Stock Code: 1472

Triocean Industrial Corporation Co., Ltd.

Parent Company Only Financial Statements and Independent Auditor's Report

2023 and 2022

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Auditors' Review Report

To: Triocean Industrial Corporation Co., Ltd.:

Audit Opinions

We have audited the accompanying parent company only balance sheets of Triocean Industrial Corporation Co., Ltd. (the "Company") as of December 31, 2023 and 2022 and the relevant parent company only statements of comprehensive income, changes in equity and cash flows for the years then ended, and relevant notes to the parent company only financial statements (including a summary of significant accounting policies).

In our opinion, the accompanying parent company only financial statements present fairly, in all material respects, the parent company only financial position of the Company as of December 31, 2023 and 2022, and its parent company only financial performance and its parent company only cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, the International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) endorsed and issued into effect by the Financial Supervisory Commission (FSC) of the Republic of China.

Basis for opinion

We have conducted our audits in accordance with Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and the auditing standards. Our responsibilities as an auditor for the parent company only financial statements under the abovementioned standards are explained in the Responsibilities paragraph. We are independent of the Company in accordance with the Norm of Professional Ethics for Certified Public Accountant of the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the parent company only financial statements for the year ended

December 31, 2023. These matters were addressed in the context of our audit of the parent company only financial statements as a whole, and in forming our opinion thereon, we do not provide a separate opinion on these matters.

Key audit matters for the parent company only financial statements for the year ended December 31, 2023 are stated as follows:

Accuracy of revenue recognition of construction projects

Subsidiary Shang-Ting Construction Co., Ltd., is an investment accounted for using the equity method after the acquisition by Triocean Industrial Corporation Co., Ltd. As indicated in Note 12 to the parent company only financial statements, the investment amount in the investee company as at December 31, 2023 and 2022 was NTD 1,695,327 thousand and NTD 965,598 thousand, respectively. The operating results of Shang-Ting will have a significant impact on the amount of investment recognized by Triocean Industrial Corporation Co., Ltd. using the equity method.

Shang Ting Construction Co., Ltd. is principally engaged in construction projects. The construction revenue is recognized using the cost-based input method to measure the construction revenue recognized. The degree of completion of the performance obligation is the ratio of the actual input cost to the expected total cost.

Since the accounting treatment of construction engineering contracts involves significant accounting estimates and judgments made by management, the correctness of the construction engineering revenue recognized is a key audit matter.

The main audit procedures that we have performed are as follows:

1. Assess the completeness and accuracy of management’s estimate of the total cost of the construction contract.
2. Check the outsourced contracts and costs, and check the degree of completion of the performance obligation and whether the revenue recognition of the construction project is correct.

Responsibilities of Management and Those Charged With Governance for the Parent Company Only Financial Statements

Responsibilities of the management were to prepare and ensure fair presentation of parent company only financial statements in accordance with “Regulations Governing the Preparation of Financial Reports by Securities Issuers” and to exercise proper internal control practices that are relevant to the preparation of parent company only financial statements so that the parent company only financial statements are free of material misstatements, whether caused by fraud or error.

In preparing the parent company only 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 Parent Company Only Financial Statements

Our objectives are to obtain reasonable assurance about whether the parent company only financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high-level assurance but is not a guarantee that an audit conducted in accordance with the auditing standards will always detect a material misstatement when it exists. The misstatements might be due to fraud or error. If an individual or total amount misstated was reasonably expected to have an impact on the economic decision-making of users of the parent company only financial statements, the misstatement was deemed as material.

As part of an audit in accordance with the auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

1. Identify and assess the risks of material misstatement of the parent company only financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the 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, and 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 parent company only financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

5. Evaluate the overall presentation, structure, and content of the parent company only financial statements, including the disclosure, and whether the parent company only financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

We communicated 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 identified during our audit.

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

From the matters communicated with those charged with governance, we determined those matters that were of most significance in the audit of parent company only financial statements for the year ended December 31, 2023 and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulations 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.

The engagement partners on the reviews resulting in this independent auditor's review report are Chen-Li Chen and Hsiu-Wen Chen.

Deloitte & Touche
Taipei, Taiwan
Republic of China

March 12, 2024

Notice to Readers

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

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

Triocean Industrial Corporation Co., Ltd.

