to Note VIII for more details.

(xii) Current contract liabilities

Item	2022.12.31	2021.12.31
Advance building receipts		
Jiaoxi Park	—	4,267
Linkou A7	—	95
Lot 8, Taichung Zhenxing section	—	5,666
Taoyuan Sanmin A	30,758	—
Luodong Gongzheng	—	3,905
Xinzhuang Fuduxin	—	10,467
Danhai	336,732	49,454
Taichung Lianwu	55,619	—
Subtotal	423,109	73,854
Other contract liabilities		
Taoyuan Sanmin A	182	—
Danhai	3,890	141
Taichung Lianwu	322	—
Subtotal	4,394	141
Total	$ 427,503	$ 73,995

Item	2022.12.31	2021.12.31
Contract liabilities-building and land sales	$ 427,503	$ 73,995

The opening balance of contract liabilities is NT$ 73,955 thousand and NT$ 427,126 thousand, as of January 1, 2022 and 2021, respectively. As of December 31, 2022 and 2021, all contract obligations were satisfied and recognized as revenue that amounted to NT$ 24,400 thousand and NT$ 426,514 thousand, respectively.

(xiii) Other payables

Item	2022.12.31	2021.12.31
Construction retainage received	$ 604	$ 1,284
Payable promotional expenses	69,740	49,482
Others	37,099	36,772
Total	$ 107,443	$ 87,538

(xiv) Long-term liabilities, current portion

Item	2022.12.31	2021.12.31
Long-term loans, current portion	$ 823	$ 81,172

(xv) Lease liabilities

Item	Summary	Lease term	Discount Rate	2022.12.31	2021.12.31
Land for superficies right	Kaohsiung Fucheng Project	2020.08.21 ~2090.08.20	1.980%	$ 147,882	$ 148,912
Land for superficies right	Taipei Zhongzheng District	2020.12.23 ~2090.12.22	1.890%	179,937	181,227
Total				$ 327,819	$ 330,139

1.Details of the Company's lease liabilities are as follows:

As of December 31, 2022:

Item	Future minimum lease payments	Interest	Present value of minimum lease payments
Within 1 year	$ 8,673	$ 6,308	$ 2,365
1 to 3 years	17,346	12,477	4,869
3 years or more	562,202	241,617	320,585
Total	$ 588,221	$ 260,402	$ 327,819
Current	$ 8,673	$ 6,308	$ 2,365
Non-current	579,548	254,094	325,454
Total	$ 588,221	$ 260,402	$ 327,819

As of December 31, 2021:

Item	Future minimum lease payments	Interest	Present value of minimum lease payments
Within 1 year	$ 8,673	$ 6,353	$ 2,320
1 to 3 years	17,346	12,570	4,776
3 years or more	570,875	247,832	323,043
Total	$ 596,894	$ 266,755	$ 330,139
Current	$ 8,673	$ 6,353	$ 2,320
Non-current	588,221	260,402	327,819
Total	$ 596,894	$ 266,755	$ 330,139

As of December 31, 2021, the right-of-use assets in Kaohsiung FuCheng project and Taipei Zhongzheng District project was remeasured lease liabilities and increased the amount of NT$2,028 thousand and NT$1,960 thousand, respectively, in the right-of-use assets, because of land value adjustment and increasing land lease monthly.

As of December 31, 2022, there were no land value adjustment and increasing land lease monthly.

2.The amount of lease liabilities recognized in profit or loss and cash flows statements is as follows:

Item	Year ended December 31, 2022	Year ended December 31, 2021
Interest expense on lease liabilities	$ 6,353	$ 6,320
Expense on short-term lease contracts	$ 171	$ 671
Total cash outflow for leases	$ 6,938	$ 6,855

Note：Total cash outflow for leases during 2022 and 2021 was deducted the amount of NT$1,735 thousand and NT$1,713 thousand, respectively, which was recorded as other revenue, because of the rent concession of COVID-19.

(xvi) Long-term loans

Bank Name	Type of borrowings	2022.12.31	Contract period	Collateral
Taishan Branch, Land Bank of Taiwan	Secured borrowings	$ 2,901	2005.06.27~2025.06.27	Property, plant and equipment
Wu Ku Branch, Bank of Taiwan	Syndicated loans	4,791,000	2019.05.15~2024.05.15	Land used in construction
Wu Ku Branch, Bank of Taiwan	Secured borrowings	281,000	2019.09.05~2024.09.05	Land used in construction
Wu Ku Branch, Bank of Taiwan	Secured borrowings	128,620	2020.10.29~2024.09.05	Land used in construction
Wu Ku Branch, Bank of Taiwan	Secured borrowings	290,000	2019.11.08~2024.11.08	Land used in construction
Mega International Commercial Bank	Secured borrowings	929,000	2012.09.25~2025.09.25	Land held for construction site
Agricultural Bank of Taiwan	Secured borrowings	663,150	2019.01.31~2024.01.31	Land held for sale
Wugu District Farmer's Association	Secured borrowings	45,000	2021.10.22~2024.10.22	Investment property
Fengshan Branch, Bank of Taiwan	Secured borrowings	411,700	2020.08.17~2025.08.17	Land used in construction
Mega International Commercial Bank	Secured borrowings	499,716	2021.02.01~2026.02.01	Land used in construction
Chengdong Branch, Land Bank of Taiwan	Secured borrowings	327,500	2021.05.25~2026.05.25	Land held for construction site
Chengdong Branch, Land Bank of Taiwan	Secured borrowings	84,400	2021.08.06~2026.08.06	Land held for construction site
Total		8,453,178		
Less: Long-term loans, current portion		(823)		
Unamortized syndicated loan arrangement fee		(3,654)		
Payable after one year or one operating cycle		$ 8,448,701		

Bank Name	Type of borrowings	2021.12.31	Contract period	Collateral
Taishan Branch, Land Bank of Taiwan	Secured borrowings	$ 2,901	2005.06.27~2025.06.27	Property, plant and equipment
Taishan Branch, Land Bank of Taiwan	Secured borrowings	56,770	2010.11.22~2022.11.22	Buildings and land held for sale、Investment property
Taishan Branch, Land Bank of Taiwan	Secured borrowings	23,590	2016.01.26~2022.11.22	Buildings and land held for sale
Wu Ku Branch, Bank of Taiwan	Syndicated loans	3,521,000	2019.05.15~2024.05.15	Land used in construction
Wu Ku Branch, Bank of Taiwan	Secured borrowings	281,000	2019.09.05~2024.09.05	Land used in construction
Wu Ku Branch, Bank of Taiwan	Secured borrowings	290,000	2019.11.08~2024.11.08	Land used in construction
Mega International Commercial Bank	Secured borrowings	929,000	2012.09.25~2025.09.25	(Note 5) Land held for construction site
Agricultural Bank of Taiwan	Secured borrowings	478,000	2019.01.31~2024.01.31	Land used in construction
Wugu District Farmer's Association	Secured borrowings	45,000	2021.10.22~2024.10.22	Investment property
Fengshan Branch, Bank of Taiwan	Secured borrowings	361,700	2020.08.17~2025.08.17	Land used in construction
Mega International Commercial Bank	Secured borrowings	499,716	2021.02.01~2026.02.01	Inventory - superficies land Inventory - right-of-use assets
Chengdong Branch, Land Bank of Taiwan	Secured borrowings	327,500	2021.05.25~2026.05.25	Land held for construction site
Chengdong Branch, Land Bank of Taiwan	Secured borrowings	84,400	2021.08.06~2026.08.06	Land held for construction site
Total		6,900,577		
Less: Long-term loans, current portion		(81,172)		
Unamortized syndicated loan arrangement fee		(6,394)		
Payable after one year or one operating cycle		$ 6,813,011		

1.The interest rates of long-term loans by the Company range from 1.59% ~ 2.77% and 1.59% ~ 2.18% as of December 31, 2022 and 2021, respectively.

2. The amount in long-term loans granted by the bank that have not yet been used are NT$ 3,275,793 thousand and NT$ 4,076,913 thousand, as of December 31, 2022 and 2021, respectively.

3. The Company's assets were pledged to the above borrowings as collateral, please refer to Note VIII.

4. Repayment terms for bank secured borrowings:

(1) Taishan Branch, Land Bank of Taiwan (contract period: from June 27, 2005 to June 27, 2025): The interest is based on the annuity method, payable monthly, starting from the funding date.

(2) Wu Ku Branch, Bank of Taiwan (contract period: from November 8, 2019 to November 8, 2024): Interest is payable monthly, and the remaining principal will be paid off when it is due.

If Case B of Taoyuan Sanmin section doesn't begin construction before November 11, 2023, the Company should pay off principal NT$41,500 thousand at first.

For banks other than the above: Interest is payable monthly, and the remaining principal will be paid off when it is due.

5. The due date for the borrowing of land financing (Mega Holdings) in Hsinchu Zhongxing section for the Company's construction in progress has been approved to extend the borrowing 4 years, in September 2021, due to the construction was not able to be completed before the due date.

6. The Bank of Taiwan Syndicated Loan

(1) Syndicated loan amount NT$ 6,850,000 thousand

On April 26, 2019, the Company has entered a syndicated credit agreement with a Group of lenders that amounted to NT$ 6,850,000 thousand. The two financial institutes that provided funds were the Bank of Taiwan (as the lead lender and performed administrative tasks) and the Land Bank of Taiwan; the purpose of this facility was to make payment for borrowings from other financial institutes and to support expenditures for the construction of the Danhai project.

(2) Terms and conditions

Line of credit	As of December 31, 2022, the drawn loan facilities	Payment Terms	Annual percentage rate	Credit method
$ 6,850,000	$ 4,791,000	5 years from the date of initially drawn loan facilities	Floating interest rate plus 1.004% points~1.08%	Drawdown loan on a revolving basis is not permitted

According to the terms of the syndicated loan agreement, the Company shall not dispose of any material assets and rights, buy back shares or, and reduce capital or, allocate or distribute dividends when there is a violation, or an expected violation of the agreement, in the duration of the loan, unless as permitted by most of the lenders in a written document.

(3) Arrangement fee for syndicated loans

The arrangement fee for syndicated loans applied by the Company amounts NT$ 13,700 thousand, which is to be deducted from the initial measurement of related financial liabilities, which is evenly amortized during the life of the loan.

(4) Repayment term

Interest is payable monthly, and the principal will be paid off when it is mature; however, if the construction of the building is completed for sales, at least 70% of the sales price shall be used to repay for the principal of each A, B, C loans according to the proportion of credit remainder. In any case, the Company shall repay in full the principal and interest of the loan not yet settled before the maturity date of the credit period is reached.

(xvii) Retirement benefit plans

The Company's employee retirement measures established in accordance with the Labor Pension Act is of the defined contribution pension plan. The regulations stipulate that the Company is responsible for funding labor retirement benefits with a rate no less than 6% of the employee’s monthly salary. The Company has established the employee retirement measures as stipulated in the regulation and transfers each month, 6% of employees' salary as funding of retirement benefits into individual retirement accounts managed by the Bureau of Labor Insurance.

The Company recognized the expenses in total on defined contribution pension plan are NT$ 1,605 thousand and NT$ 1,433 thousand, respectively, in the fiscal years 2022 and 2021.

(xviii) Provisions

Analysis of total provisions is shown below:

Item	2022.12.31	2021.12.31
Current	$ 1,760	$ 1,065
Non-current	$ 23,409	$ 23,061

	Current provisions Provisions for employee benefits	Non-current warranty provision
Balance as of January 1, 2022	$ 1,065	$ 23,061
Recognized as the provision in the current period	1,245	2,480
Provisions incurred in the current period and written off	(550)	(1,589)
Recognized as other income at due date	–	(543)
Balance as of December 31, 2022	$ 1,760	$ 23,409

	Current provisions Provisions for employee benefits	Non-current warranty provision
Balance as of January 1, 2021	$ 1,033	$ 22,682
Recognized as the provision in the current period	1,265	2,706
Provisions incurred in the current period and written off	(1,233)	(2,327)
Balance as of December 31, 2021	$ 1,065	$ 23,061

1. Provision of liabilities estimates the possible costs in the future on basis of past experiences, the judgment of management, and other known reasons.

(xix) Equity

1. Ordinary share

	2022.12.31	2021.12.31
Authorized shares (shares in thousands)	500,000	500,000
Authorized share capital	$ 5,000,000	$ 5,000,000

	2022.12.31	2021.12.31
Number of share capital (shares in thousands)		
Number of ordinary shares	366,212	366,212
Number of share capital issued		
Ordinary share	$ 3,662,113	$ 3,662,113

The ordinary shares issued has a par value of NT$ 10 per share, each share entitled to one vote and the right to collect dividends.

2. Capital surplus

Item	2022.12.31	2021.12.31
Capital arising from ordinary share	$ 964,821	$ 964,821
Treasury stock transation	27,031	27,031
Total	$ 991,852	$ 991,852

Pursuant to the Company Act, capital surplus arising from paid-in capital in excess of par value on the issuance of ordinary shares and donations can be used to cover accumulated deficit or to issue new stocks or cash to shareholders in proportion to their share ownership, provided that the company has no accumulated deficit. Further, the Regulations Governing the Offering and Issuance of Securities by Securities Issuers requires that the amount of capital surplus to be capitalized mentioned above should not exceed 10% of the paid-in capital each year, as the investments by the equity method, employ share options. Capital surplus arising from share options, may not be used for any purpose.

3. Retained earnings

(1) Legal reserve

Pursuant to the Company Act, the Company shall raise 10% of its earnings after tax as the legal reserve until the cumulative amount of capital surplus is equal to the total capital. The legal reserve may be used to cover the deficit, for a company that has no accumulated deficit may use 25% of the part exceeds by the legal reserve over the paid-in capital to issue new stocks or cash to shareholders in proportion to their share ownership.

(2) Special reserve

Pursuant to Rule No. 1010012865, issued by the FSC on April 6, 2012, the Company is required to set aside the same amount of special capital reserve from current profit or loss and unappropriated earnings of the previous year, equivalent to the current net debit balance of the other components of equity accounted for the current year, such as the accumulated balance of foreign currency translation reserve, unrealized loss on available-for-sale financial assets, gain or loss from changes in fair value of hedging instruments in cash flow hedges, etc.; for cumulative deduction amount to stockholders’ equity of previous year, the same amount of special capital reserve set aside from the unappropriated earnings of the previous year, shall not be appropriated. When the debit balance on other equity items is reversed subsequently, the reversed amount could be included in the distributable earnings.

(3) Retained earnings and dividend policy

In consideration of the capital needs and long-term financial planning for future development, the current dividend policy adopts a residual dividend policy. The current year's earnings after year-end accounting, if any, shall first be used to offset prior years' operating losses, and then 10% of the remaining amount shall be set aside as a legal reserve. This does not apply if the legal reserve has reached the Company's paid-in capital. Special reserve is then allocated or reversed in accordance with the law or regulations of the authority. If there is a balance, the board will take into account the Company's financial situation and propose a surplus distribution proposal of the balance and the accumulated undistributed surplus from the beginning of the same period to the shareholders meeting for a resolution. Dividends for shareholders may be distributed in cash or stocks, and the cash dividend shall not be less than 10% of the total shareholders' dividends.

The appropriations of retained earnings in fiscal year 2021, as resolved in the shareholders meetings on June 15, 2022 are presented as follows:

	Year ended December 31, 2021	
Item	Appropriation of retained earnings	Dividend per share (NT$)
Legal reserve	$ 51,515	
Cash dividend	439,454	1.2
Total	$ 490,969	

Because of COVID-19, the appropriations of retained earnings in the fiscal year 2020 , as resolved in the shareholders' meetings on August 26, 2021, which was based on June 17, 2021 of electronic voting are presented as follows:

Item	Year ended December 31, 2020	
	Appropriation of retained earnings	Dividend per share (NT$)
Legal reserve	$ 7,681	
Cash dividend	183,106	0.5
Total	$ 190,787	

The above mentioned proposal of dividends distribution of years 2021 and 2020, were resolved in shareholders' meeting to authorize Chairman to resolve the dividend record date; the ex-rights and dividend dates are set on August 8, 2022 and September 15, 2021, respectively.

The Board of Directors has resolved and approved the 2022 proposal of appropriation of retained earnings on March 13, 2023, which proposed to allocate cash dividend of shareholders, but will be effective upon approval of shareholders' meeting on June 13, 2023, and resolution for a dividend record date, details are as follows:

Item	Year ended December 31, 2022		
	Appropriation of retained earnings	Dividend per share (NT$)	
Legal reserve	$ 64,446		
Cash dividend	585,938	1.6	(Note)
Total	$ 650,384		

Note: The dividend per share is calculated based on the number of shares outstanding at the time of resolution of the Company's board of directors.

(4) Employee's compensation and directors' remuneration

Distributions of employee's compensation and that of directors' remuneration are as follows:

In accordance with the regulations in the articles of incorporation of the Company. If the Company is profitable in the fiscal year (refers to pre-tax profit before subtracting bonuses and remunerations allocated to employees, supervisors, and directors), no less than 1% of the profit shall be offered as bonuses for employees, and no more than 2% of the profit shall be allocated as remuneration for directors and supervisors. However, if the Company still has accumulated losses, an amount shall be reserved in advance to make up for the losses. Employee compensation is mainly in the form of stocks or cash, and the recipients shall include the employees of subsidiaries who meet certain criteria. The remunerations for directors are to be paid in cash onl. The above allocation shall be determined by the board and reported to the shareholder meetings.

As resolved by the Board of Directors on March 22, 2022, and reported in the shareholders' meeting on June 15, 2022, the employees' compensation and Directors' remuneration that would be paid in cash were both amounted to NT$ 5,299 thousand, which has no difference from the amount accounted for expense as stated in the 2021 financial statements.

For the year ended December 31, 2022, employees' compensation and directors' remuneration were both accrued at NT$ 7,335 thousand.

The employees' compensation and directors' remuneration were accrued on the basis of the amount of current net profit before tax before the deduction of employees' compensation and directors' remuneration, and taking into account the distribution ratio of previous years, in accordance with articles of incorporation of the Company. If differences incurred between the actual distributed amount as determined by the shareholders and that was accrued, such difference would be recorded as profit or loss of the next fiscal year.

The proposal of distributing the Company's employees' compensation and directors' remuneration has been approved by the Board of Directors on March 13, 2023.

For information of resolution to be approved by the Board of Directors, plus appropriation of earnings and remunerations of employees and directors resolved by shareholders' meeting, please refer to the Market Observation Post System website of TWSE.

(xx) Operating revenue

	Year ended December 31, 2022	Year ended December 31, 2021
Revenue from contracts with customers:		
Revenue of buildings and land sales	$ 1,992,823	$ 3,439,500
Other - rental revenue	10,529	10,635
Total	$ 2,003,352	$ 3,450,135
Revenue recognition point:		
At a point in time	$ 1,992,823	$ 3,439,500
Over time	10,529	10,635
Total	$ 2,003,352	$ 3,450,135

1. The sales area of the Company's construction projects in 2022 and 2021 is all in Taiwan.
2. The aggregated amount of transaction price allocated to unsatisfied performance obligation from the Company's signed contracts, as of December 31, 2022 and 2021, and its expected fiscal year of revenue recognition are as follows:

	Contracted amount	Expected year of revenue recognition
As of December 31, 2022	$ 4,513,037	2023
As of December 31, 2021	$ 973,957	2022~2023

(xxi) Other income

	Year ended December 31, 2022	Year ended December 31, 2021
Interest income	$ 1,074	$ 1,103
Dividends income	2,111	1,558
Other income, others	2,639	6,292
Total	$ 5,824	$ 8,953

(xxii) Other gains and losses

	Year ended December 31, 2022	Year ended December 31, 2021
Gain (loss) on disposal of property(land held for construction site)	$ (4)	$ 11,823
Gain on disposal of investment property(Note)	191,359	1,277
Total	$ 191,355	$ 13,100

Note: As for the end of years 2022 and 2021, the gain on disposal of investment property was disposal Linkou A7 which be accounted, as investment property.

(xxiii) Finance costs

	Year ended December 31, 2022	Year ended December 31, 2021
Interest expense		
Interest on bank borrowings	$ 190,756	$ 139,720
Amortization of arrangement fee for a syndicated loan	2,740	2,740
The imputed interest on deposit	13	15
Imputed interest on contract liabilities	5,767	3,982
Interest on the lease liability	6,353	6,320
Subtotal	205,629	152,777
Less: amount of the capitalized assets that meet the requirements	(198,611)	(139,516)
Total	$ 7,018	$ 13,261

Details of amount of the capitalized assets that meet the requirements are as follows:

	Year ended December 31, 2022	Year ended December 31, 2021
Buildings held for sale	$ 19,762	$ 6,823
Buildings under construction	178,849	127,442
Prepayment for land purchases	—	4,397
Inventory - Royalties for superficies right	—	854
Total	$ 198,611	$ 139,516

(xxiv) Expenses by nature

	Year ended December 31, 2022	Year ended December 31, 2021
Depreciation and amortization charges		
Depreciation of property, plant and equipment	$ 767	$ 705
Depreciation of investment property	5,066	6,205
Amortization of intangible assets	532	296
Total	$ 6,365	$ 7,206

(xxv) Employee benefit expense

	Year ended December 31, 2022	Year ended December 31, 2021
Wages and salaries	$ 37,906	$ 36,776
Labor and health insurance fees	3,137	2,814
Pension costs	1,605	1,433
Remuneration of Directors	9,361	7,519
Other employee benefit expense	3,160	3,497
Total	$ 55,169	$ 52,039

1. Numbers of employees were 44 and 42 for the years ended 2022 and 2021, numbers of directors who have not served as employees were both 6.
2. Please refer to Note VI(xix) for information on the remuneration of employees and directors.

(xxvi) Taxation

1. Income tax expense

(1) Components of income tax expense:

Item	Year ended December 31, 2022	Year ended December 31, 2021
Current income tax expense	$ 50,315	$ —
Land value increment tax	3,546	7,699
Increase(decrease) in deferred tax expense	19,323	(3,514)
5% income tax on undistributed surplus earnings	1,146	—
Income tax expense included in profit or loss	$ 74,330	$ 4,185

(2) The Company's income tax expenses recognized as other comprehensive income as of December 31, 2022 and 2021, were both NT$ 0 thousand.

2. Analysis of items of the Company's deferred income tax liabilities are as follows:

(1) Deferred income tax liabilities

	2022.1.1	Included in profit or loss	2022.12.31
Temporary differences			
Buildings and land held for sale and construction in progress Capitalized interest	$ (30,582)	$ 19,323	$ (49,905)

	2021.1.1	Included in profit or loss	2021.12.31
Temporary differences			
Buildings and land held for sale and construction in progress Capitalized interest	$ (34,096)	$ 3,514	$ (30,582)

3. Unrecognized deferred tax assets:

As of December 31, 2022 and 2021, the amounts of deferred income tax assets not recognized by the Company due to there was not probable to have taxable profits were NT$ 8,933 thousand and NT$ 13,544 thousand, respectively.

4. A reconciliation between net profit before tax and income tax expense presented in statements of comprehensive income is as follows:

Item	Year ended December 31, 2022	Year ended December 31, 2021
Net profit before tax	$ 718,790	$ 519,337
Tax computed at applicable tax rate (20%)	143,758	103,867
Reasons for differences:		
Exempt income of land transaction	(68,278)	(94,818)
Unrealized loss due to decline in inventories	510	785
Dividends not included in taxable income	(422)	(312)
Capitalized interest on buildings under construction and buildings held for sale	(39,722)	(26,853)
Other adjustments in accordance with the tax act	19,806	28,940
Deduction for the current year of the approved losses in the previous ten years	(5,337)	(11,609)
Current tax expense	50,315	-
Land value increment tax	3,546	7,699
Increase(decrease) in deferred tax expense	19,323	(3,514)
5% income tax on distributed surplus earnings	1,146	-
Income tax expense included in profit or loss	$ 74,330	$ 4,185

5. The composition of the Company's income tax expense and current income tax (assets) liabilities is described as follows:

Item	2022.12.31 income tax (assets)	2022.12.31 income tax liabilities
Current tax expense	$ —	$ 50,315
Less: withholding tax	—	(64)
Current income tax payable	—	50,251
5% income tax on undistributed surplus earnings	—	1,146
Current tax (assets) liabilities	$ —	$ 51,397

Item	2021.12.31 Income tax (assets)	2021.12.31 Income tax liabilities
Current tax expense	$ —	$ —
Less: withholding tax	—	—
Current refundable income tax	—	—
Add: Income tax refund of the previous year	(21)	—
Current tax (assets) liabilities	$ (21)	$ —

6. As of December 31, 2022, the final deadline of tax credit for the unused deduction of losses and the balance is as follows: None.

7. The tax authorities have examined the income tax returns of the Company through 2020. The payment of tax was made.

(xxvii) Earnings per share

	Year ended December 31, 2022		
	Profit after tax	Weighted average number of shares (shares in thousands)	Earnings per share (NT$)
Basic earnings per share	$ 644,460	366,212	$ 1.76

	Year ended December 31, 2021		
	Profit after tax	Weighted average number of shares (shares in thousands)	Earnings per share (NT$)
Basic earnings per share	$ 515,152	366,212	$ 1.41

(xxviii) Operating lease arrangements

1. The Company has leased out assets in the form of operating leases to lessees for uses as offices, residences, shops, and parking lots. Rental incomes recognized in the fiscal year 2022 and 2021 are NT$ 10,529 thousand and NT$ 10,635 thousand. Total amount of future minimum lease payments of non-cancellable lease agreement is as follows:

Item	2022.12.31	2021.12.31
Within 1 year	$ 7,407	$ 10,100
1 to 5 years	8,959	13,627
Over 5 years	1,474	3,382
Total	$ 17,840	$ 27,109

2. The Company leases xerox machine and warehouse etc. in the form of operating leases and pays a fixed rent in accordance with the agreement. Rental expenditures recognized in the fiscal year 2022 and 2021 are NT$ 171 thousand and NT$ 671 thousand, respectively. Total amount of future minimum lease payments of non-cancellable lease agreement is as follows:

Item	2022.12.31	2021.12.31
Within 1 year	$ 103	$ 72
1 to 5 years	50	80
Over 5 years	—	—
Total	$ 153	$ 152

(xxix) Changes in liabilities from financing activities

	Short-term loans	Short-term notes and bills payable	Long-term loans (including current portion)	Lease liabilities	Others	Liabilities from financing activities-gross
As of January 1, 2022	$ 455,980	$ 39,963	$ 6,894,183	$ 330,139	$ 1,775	$ 7,722,040
Changes in cash flows from financing activities	(33,890)	201,000	1,552,601	(2,320)	(127)	1,717,264
Changes in non-cash:						
Amortized syndicated loan arrangement fee	-	-	2,740	-	-	2,740
Discount on short-term notes and bills payable	-	(9)	-	-	-	(9)
As of December 31, 2022	$ 422,090	$ 240,954	$ 8,449,524	$ 327,819	$ 1,648	$ 9,442,035

	Short-term loans	Short-term notes and bills payable	Long-term loans (including current portion)	Lease liabilities	Others	Liabilities from financing activities-gross
As of January 1, 2021	$ 200,000	$ 69,933	$ 5,987,736	$ 328,399	$ 1,795	$ 6,587,863
Changes in cash flows from financing activities	255,980	(30,000)	903,707	(2,248)	(20)	1,127,419
Changes in non-cash:						
Amortized syndicated loan arrangement fee	-	-	2,740	-	-	2,740
Lease liabilities remeasurements	-	-	-	3,988	-	3,988
Discount on short-term notes and bills payable	-	30	-	-	-	30
As of December 31, 2021	$ 455,980	$ 39,963	$ 6,894,183	$ 330,139	$ 1,775	$ 7,722,040

VII. Related Party Transaction

(i) Names of related parties and relationship with the Company

Name of related parties	Relationship with the Company
Lih Pao Construction Co., Ltd.	The Chairperson of that company is the relative of the Company's Chairperson, within the 2 degrees of kinship under the civil code.
Pao Juan Development Enterprise Co., Ltd.	Parties with substantial relation to the Company
Sheng Jun Enterprise Co., Ltd	The Chairperson of that company and the Company's Chairperson, are relatives within the 2 degree of kinship under the civil code.
Xin Shengdi Enterprise Co., Ltd	The Chairperson of that company and the Company's Chairperson, are relatives within the 2 degree of kinship under the civil code.
Fullon Hotels & Resorts	The legal representative director of that company is the relative of the 2 degrees of kinship under the civil code.
Fullon Hotel Fulong	The Chairperson of that company is the relative of the Company's Chairperson, within the 2 degree of kinship under the civil code.
Spring Color International Co., Ltd.	The Chairman of that company is the Chairman of the Company as well.
Ansheng Construction Co., Ltd	More than half of directors of that company are relatives of the Company's chairperson, within the 2 degrees of kinship under the civil code.
Zhongfu Construction Co., Ltd	Parties with substantial relation to the Company
Yamay International Development Corp.	The Chairperson of that company is the relative of the Company's Chairperson, within the 2 degree of kinship under the civil code. Since Aug 5,2021, parties with substantial relation to the Company
Baoshi Construction Co., Ltd.	Parties with substantial relation to the Company
Lih Feng Assets Management Co., Ltd.	Parties with substantial relation to the Company
Lih Pao Cultural & Arts Foundation	The chairperson of that Foundation is the relative of the Company's Chairperson, with the 2 degree of kinship under the civil code.
Lih Pao Life Science Co., Ltd	The vice-president of that company is the Chairperson of the Company as well.
Yuan Tai Enterprise Co., Ltd	Parties with substantial relation to the Company.
Liu Bing Huang	The relative of the Company's director, with the 2 degree of kinship under the civil code.
Li Xin Emporium Co., Ltd	The chairperson of that Company is the relative of the Company's Chairperson, with the 2 degree of kinship under the civil code.

(ii) Significant transactions between the Company and related parties are disclosed as follows:

1. Purchase

(1) Details are as follows:

Name of related parties	Year ended December 31, 2022	Year ended December 31, 2021
Ansheng Construction Co., Ltd	$ 642,388	$ 432,045
Zhongfu Construction Co., Ltd	1,321,344	1,791,752
Baoshi Construction Co., Ltd.	210,337	72,422
Total	$ 2,174,069	$ 2,296,219

(2) Information on construction contracts that the Company has signed with the following related parties but not yet settled or current settled as of December 31, 2022 and 2021 are as below:

① Ansheng Construction Co., Ltd

As of December 31, 2022:

Construction projects	Contracting	(tax excluded) Total contract price	Paid amount	Unpaid amount
Case of Xinzhuang Fuduxin	Contract for labor and materials	$ 466,624	$ 466,624	$ —
Taoyuan Kuaiji section	Contract for labor and materials	870,286	870,286	—
Lot 8, Taichung Zhenxing section	Contract for labor and materials	1,173,987	1,168,117	5,870
Taichung Lianwu section	Contract for labor and materials	759,332	576,114	183,218
Kaosiung Fucheng section	Contract for labor and materials	856,638	128,496	728,142
Total		$ 4,126,867	$ 3,209,637	$ 917,230

As of December 31, 2021:

Construction projects	Contracting	(tax excluded) Total contract price	Paid amount	Unpaid amount
Case of Xinzhuang Fuduxin	Contract for labor and materials	$ 466,624	$ 459,731	$ 6,893
Luodong Gongzheng Section	Contract for labor and materials	313,689	313,689	—
Taoyuan Kuaiji section	Contract for labor and materials	870,286	851,693	18,593
Lot 8, Taichung Zhenxing section	Contract for labor and materials	1,173,987	1,127,027	46,960
Taichung Lianwu section	Contract for labor and materials	674,575	238,612	435,963
Kaosiung Fucheng section	Contract for labor and materials	856,638	—	856,638
Total		$ 4,355,799	$ 2,990,752	$ 1,365,047

② Zhongfu Construction Co., Ltd

As of December 31, 2022:

Construction projects	Contracting	(tax excluded) Total contract price	Paid amount	Unpaid amount
Case of Danhai	Contract for labor and materials	$ 7,026,639	$ 4,299,734	$ 2,726,905
Case of Kaosiung O4	Contract for labor and materials	316,436	—	316,436
Total		$ 7,343,075	$ 4,299,734	$ 3,043,341

As of December 31, 2021:

Construction projects	Contracting	(tax excluded) Total contract price	Paid amount	Unpaid amount
Case of Danhai	Contract for labor and materials	$ 6,542,509	$ 2,945,034	$ 3,597,475

③ Baoshi Construction Co., Ltd.

As of December 31, 2022

Construction projects	Contracting	(tax excluded) Total contract price	Paid amount	Unpaid amount
Case A of Taoyuan Sanmin section	Contract for labor and materials	$ 564,715	$ 276,256	$ 288,459

As of December 31, 2021:

Construction projects	Contracting	(tax excluded) Total contract price	Paid amount	Unpaid amount
Case A of Taoyuan Sanmin section	Contract for labor and materials	$ 564,715	$ 68,560	$ 496,155

The payment due under the above construction agreements was paid according to the progress of the construction. The transaction terms and conditions made no significant difference with those for non-related parties.

2. Prepayments

(1)Other prepayments and prepaid expenses

Name of related parties	2022.12.31	2021.12.31
LihPao Construction Co., Ltd	$ 6	$ 6
Fullon Hotels & Resorts	20	369
Lih Feng Assets Management Co.,	—	3,333
Baoshi Construction Co., Ltd. (Note1 、2)	9,047	3,744
Total	$ 9,073	$ 7,452

Note: 1.The company recognised the amount paid to the unfinished fences constructions as prepayemnts, until the company gets the building permit, prepayments will be transferred to the item of inventory-construction in progress.

2.The company signed the contract of fences constructions and Water Channel Diversion Project etc. with Baoshi Construction Co., Ltd, the details of unpaid amount are as follows:

As of December 31, 2022:

Construction projects	Contracting	(tax excluded) Total contract price	Paid amount	Unpaid amount
Zhongxing Section in Hsinchu	Contract for labor and materials	$ 1,087	$ 1,087	$ —
Zhongxing Section in Hsinchu	Contract for labor and materials	1,753	929	824
Zhongxing Section in Hsinchu	Contract for labor and materials	5,452	5,303	149
Miaoli Weizhen Section	Contract for labor and materials	1,728	1,728	—
Total		$ 10,020	$ 9,047	$ 973

As of December 31, 2021:

Construction projects	Contracting	(tax excluded) Total contract price	Paid amount	Unpaid amount
Zhongxing Section in Hsinchu	Contract for labor and materials	$ 1,087	$ 978	$ 109
Zhongxing Section in Hsinchu	Contract for labor and materials	1,753	929	824
Zhongxing Section in Hsinchu	Contract for labor and materials	5,452	—	5,452
Miaoli Weizhen Section	Contract for labor and materials	1,728	1,667	61
Total		$ 10,020	$ 3,574	$ 6,446

(2)Prepayment for investments

As of December 2022, the Company signed the Share Purchase Agreement of "Geng Xin Construction Co., Ltd" with Liu Bing Huang and other two persons. The Company paid NT$ 4,000 thousand accounted as prepayment for investments.

3. Accounts payable to related parties

Name of related parties	2022.12.31	2021.12.31
Ansheng Construction Co., Ltd	$ 199,824	$ 61,298
Zhongfu Construction Co., Ltd	126,296	175,889
Baoshi Construction Co., Ltd.	6,942	4,233
Total	$ 333,062	$ 241,420

4. Other payables to related parties

Name of related parties	2022.12.31	2021.12.31
Ansheng Construction Co., Ltd(Note)	$ —	$ 30,933
Fullon Hotels & Resorts	45	—
Pao Juan Development Enterprise Co., Ltd.	—	20
Total	$ 45	$ 30,953

Note: Other payables to the related party, Ansheng Construction Co., Ltd, are construction retainage received recorded under purchase transaction.

5. Rental revenue

Lessee	Location	Lease term	Year ended December 31, 2022 Monthly rent	Rental revenue
Sheng Jun Enterprise Co., Ltd	Section 1, Chengtai Road, Wugu District	2022.01.01 ~2022.12.31	$ 3	$ 34
Xin Shengdi Enterprise Co., Ltd	Section 1, Chengtai Road, Wugu District	2022.01.01 ~2022.12.31	$ 3	$ 34

Lessee	Location	Lease term	Year ended December 31, 2021 Monthly rent	Rental revenue
Sheng Jun Enterprise Co., Ltd	Section 1, Chengtai Road, Wugu District	2021.01.01 ~2021.12.31	$ 3	$ 34
Xin Shengdi Enterprise Co., Ltd	Section 1, Chengtai Road, Wugu District	2021.01.01 ~2021.12.31	$ 3	$ 34

6. Rent expense

Lessor	Location	Lease term	Year ended December 31, 2022 Monthly rent	Rent expense
Pao Juan Development Enterprise Co., Ltd.	Archive Room and warehouse on Section 1, Chengtai Road, Wugu District	2022.01.01 ~2022.12.31	$ 5	$ 62
Pao Juan Development Enterprise Co., Ltd.	Warehouse	2021.08.01 ~2022.07.31	$ 2	$ 11
Pao Juan Development Enterprise Co., Ltd.	Warehouse	2022.08.01 ~2023.07.31	$ 2	$ 9
Pao Juan Development Enterprise Co., Ltd.	Conference room	Preliminary tenancy		$ 3

Lessor	Location	Lease term	Year ended December 31, 2021 Monthly rent	Rent expense
Pao Juan Development Enterprise Co., Ltd.	Archive Room and warehouse on Section 1, Chengtai Road, Wugu District	2021.01.01 ~2021.12.31	$ 5	$ 62
Pao Juan Development Enterprise Co., Ltd.	Conference room	2021.08.01 ~2022.07.31	$ 2	$ 8
Pao Juan Development Enterprise Co., Ltd.	Conference room	Preliminary tenancy		$ 23
Fullon Hotels & Resorts	Signing event venue	Preliminary tenancy		$ 66

7. Operating expenses (not including rent expense)

Name of related parties	Year ended December 31, 2022	Year ended December 31, 2021
Fullon Hotels & Resorts	$ 1,785	$ 2,033
Fullon Hotel Fulong	85	8
Pao Juan Development Enterprise Co., Ltd.	779	657
Lih Pao Construction Co., Ltd.	99	98
Spring Color International Co., Ltd.	137	489
Li Xin Emporium Co., Ltd.	8	4
Yamay International Development Corp.	10	315
Zhongfu Construction Co., Ltd	11	—
Lih Feng Assets Management Co., Ltd	—	286
Lih Pao Cultural & Arts Foundation	200	—
Lih Pao Life Science Corp.	92	—
Total	$ 3,206	$ 3,890

Details of operating expenses on transactions with above mentioned related parties are as follows:

Item	Year ended December 31, 2022	Year ended December 31, 2021
Entertainment expense	$ 1,260	$ 2,579
Traveling expense	14	13
Employee benefits	295	188
Advertisement expense	114	57
Utilities expense	86	84
Repairs and maintenance expense	9	8
Other expenses	1,082	961
Wages and salaries	146	—
Donation expense	200	—
Total	$ 3,206	$ 3,890

8. Overhead used in construction

Item	Year ended December 31, 2022	Year ended December 31, 2021
Fullon Hotels & Resorts	$ 180	$ 7
Ansheng Construction Co., Ltd	—	1,905
Spring Color International Co., Ltd	110	—
Total	$ 290	$ 1,912

9. Key management compensation

Item	Year ended December 31, 2022	Year ended December 31, 2021
Short-term employee benefits	$ 13,655	$ 13,381
Post-employment compensation	91	83
Total	$ 13,746	$ 13,464

10. Other transactions

(1) Lih Pao Construction Co., Ltd. has provided the Company a joint guarantee for the construction project on Lot 8, Taichung Zhenxing section. In March 2018, the guarantee period ends on the construction's completion date (that is the date obtaining the occupation permit). The project was completed in March 2021 and has obtained the permit.

(2) The Company has involved in a joint guarantee of performance guarantee for pre-sold home sales contract in September 2018 as required under the Consumer Protection Act, as of December 31, 2021, and provided Pao Juan Development Enterprise Co., Ltd. a joint guarantee for the construction project in Jiang Cui District in New Taipei City, amounted to NT$ 516,939 thousand. The project was completed in August 2022 and has obtained the permit. Please refer to Table 1.

(3)Yuan Tai Enterprise Co., Ltd has provided the Company a joint guarantee for the construction, the guarantee period ends on construction’s completion date(that is the date obtaining the occupation permit).

VIII. Pledged Asset

The Company provided the assets below as collateral or subject to the limit, details are as follows:

Name of Assets	2022.12.31	Type of pledge
Land	$ 9,890	Long-term loans guarantee
Buildings and structures	5,326	Long-term loans guarantee
Investment property	222,111	Long、Short-term loans guarantee
Inventories - land used in construction	3,997,283	Long-term loans guarantee
Inventories - buildings and land held for sale	605,070	Short-term notes and bills payable guarantee Long、Short-term loans guarantee
Inventories - land held for construction site	2,481,668	Long-term loans guarantee
Other current financial assets	213,641	Pre-sale construction trust、 Trust account of performance guarantee
Other non-current financial assets	19,721	Reimbursement bank account
Total	$ 7,554,710	

Name of Assets	2021.12.31	Type of pledge
Land	$ 9,890	Long-term loans guarantee
Buildings and structures	5,486	Long-term loans guarantee
Investment property	346,110	Long、Short-term loans guarantee
Inventories - land used in construction	3,663,023	Long-term loans guarantee
Inventories - buildings and land held for sale	933,474	Short-term notes and bills payable guarantee Long、Short-term loans guarantee
Inventories - land held for construction site	2,481,668	Long-term loans guarantee
Inventories - royalties for superficies right	715,881	Long-term loans guarantee
Inventories - right-of-use assets	182,509	Long-term loans guarantee
Other current financial assets	50,332	Pre-sale construction trust
Other non-current financial assets	19,691	Reimbursement bank account
Total	$ 8,408,064	

IX.Significant Contingent Liabilities and Unrecognized Contractual Commitment

(i) The Company has entered a significant construction contract, as of December 31, 2022 and 2021, the total contract price amounted to NT$ 10,674,438 thousand and NT$ 11,126,025 thousand, respectively, amounts paid were NT$ 6,425,409 thousand and NT$ 5,667,347 thousand, respectively. In contrast, the payments not yet been made were NT$ 4,249,029 thousand and NT$ 5,458,678 thousand which will be paid along with the progress of the construction project.

(ii) The Company has involved in a joint guarantee of performance guarantee for pre-sold home sales contract in September 2018 as required under the Consumer Protection Act, as of December 31, 2021, and provided Pao Juan Development Enterprise Co., Ltd. a joint guarantee for the construction project in Jiang Cui Section in New Taipei City, amounted to NT$ 516,939 thousand. The project was completed in August 2022 and has obtained the permit. Please refer to Table 1.

(iii) The Company invested the land development project of Mass Rapid Transit System Orange Line O4 Station of Kaohsiung Government MRT Engineering Bureas, the guarantee bank details are as follows:

Guarantee Bank	Guaranteed	Guarantee period
Land Bank	$ 98,444	2021.11.08~2026.03.31

(iv) The Company provided the guarantee for pre-sold home sales, the guarantee bank details are as follows:

Construction projects	Guarantee Bank	Guaranteed	Guaranteed amount provided 111.12.31	Guarantee period
Taichung Lianwu section	Bank of Taiwan	$ 900,000	$ 51,670	2023.03.31

X. Significant Disaster Losses: None.

XI. Significant Events After Reporting Period:

(i) As of December 2022, the Company signed the Share Purchase Agreement of "Geng Xin Construction Co., Ltd" for NT$ 17,000 thousand totally. As of January 1, 2023, the Company got the 100% share of Geng Xin Construction Co., Ltd and became the subsidiary of the Company.

As of January 11, 2023, Geng Xin Construction Co., Ltd changed it's company name to Jia Yuan Construction Co., Ltd.

(ii) As of Feburary 10, 2023, Jia Yuan Construction Co., Ltd increased the share capital with NT$ 77,500 thousand, and the Company invested 100% share of this increased share capital. After this increased share capital, the totally capital amount of Jia Yuan Construction Co., Ltd was NT$ 100,000 thousand.

XII. Others

(i) Capital risk management

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders and to maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt. The Company adjusts the amount of the borrowings on the basis of the progress of construction, and the funds required for operating.

(ii) Financial instruments

1. Financial instruments by category

Financial assets	2022.12.31	2021.12.31
Measured at amortized cost		
Cash and cash equivalents	$ 160,404	$ 212,130
Notes and accounts receivable	972,141	21,746
Other receivables	12	—
Other current financial assets	213,641	50,332
Guarantee deposits paid	11,430	7,945
Long-term notes and accounts receivable	1,649	8,408
Other non-current financial assets	19,721	19,691
Total	$ 1,378,998	$ 320,252

Financial liabilities	2022.12.31	2021.12.31
Measured at amortized cost		
Short-term loans	$ 422,090	$ 455,980
Short-term notes and bills payable	240,954	39,963
Notes and accounts payable (including related parties)	385,036	273,183
Other payables (including related parties)	107,488	118,491
Other current liabilities, others	13,836	1,985
Long-term loans (including long-term loans, current portion)	8,449,524	6,894,183
Guarantee deposits received	1,648	1,775
Lease liabilities	327,819	330,139
Total	$ 9,948,395	$ 8,115,699

2. Fair value information

(1) The financial assets not at fair value and the book value of financial liabilities were considered by the Company's management as close to their fair value or has no reliable, fair value measurement.

(2) Valuation techniques and assumptions used in fair value measurements

The fair value of the Company's financial assets and financial liabilities were determined by using the following techniques and assumptions:

A. The fair value of financial assets subject to standard terms and conditions and were transacting in active markets was determined after reference of the quoted market price (including stocks of exchange-listed and oct-listed companies and bond funds-quasi money market).

B. The fair value of other financial assets and financial liabilities was determined by using the generally recognized valuation model based on discounted cash Flow analysis.

(3) Fair value measurement recognized in the balance sheet

Below are an analysis of valuation techniques used by financial instruments at fair value. Each level is defined as follows:

A. Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities.

B. Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices).

C. Level 3: Inputs are not based on observable market data.

Basic categorization of the Company's financial assets and liabilities at fair value, by their nature and fair value level is presented as follows:

Recurring non-derivative assets	2022.12.31 Level 1	Level 2	Level 3	Total
Current financial assets at fair value through other comprehensive income				
Shares of listed companies	$ 474	$ -	$ -	$ 474
Non-current financial assets at fair value through other comprehensive income				
Shares of listed companies	1,799	-	-	1,799
Shares of unlisted companies	-	-	22,573	22,573
Total	$ 2,273	$ -	$ 22,573	$ 24,846
Recurring fair value measurement disclosures				
Investment property	$ -	$ -	$663,798	$663,798

Recurring non-derivative assets	2021.12.31 Level 1	Level 2	Level 3	Total
Current financial assets at fair value through other comprehensive income				
Shares of listed companies	$ 525	$ -	$ -	$ 525
Non-current financial assets at fair value through other comprehensive income				
Shares of listed companies	2,425	-	-	2,425
Shares of unlisted companies	-	-	24,798	24,798
Total	$ 2,950	$ -	$ 24,798	$ 27,748
Recurring fair value measurement disclosures				
Investment property	$ -	$ -	$969,130	$969,130

No transferring between Level 1 and Level 2 for the years ended 2022 and 2021.

(4) Valuation techniques for measuring fair value

A. The fair value of financial assets subject to standard terms and conditions and were transacting in active markets was determined after reference of the quoted market price (including stocks and funds of exchange-listed and oct-listed companies).

B. The equity instruments not traded in active market (including not exchange-listed and oct-listed companies) that use market approach or asset-based approach for valuation of fair value estimates the fair value by using the same or comparable price derived from equity instruments traded in an active market, and other relevant information.

C. Please refer to Note VI(ix) for details of information on the fair value of the Company's investment property measured at cost.

(5) Significant unobservable inputs of level 3 within the fair value hierarchy

The Company's assets measured at recurring fair value of level 3 within the fair value hierarchy, used for significant unobservable inputs measured at fair value are as follows:

As of December 31, 2022

	Valuation technique	Significant unobservable inputs	Quantitative information	Relationship between inputs and fair value	Sensitivity of the input to fair value
Financial assets:					
Financial Assets at Fair Value through Other Comprehensive Income - stock	Market approach	Stock price to EPS ratio	Value multiples (18.27-22.33)	Higher the stock price , the higher the fair value estimates.	If the stock price has risen (dropped) 10%, the Company's equity will increase NT$ 2,257 thousand/decrease NT$ 2,257 thousand.
	Market approach	Liquidity discount rate	Liquidity discount rate (24.63%-35.00%)	Higher the liquidity discount rate, the lower the fair value estimates.	If the liquidity discount rate has risen (dropped) 5%, the Company's equity will decrease NT$ 1,638 thousand/increase NT$ 1,701 thousand.

As of December 31, 2021

	Valuation technique	Significant unobservable inputs	Quantitative information	Relationship between inputs and fair value	Sensitivity of the input to fair value
Financial assets:					
Financial Assets at Fair Value through Other Comprehensive Income - stock	Market approach	Price-book ratio	Value multiples (1.54-1.88)	Higher the price-book ratio, the higher the fair value estimates.	If the price-book ratio has risen (dropped) 10%, the Company's equity will increase NT$ 2,466 thousand/decrease NT$ 2,466 thousand.
	Market approach	Liquidity discount rate	Liquidity discount rate (10.90%-22.52%)	Higher the liquidity discount rate, the lower the fair value estimates.	If the liquidity discount rate has risen (dropped) 5%, the Company's equity will decrease NT$ 1,721 thousand/increase NT$ 1,740 thousand.

3. Financial risk management policy

The Company's financial risk management's objective is to manage market risk, credit risk, and liquidity risk regarding operating activities. To reduce relevant financial risks, the Company is devoted to identifying, evaluating and circumventing market uncertainties for mitigating the potential negative impacts on the Company's financial performance due to market movements.

The Company's significant financial activities are reviewed by the Board of Directors in accordance with relevant regulations and the internal control system. The internal auditors have assisted the Company's Board by taking the supervisory role, continually engaged in reviewing policy compliance and different risk exposure amounts.

4. Nature and extend of significant financial risks

(1) Market risk

The Company's market risks refer to the exposure of financial instruments to risks regarding fair value and fluctuation in cash flows incurred from market price changes. Market risks include primarily foreign currency exchange rate risk, interest risk, and price risk.

a. Foreign currency exchange rate risk

The Company focused primarily on domestic sales. Thus, there has no significant risk of changes in the foreign currency exchange rate for the Company.

b. Interest rate risk

The Company’s interest risks arise from short-term loans, long-term loans, short-term notes and bills payable, and bonds payable. Borrowings issued at variable rates expose the Company to cash flow interest rate risk, which is partially offset by cash held at variable rates. Whereas the borrowings issued at fixed rates expose the Company to the risk of fair value interest rate. The Company’s short-term and long-term loans, and short-term notes and bills payable were debt with floating interest rate. Thus, any changes in the market interest rate would lead to changes in these financial facilities' effective interest rate and caused fluctuation in future cash flows. Whereas the increase of 1% in market interest rate, has increased the Company’s cash outflows to NT$ 91,126 thousand and NT$ 73,901 thousand, respectively, as of December 31, 2022 and 2021.

c. Price risk

The Company holds listed and non-listed equity securities and other investments. The fair value is exposed to risks due to the uncertainty in future value of portfolios and the price fluctuation arising from market price fluctuation.

As of December 31, 2022, and 2021, for listed company stocks of investments by equity instrument measured at fair value through other comprehensive income, its 1% increase / decrease in the price of equity securities affected the Company’s equity amounted to NT$ 23 thousand and NT$ 30 thousand, respectively.

(2) Credit risk

Credit risk refers to a breach of contractual obligations by the counter-party, which leads the Company to a financial loss risk. The Company’s credit risks are primarily from receivables and other receivables incurred in business activities. Business related credit risk and financial credit risk are managed separately.

a. Business related credit risk

The Company is primarily engaged in contractor appointment and management to build public housing and commercial buildings for leasing and selling. Thus, the Company's accounts receivable in the book are basically incurred on purchases of the Company's products by customers. Most of the Company's customers obtained loans from banks, although accounts receivable usually incurred due to time differences between the transfer date of funds and the time on approval of its appropriation, the lending bank would write-off soon after funds are allocated; however, if the customer has insufficient funds and needs to apply for installment payment, the Company will determine whether to collect payments in installment under the Agreement, after assessing the customer's credit quality and ability to repay. Thus the Company is not exposed to significant risk.

b. Financial credit risk

Since the counterparties to the forgoing financial instruments are reputable banks and financial institutions with a stable rating, management believes its exposure to default by counter-party is low.

(3) Liquidity risk

The Company maintains sufficient funding to support operating requirements and ensures compliance to terms and conditions in loan contracts, through the management and monitors its liquidity requirements and use of bank facilities, as operating funds are deemed sufficient to meet the cash flow demand; therefore, liquidity risk is not considered to be significant.

The Company's investments of stocks of listed companies and funds, recognized as financial assets at FVTOCI and financial assets at FVTPL respectively, have an active market, thus are expected to be sold quickly with the price close to fair value in the market. The Company's investments of unlisted companies' stocks, recognized as financial assets at FVTOCI - non-current, have no active market and thus are expected to have material liquidity risk.

The table below analyses the Company's non-derivative financial liabilities into relevant maturity groupings based on the remaining period at the balance sheet date to the contractual maturity date for non-derivative financial liabilities. The contractual cash flow amount disclosed in the following table is the undiscounted amount (principal and interest are included).

As of December 31, 2022:

Non-derivative financial liabilities	Within 1 year	1 to 3 years	3 years or more	Total
Short-term loans	$ 428,778	$ —	$ —	$ 428,778
Short-term notes and bills payable	241,000	—	—	241,000
Notes payable (including related parties)	21,139	—	—	21,139
Accounts payable (including related parties)	363,897	—	—	363,897
Other payables (including related parties)	106,397	1,091	—	107,488
lease liabilities	8,673	17,346	562,202	588,221
Long-term loans (including current portion)	224,875	7,734,755	916,884	8,876,514
Total	$ 1,394,759	$ 7,753,192	$ 1,479,086	$ 10,627,037

As of December 31, 2021:

Non-derivative financial liabilities	Within 1 year	1 to 3 years	3 years or more	Total
Short-term loans	$ 460,430	$ —	$ —	$ 460,430
Short-term notes and bills payable	40,000	—	—	40,000
Notes payable (including related parties)	16,164	—	—	16,164
Accounts payable (including related parties)	257,019	—	—	257,019
Other payables (including related parties)	115,925	2,566	—	118,491
lease liabilities	8,673	17,346	570,875	596,894
Long-term loans (including current portion)	218,454	4,827,232	2,303,879	7,349,565
Total	$ 1,116,665	$ 4,847,144	$ 2,874,754	$ 8,838,563

The Company does not expect the timing of the cash flows estimated through the maturity date will be significantly earlier, nor expect the actual cash flow amount will be significantly different.

(iii) Although the COVID-19 pandemic has a great impact on the global supply chain and consumer demands, the impact is not as significant on the business operation of the Company, as of the end of the reporting date, since the Company focuses its business on development and construction of the estate, and sales of buildings and land within the domestic market.

(iv) Pending litigation

The Company has been prosecuted by former employee for severance pay(Case No.92 Lao Jian 2022). The case is still in the court hearing, waiting for the court verdicting. The Company perdicts the case will be turn downed by the court, because the former employee violated the company’s rules seriously. Therefore, the Company didn’t estimate the debt provision.

XIII. Supplementary Disclosures

(i) Information About Significant Transactions

1. Financing provided to others: None.
2. Provision of endorsements and guarantees to others: Please refer to Table 1.
3. Holding of marketable securities at the end of the period: Please refer to Table 2.
4. Aggregate purchases or sales of the same securities reaching NT$300 million or 20% of paid-in capital or more: None.
5. Acquisition of real estate reaching NT$300 million or 20% of paid-in capital or more: 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: Please refer to Table 3.
8. Receivables from related parties reaching NT$100 million or 20% of paid-in capital or more: None.
9. Derivatives transactions: None.

(ii) Information on Investees

1. Information on significant transactions with the investee that the Company directly or indirectly exercises control over: None.
2. Information on investee that the Company directly or indirectly exercises significant influence or control over: None.

(iii) Information on Investments in Mainland China

1. The name of the investee in mainland China, the main businesses, its issued capital, method of investment, information on inflow or outflow of capital, percentage of ownership, income (losses) of the investee, share of profits/losses of investee, ending balance, the amount received as dividends from the investee, and the limitation on investee: None.
2. Significant direct or indirect transactions with the investee, its prices and terms of payment, unrealized gain or loss, and other related information which is helpful to understand the impact of investment in mainland China on financial reports: None.

(iv) Information of major shareholders: Please refer to Table 4.

XIV. Segment Information

I.Industry Information

The Company’s major business is in constructiing public housing and commercial buildings, only in a single industry.

II.Geographic Information

The Company has no foreign operationg segment.

III.Export Sales Information

The Company has no export sales revenue.

IV.Major Customers Information

In 2022 and 2021, the Company has no key customers who contribute to 10% of the Company’s revenue.

Advancetek Enterprise Co., Ltd.

Provision of endorsements and guarantees to others

December 31, 2022

Table 1 | Unit: thousands of NTD

Number (Note 1)	Endorser /guarantor	Party being endorsed /guaranteed		Limit on endorsements/ guarantees provided for a single party (Note 3)	Maximum outstanding endorsement /guarantee amount as of December 31, 2021 (Note 4)	Outstanding endorsement /guarantee amount at December 31, 2021 (Note 5)	Amount actually drawn (Note 6)	Amount of endorsements /guarantees secured with collateral	Ratio of accumulated endorsement /guarantee amount to the net asset value of the endorser /guarantor company	Ceiling on the total amount of endorsements /guarantees provided (Note 3)	Provision of endorsements /guarantees by the parent company to the subsidiary (Note 7)	Provision of endorsements /guarantees by the subsidiary to the parent company (Note 7)	Provision of endorsements /guarantees to the party in Mainland China (Note 7)
		Name of Company	Relationship (Note 2)										
0	Advancetek Enterprise Co., Ltd.	Pao Juan Development Enterprise Co., Ltd.	7	$ 1,209,313	$ 516,939	$ 516,939	$ -	$ -	8.55%	$ 3,023,283	N	N	N

Note 1: The Company and its investees are coded as follows:

1. The Company is ‘0’.
2. The investees are numbered in order starting from ‘1’.

Note 2: Nature of relation between the endorser /guarantor and the party being endorsed /guaranteed is classified into the following seven categories:

1. Having a business relationship.
2. The endorser /guarantor parent company owns directly and indirectly more than 50% voting shares of the endorsed /guaranteed subsidiary.
3. The endorsed /guaranteed company owns directly and indirectly more than 50% voting shares of the endorser /guarantor parent company.
4. The endorser /guarantor parent company owns directly and indirectly more than 90% of voting shares of the endorsed /guaranteed company.
5. Mutual guarantee of the trade made by the endorsed /guaranteed company or joint contractor as required under the construction contract.
6. Due to joint venture, all shareholders provide endorsements /guarantees to the endorsed /guaranteed company in proportion to its ownership.
7. Joint guarantee of the performance guarantee for pre-sold home sales contract as required under the Consumer Protection Act.

Note 3: 1. According to the Company’s procedures for the Management of Endorsements and Guarantees, the amount of endorsements /guarantees provided by the Company for any single entity shall not exceed 20% of the Company’s net worth. The net worth is based on the Company’s latest parent-company-only financial statements.

2. According to the Company’s procedures for the Management of Endorsements and Guarantees, the aggregate amount of endorsements /guarantees provided by the Company shall not exceed 50% of its net worth. The net worth is based on the Company’s latest parent-company-only financial statements

Note 4: Maximum outstanding endorsement /guarantee amount for the current period.

Note 5: Shall fill in the amount as approved by the Board of Directors. The Chairman who has been empowered by the Board of Directors for approval under Article 12, paragraph 8 of Regulations Governing Loaning of Funds and Making of Endorsements /guarantees by Public Companies, refers to grant endorsements /guarantees within a specific limit by the Chairman.

Note 6: The actual amount drawn from the balance of endorsement /guarantee used by the endorser /guarantor shall be filled in.

Note 7: Column Y shall be filled in if any of the following criteria were met: Provision of endorsements /guarantees by a listed parent company to subsidiary, provision of endorsements /guarantees by subsidiary to listed parent company, and provision of endorsements /guarantees to the party in Mainland China.

Advancetek Enterprise Co., Ltd.

Holding of marketable securities at the end of the period (not including subsidiaries, associates and joint ventures)

December 31, 2022

Table 2

Unit: share/thousands of NTD

Holding Company Name	Type and Name of Marketable Securities		Relationship with the Issuer of Marketable Securities	Account item	At end of period				Remark
					Shares/Units	Book value	Ownership held by the Company	Market Price	
Advancetek Enterprise Co., Ltd.	Stock	En Tie Commercial Bank Co., Ltd.	None	Current financial assets at fair value through other comprehensive income	32,126	474	—	474	Note 2
	Stock	Taiwan Biotech Co., Ltd.	None	Non-current financial assets at fair value through other comprehensive income	1,043,595	22,573	0.43	22,573	Note 1
	Stock	Tah Chung Steel Corporation	None	Non-current financial assets at fair value through other comprehensive income	22	—	—	—	
	Stock	Asia Pacific Telecom Co., Ltd.	None	Non-current financial assets at fair value through other comprehensive income	294,944	1,799	0.01	1,799	Note 2
				Total		24,372		24,372	

Note 1: The stock value is calculated based on the market approach. Please refer to Note XII(ii) for details.

Note 2: Calculated on the basis of the closing price at the end of December 2022.

Advancetek Enterprise Co., Ltd.

The amount of purchase and sales with related parties has reached NT$ 100 million or 20% or above the paid-in capital.

Year ended December 31, 2022

Table 3

Unit: thousands of NTD

Company Name	Related Party	Relationship	Transaction Details				Abnormal Transaction		Notes/Accounts Payable or Receivable		
			Purchases/Sales	Amount	Percentage of total purchases (sales)	Credit period	Unit Price	Credit period	Ending Balance	Percentage of total Notes/Accounts Payable or Receivable	Remark
The Company	Ansheng Construction Co., Ltd	Other related parties	Purchase	$ 642,388	27.56%	50% - within 60 days 50% - cash	Denominated according to the contract	Within 30 days or 60 days for common suppliers	$(199,824)	(51.90%)	Note 1
The Company	Zhongfu Construction Co., Ltd	Other related parties	Purchase	$ 1,321,344	56.69%	50% - within 60 days 50% - cash	Denominated according to the contract	Within 30 days or within 60 days for common suppliers	$(126,296)	(32.80%)	Note 1
The Company	Baoshi Construction Co., Ltd.	Other related parties	Purchase	$ 210,337	9.02%	50% - within 60 days 50% - cash	Denominated according to the contract	Within 30 days or within 60 days for common suppliers	$(6,942)	(1.80%)	Note 1

Note 1: Please refer to Note VII for status on construction contracts signed by the Company with related parties.

Advancetek Enterprise Co., Ltd.

Information of major shareholders

December 31, 2022

Table 4

Name of major shareholders	Number of shares held (shares)	Ownership held by the Company
Ming Sheng Investment Co., Ltd.	33,428,881	9.12%
Bai Xiang Investment Co., Ltd	32,911,609	8.98%
Wu, Pao-Tien	21,153,888	5.77%

Note 1: The information on major shareholders in this table is based on data of above 5% in total of common stock and preferred stock, that the companies held by shareholders have completed dematerialized registration and delivery (including treasury shares), and is calculated each quarter on the final business day, by the Taiwan Depository & Clearing Corporation. The capital stock reported in the Company's financial statements and the number of shares that the Company has completed dematerialized registration and delivery, may show discrepancies due to different basis in calculation.

Note 2: If any of the above mentioned entities has transferred control of shareholdings to a trustee, then disclosure of information regarding the entity will be in the form of the Settlor's account of trust opened by the trustee. According to the Securities and Exchange Act, the insiders or shareholders, held greater than 10% of shares shall file if any changes in stocks held, which include shareholdings that have been transferred to trustee and trust assets that the shareholder may determine the usage of shares; for filed information of insiders' shares, please refer to the Market Observation Post System website.

Advancetek Enterprise Co., Ltd.

The Contents of Statements of Major Accounting Items in the Fiscal Year 2022

Number	Index	Item
	Note 6(1)	Statement of Cash and Cash Equivalents
Statement 1		Current Financial Assets at Fair Value through Other Comprehensive Income
Statement 2		Statement of Net Notes Receivable and Accounts Receivable
Statement 3		Statement of Long-term Notes and Accounts Receivable
Statement 4		Statement of Inventory
Statement 5		Statement of Prepayments
	Note 6(6)	Statement of Other Current Financial Assets
Statement 6		Statement of Other Current Assets, Others
Statement 7		Statement of Current Assets Recognised as Incremental Costs to Obtain Contract with Customers
Statement 8		Statement of Non-Current Financial Assets at Fair Value through Other Comprehensive Income
	Note 6(7)	Statement of Changes in Property, Plant, and Equipment
	Note 6(8)	Statement of Changes in Investment Property
	Note 6(9)	Statement of Changes in Intangible Assets
Statement 9		Statement of Guarantee Deposits Paid
Statement 10		Statement of Short-term Loans
Statement 11		Statement of Short-term Notes and Bills Payable
	Note 6(12)	Statement of Current Contract Liabilities
Statement 12		Statement of Notes Payable
Statement 13		Statement of Accounts Payable
Statement 14		Statement of Other Payables
	Note 6(18)	Statement of Changes in Provision
	Note 6(15)	Statement of Lease Liabilities
Statement 15		Statement of Advance Receipts
Statement 16		Statement of Other Current Liabilities, others
	Note 6(14), (16)	Statement of Long-term Loans and Long-term Liabilities Current portion
Statement 17		Statement of Guarantee Deposits Received
Statement 18		Statement of Operating Revenue
Statement 19		Statement of Operating Costs
Statement 20		Statement of Selling and Administrative Expenses
	Note 6(21)~(23)	Non-Operating Income and Expenses
Statement 21		Summary Statement of Current Period Employee Benefits, Depreciation, Depletion and Amortization Expenses by Function

Advancetek Enterprise Co., Ltd.

Current Financial Assets at Fair Value through Other Comprehensive Income

December 31, 2022

Statement 1

Expressed in thousands of NTD

Financial instruments	Summary	Shares/Units	Par value	Total amount	Interest rate	Acquisition cost	Valuation Adjustment	Fair value		Remark
								Unit Price	Total amount	
En Tie Commercial Bank	Stock	32,126	NT$ 17.05	$ 548	-	$ 548	($ 74)	NT$ 14.75	$ 474	

Advancetek Enterprise Co., Ltd.

Statement of Net Notes Receivable and Accounts Receivable

December 31, 2022

Statement 2 Expressed in thousands of NTD

Item	Summary	Amount	Remark
Notes Receivable, Net			
Lot 8, Taichung Zhenxing section	Notes of Sales	$ 156	
Taichung Lianwu section	Notes of Sales	6,550	
Case of Xinzhuang Fuduxin	Notes of Sales	3,086	
Case of Danhai	Notes of Sales	95	
Taoyuan Kuaiji	Notes of Sales	70	
Total amount		9,957	
Less: Loss allowance		-	
Total		$ 9,957	
Accounts Receivable, Net			
Case of Xinzhuang Fuduxin	Accrued rent receivable	$ 130	
Xinzhuang Hefeng	Accrued rent receivable	24	
Linkou A7	Accrued rent receivable	23	
Lot 8, Taichung Zhenxing section	Accrued rent receivable	225	
Others	Accrued rent receivable	469	
Taichung Lianwu section	Account sales	957,909	
Taoyuan Sanmin A	Account sales	100	
Case of Danhai	Account sales	138	
Total amount		959,018	
Less: Loss allowance		(136)	
Subtotal		958,882	
Add: Current portion of installment accounts receivable		3,302	
Total		$ 962,184	

Advancetek Enterprise Co., Ltd.

Statement of Long-term Notes and Accounts Receivable

December 31, 2022

Statement 3 Expressed in thousands of NTD

Item	Summary	Amount	Remark
Long-term installment notes receivable			
Case of Xinzhuang Fuduxin	Notes of Sales	1,330	
Total		$ 1,330	
Long-term installment accounts receivable			
Taoyuan Kuaiji	Account sales	3,669	
Total amount		3,669	
Less: Unrealized interest income		(48)	
Current portion of net installment accounts receivable		(3,302)	
Long-term installment accounts receivable		319	
Long-term notes and accounts receivable		$ 1,649	

Advancetek Enterprise Co., Ltd.
Statement of Inventory
December 31, 2022

Statement 4 Expressed in thousands of NTD

Item	Summary	Amount: Cost	Amount: Net realizable value	Remark
Buildings and land held for sale				
Xinzhuang Hefeng		$ 12,489	$ 20,998	
Jiaoxi Park		58,242	80,184	
Luodong Gongzheng		276,610	288,132	
Case of Xinzhuang Fuduxin		226,298	248,831	
Taoyuan Kuaiji		50,744	77,037	
Lot 8, Taichung Zhenxing section		96,133	241,164	
Taichung Lianwu section		772,449	1,444,121	
Subtotal		1,492,965	2,400,467	
Land held for construction site				
Land held for development		127,144	178,657	
Land for capacity transfer		22,265	23,515	
Hsinchu Zhongxing section		1,727,360	2,146,262	
Weizhen Section of Houlong Town, Miaoli		599,398	665,506	
Long Chair Section of Houlong Town, Miaoli		154,910	155,454	
Subtotal		2,631,077	3,169,394	
Construction in progress				
Case of Danhai		6,890,640	6,890,640	Note
Case A of Taoyuan Sanmin section		816,157	816,157	〃
Case B of Taoyuan Sanmin section		455,869	455,869	〃
Kaohsiung MRT O4 project		63,771	63,771	〃
Kaohsiung fucheng project		997,261	997,261	〃
Taipei Zhongzheng District		906,058	906,058	〃
Subtotal		10,129,756	10,129,756	
Total inventories		14,253,798	$ 15,699,617	
Less: Allowance for inventory valuation losses		(12,643)		
Net amount of inventories		$ 14,241,155		

Note: Due to the nature of the construction industry, the market price of construction in progress is specified according to the lesser amount between cost and net realizable value.

Advancetek Enterprise Co., Ltd.

Statement of Prepayments

December 31, 2022

Statement 5

Expressed in thousands of NTD

Item	Summary	Amount	Remark
Prepaid expenses	Prepaid construction permit application fee, architectural design fee, insurance premium, software maintenance fee, etc.	$ 51,189	
Prepayment for investment	First investment installment	4,000	
Excess business tax paid		173,664	
Other prepayments	Advance payment for natural gas project cost and fence construction, etc.	19,771	
Total		$ 248,624	

Advancetek Enterprise Co., Ltd.

Statement of Other Current Assets, others

December 31, 2022

Statement 6

Expressed in thousands of NTD

Item	Summary	Amount	Remark
Temporary debits	Building registration and transfer fee etc.	$ 826	
Payment on behalf of others		172	
Total		$ 998	

Advancetek Enterprise Co., Ltd.

Statement of Current Assets Recognised as Incremental Costs to Obtain Contract with Customers
December 31, 2022

Statement 7 Expressed in thousands of NTD

Item	Summary	Amount	Remark
Case of Danhai	Sale service charge	$ 154,620	
Taichung Lianwu section	Sale service charge	8,325	
Case A of Taoyuan Sanmin section	Sale service charge	7,751	
		$ 170,696	

Advancetek Enterprise Co., Ltd.

Statement of Non-Current Financial Assets at Fair Value through Other Comprehensive Income

December 31, 2022

Statement 8

Expressed in thousands of NTD

Name	Opening balance		Increase in current period		Decrease in current period		Balance at end of period			Pledge or collateral	Remark
	Number of shares	Amount	Number of shares	Amount	Number of shares	Amount	Number of shares	Ownership held by the Company	Amount		
Asia Pacific Telecom Co., Ltd.	294,944	$ 8,271	-	$ -	-	$ -	294,944	0.01%	$ 8,271	None	
Taiwan Biotech Co., Ltd.	930,535	11,308	113,060	2,035	-	-	1,043,595	0.43%	13,343	〃	Note 1
Tah Chung Steel Corporation	22	-	-	-	-	-	22	-	-	〃	
Total		19,579		2,035		-			21,614		
Add: Valuation Adjustment		7,644		-		4,886			2,758		
Net amount		$ 27,223		$ 2,035		$ 4,886			$ 24,372		

Note 1: Taiwan Biotech Co., Ltd. required a capital injection in October, 2022. The Company then subscribed 113,060 shares and increased the stock held from 930,535 shares to 1,043,595 shares.

Advancetek Enterprise Co., Ltd.

Statement of Guarantee Deposits Paid

December 31, 2022

Statement 9

Expressed in thousands of NTD

Item	Summary	Amount	Remark
Guarantee deposits paid	Environment maintenance of construction project and sidewalk maintenance deposit	$ 9,770	
	Disaster management deposit	1,000	
	Deposits for the internet rentals and the temporary water and electricity, etc.	660	
Total		$ 11,430	

Advancetek Enterprise Co., Ltd.
Statement of Short-term Loans
December 31, 2022

Statement 10 | Expressed in thousands of NTD

Bank	Type	Loan Commitments	Contract period	Interest rate	Amount	Pledge or Collateral	Remark
Mega International Commercial Bank Yilan	Secured borrowings	97,600	2022.08.30-2023.08.30	Note	72,090	Buildings and land held for sale	
Mega International Commercial Bank	Credit borrowings	350,000	2022.08.26-2023.08.26	“	350,000	None	
Total		$ 447,600			$ 422,090		

Note: The interest on loans provided by the above mentioned banks ranges from 1.78%~2.63%.

Advancetek Enterprise Co., Ltd.
Statement of Short-term Notes and Bills Payable
December 31, 2022

Statement 11

Expressed in thousands of NTD

Bank	Type	Amount	Contract Period	Interest rate	Loan Commitments	Pledge or Collateral	Remark
China bills	Secured borrowings	$ 191,000	2022.11.30-2023.01.04	Note	$ 191,000	Buildings and land held for sale	
China bills	Secured borrowings	50,000	2022.11.30-2023.01.04	Note	50,000	Buildings and land held for sale	
		$ 241,000			$ 241,000		
Less: Discount		(46)					
Net amount		$ 240,954					

Note: The interest rate of the above-mentioned short-term bills issued by the Company ranges from 1.95%~2.34%.

Advancetek Enterprise Co., Ltd.
Statement of Notes Payable
December 31, 2022

Statement 12 Expressed in thousands of NTD

Vendor Name	Summary	Amount	Remark
Sinyi Realty Inc.	Sale service charge	2,116	
Bao Ying Advertising and Marketing	Sale service charge	5,439	
Hai-Hua Advertising and Marketing	Sale service charge	3,697	
Broadway Taiwan Culture Co., Ltd.	Public accessories	2,752	
Originator Lighting Design Consultants Inc.	Design charge	1,260	
Mega International Commercial Bank	Interest on bank borrowings	3,373	
Others	(individual amount not reaching 5%)	2,502	
Total		$ 21,139	

Advancetek Enterprise Co., Ltd.
Statement of Accounts Payable
December 31, 2022

Statement 13 Expressed in thousands of NTD

Customer Name	Summary	Amount	Remark
Not a related party			
Fuji Kiso Energy Technology Co., Ltd	Air conditioning payment	$ 11,682	
Jing Yan Health professional home inspection Co., Ltd	Construction work payment	2,367	
Others	(individual amount not reaching 5%)	16,786	
Total		$ 30,835	
Related parties			
Ansheng Construction Co., Ltd	Construction work payment	$ 199,824	
Zhongfu Construction Co., Ltd	Construction work payment	126,296	
Baoshi Construction Co., Ltd.	Construction and Fence work payment	6,942	
Total		$ 333,062	

Advancetek Enterprise Co., Ltd.
Statement of Other Payables
December 31, 2022

Statement 14

Expressed in thousands of NTD

Item	Summary	Amount	Remark
Not a related party			
Salary and wages payable		$ 2,574	
Interest payable	Interest on bank borrowings	8,610	
Employees' compensation payable	Accrued employee compensation of the year 2022	7,335	
Directors' remuneration payable	Accrued directors' remunerations of the year 2022	7,335	
Selling expenses payable	Sale service charge	69,740	
Construction retainage payable	Construction Retainage	604	
Others	(individual amount not reaching 5%)	11,245	
Total		$ 107,443	
Related parties			
Fullon Hotels		$ 45	

Advancetek Enterprise Co., Ltd.
Statement of Advance Receipts
December 31, 2022

Statement 15

Expressed in thousands of NTD

Item	Summary	Amount	Remark
Advance receipts	Rent is collected in advance	$ 55	

Advancetek Enterprise Co., Ltd.
Statement of Other Current Liabilities, others
December 31, 2022

Statement 16

Expressed in thousands of NTD

Item	Summary	Amount	Remark
Temporary credits	Temporary receipts of a related tax of transfer	$ 12,683	
Receipts under custody	Scrivener fee, and processing fee and the withholding income tax etc.	1,153	
Total		$ 13,836	

Advancetek Enterprise Co., Ltd.
Statement of Guarantee Deposits Received
December 31, 2022

Statement 17

Expressed in thousands of NTD

Item	Summary	Amount	Remark
Guarantee deposits received	Lease deposit of lease out assets	$ 1,648	

Advancetek Enterprise Co., Ltd.
Statement of Operating Revenue
Year ended December 31, 2022

Statement 18

Expressed in thousands of NTD

Item	Summary	Amount				Remark
Buildings for sale						
Land revenue		$	951,060			
Buildings revenue			1,041,763	$	1,992,823	
Rental revenue					10,529	
Total				$	2,003,352	

Advancetek Enterprise Co., Ltd.
Statement of Operating Costs
Year ended December 31, 2022

Statement 19 | Expressed in thousands of NTD

Item	Summary	Amount			Remark
		Land	Buildings	Total	
Cost of rental sales - depreciation				$ 5,066	
Cost of construction sales	Buildings and land sales	$ 511,850	$ 744,751	1,256,601	
Subtotal				1,261,667	
Other operating cost	Inventory valuation losses			2,549	
Total				$ 1,264,216	

Advancetek Enterprise Co., Ltd.
Statement of Selling and Administrative Expenses
December 31, 2022

Statement 20 Expressed in thousands of NTD

Item	Selling expense	Administrative expense	Total	Remark
Salary and wages	$ -	$ 48,872	$ 48,872	
Rent expense	-	171	171	
Stationery supplies	-	128	128	
Traveling expense	-	1,118	1,118	
Shipping expenses	-	42	42	
Postage expenses	18	279	297	
Repairs and maintenance expense	-	617	617	
Advertisement	95	169	264	
Utilities expense	-	821	821	
Insurance expense	-	3,746	3,746	
Entertainment expense	-	5,050	5,050	
Donation expense	-	330	330	
Taxes	-	38,291	38,291	
Bad debt losses	-	22	22	
Depreciation	-	767	767	
Amortizations	-	532	532	
Meal expense	-	1,085	1,085	
Employee benefits	-	1,307	1,307	
Commissions Expense	91,609	-	91,609	
Training expense	-	66	66	
Other expenses	274	15,098	15,372	
Total	$ 91,996	$ 118,511	$ 210,507	

Advancetek Enterprise Co., Ltd.

Summary Statement of Current Period Employee Benefits, Depreciation, Depletion and Amortization Expenses by Function

Year ended December 31, 2022

Statement 21 Expressed in thousands of NTD

Function / Nature	2022			2021		
	Classified as operating cost	Classified as operating expenses	Total	Classified as operating cost	Classified as operating expenses	Total
Employee benefit expense	-	55,169	55,169	-	52,039	52,039
Wages and salaries	-	37,906	37,906	-	36,776	36,776
Labor and health insurance fees	-	3,137	3,137	-	2,814	2,814
Pension costs	-	1,605	1,605	-	1,433	1,433
Remuneration of Directors	-	9,361	9,361	-	7,519	7,519
Other employee benefit expense	-	3,160	3,160	-	3,497	3,497
Depreciation expense	5,066	767	5,833	6,205	705	6,910
Amortization Expenses	-	532	532	-	296	296
Number of employees	-	44	44	-	42	42

Note:

1. The employees of the Company were 44 and 42 for the years ended 2022 and 2021, both number of directors who have not served as employees were 6.
2. The company has disclosed the following information according to the above table:

(1) The average employee benefits expense of current period is NT$ 1,205 thousand (which is calculated as (total amount of current employee benefits expense - total amount of directors' remuneration) / (number of employee or current period - number of directors who have not serve as an employee)).
The average employee benefits expense of the previous year was NT$ 1,237 thousand (which was calculated as (total employee benefits expense of the previous year - total directors' remuneration) / (number of employees of the previous year - number of directors who have not served as employees)).

(2) The average employee's wages and salaries of the current period is NT$ 998 thousand (which is calculated as the total amount of current employee's wages and salaries / (number of employees of current period - number of directors who have not serve as employees)).
The average employee's wages and salaries of the previous year was NT$ 1,022 thousand (which was calculated as the total amount of employee's wages and salaries of the previous year / (number of employees of the previous year - number of directors who have not served as employees)).

(3) The range of adjustment in average employees' wages and salaries is -2.35% (which is calculated as (current average employees' wages and salaries - average employees' wages and salaries of the previous year) / average employees' wages and salaries of the previous year).

(4) The supervisors' remuneration of current period is NT$ 0 thousand, whereas the remuneration of the previous year was NT$ 0 thousand.(Notes 3)

(5) The Company's policy of salary and wages, and remuneration (including directors, managers, and employees).

A. Policy of directors' salary and wages, and remuneration:

Compensation to directors is calculated based on their respective involvement in the Company's operations, their contribution to the Company and industry practice in the R.O.C.. If the Company has profits, shall set aside no more than 2% as compensation to directors, but if the Company still has losses, an amount shall be reserved to make up for the losses. The remunerations for directors are to be paid in cash only.

B. Policy of managers' salary and wages:

The total compensation paid to managers includes salary, bonus, and employee's compensation, which is calculated based on industry practice in the R.O.C., their respective involvement in the Company's operations, job responsibility, achievement to objectives, performances in other posts, and compensation to the equivalent ranks within the Company in recent years.

C. Policy of employees' salary and remuneration:

(1) Employees' compensation of remuneration package includes primarily basic salary, meal allowance, Extraneous Duties Allowance (EDA), and bonus, etc..

(2) Salaries are paid in line with the standard set in accordance with the Company's operating performance and organization, with regard to staff's education and experience, knowledge and expertise, and length of service in the Company; necessary

adjustment would also be carried out in line with wage system in the current market, changes in industry prospect and economy as a whole, and government regulation as stipulated.

(3) Bonus is paid on the basis of the Company's operating performance and individual staff's performance.

(4) The initial emolument of the employee without previous experience is in compliance with regulation as stipulated by the government.

(5) If the Company has profits in the year, shall set aside no less than 1% as compensation to employees; employee compensation is mainly in the form of stocks or cash. The recipients shall include the employees of subsidiaries who meet certain criteria.

3. The Company has established the Audit Committee; therefore, there is no remuneration for supervisors.