PARENT COMPANY ONLY BALANCE SHEETS
(In Thousands of New Taiwan Dollars)

	December 31, 2023		December 31, 2022	
ASSETS	Amount	%	Amount	%
Current assets				
Cash (Notes 4 and 6)	$ 107,931	5	$ 30,225	2
Contract assets (Notes 4, 20, 22, and 28)	46,219	2	-	-
Accounts receivable (Notes 4, 10, 20, 22, and 28)	368	-	4,946	-
Other receivables (Note 28)	48,098	3	2,520	-
Current income tax assets (Note 4 and 24)	332	-	190	-
Prepayments	47,050	2	17,494	1
Non-current assets held for sale – net (Note 4 and 11)	-	-	28,532	1
Other financial assets – current (Notes 4, 9, 20, and 29)	69,101	3	270,061	12
Other current assets	1,721	-	145	-
Total current assets	320,820	15	354,113	16
Non-current assets				
Financial assets at fair value through other comprehensive income (Notes 4 and 8)	-	-	31,500	2
Investments accounted for using the equity method (Notes 4 and 12)	1,773,771	83	1,058,235	48
Property, plant and equipment (Notes 4 and 13)	10,619	1	1,162	-
Investment property, net (Notes 4, 15 and 29)	-	-	721,010	33
Right-of-use assets (Notes 4, 14, and 28)	18,838	1	14,535	1
Other intangible assets (Note 4)	475	-	195	-
Deferred income tax assets (Note 4 and 24)	2,141	-	4,908	-
Other financial assets – non-current (Notes 4, 9, 20, 28, and 29)	1,949	-	1,331	-
Other non-current assets	14	-	14	-
Total non-current assets	1,807,807	85	1,832,890	84
Total assets	$ 2,128,627	100	$ 2,187,003	100
LIABILITIES AND EQUITY				
Current liabilities				
Short-term borrowings (Notes 16 and 29)	$ 70,000	3	$ 417,900	19
Short-term notes payable (Notes 16 and 29)	298,612	14	-	-
Contract liabilities – current (Notes 4, 20, 22, and 28)	184,994	9	71,141	3
Notes payable (Notes 17 and 20)	34,366	2	5,217	-
Accounts payable (Notes 17 and 20)	8,295	-	3,533	-
Other payables (Note 18)	25,384	1	11,841	1
Other payables – Related parties (Note 28)	-	-	213,025	10
Provision – current (Note 4 and 19)	260	-	-	-
Lease liabilities – current (Notes 4, 14, and 28)	4,386	-	3,398	-
Long-term loans due within one business cycle (Notes 16, 20, and 29)	60,520	3	-	-
Other current liabilities	2,563	-	1,579	-
Total current liabilities	689,380	32	727,634	33
Non-current liabilities				
Financial liabilities at fair value through profit or loss (Notes 4, 7, 12 and 28)	-	-	232,725	11
Long-term borrowings (Notes 16 and 29)	-	-	400,000	18
Provision – non-current (Notes 4 and 19)	1,102	-	253	-
Deferred income tax liabilities (Note 4 and 24)	-	-	33,899	2
Lease liabilities – non-current (Notes 4, 14 and 28)	14,468	1	11,164	-
Guarantee deposits received	165	-	4,564	-
Total non-current liabilities	15,735	1	682,605	31
Total liabilities	705,115	33	1,410,239	64
Equity (Note 21)				
Ordinary share capital	424,881	20	249,881	12
Capital surplus	338,440	16	7,340	-
Unappropriated retained earnings (accumulated deficit)	667,107	31	(23,774)	(1)
Other equity	(6,916)	-	543,317	25
Total equity	1,423,512	67	776,764	36
Total liabilities and equity	$ 2,128,627	100	$ 2,187,003	100

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

Triocean Industrial Corporation Co., Ltd.

PARENT COMPANY ONLY STATEMENTS OF COMPREHENSIVE INCOME
(In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2023		2022	
	Amount	**%**	**Amount**	**%**
Operating revenues (Notes 4, 22, and 28)				
Construction engineering revenue	$ 283,221	100	$ 81,242	96
Net service revenue	396	-	3,814	4
Total revenue	283,617	100	85,056	100
Operating cost (Note 23)				
Cost of engineering service sales	186,501	66	49,856	58
Gross profit	97,116	34	35,200	42
Operating expenses (Note 23)				
General and administrative	52,816	18	36,406	43
Income (loss) from operations	44,300	16	(1,206)	(1)
Non-operating income and expenses (Note 23)				
Interest revenue	1,620	1	2,081	3
Other income (Note 28)	52,152	18	56,419	66
Other gains and losses	19,281	7	(12,925)	(15)
Share of profits or loss of subsidiaries and associates	36,985	13	(27,772)	(33)
Finance costs (Note 28)	(10,033)	(4)	(15,129)	(18)
Total non-operating income and expenses	100,005	35	2,674	3
Income before income tax	144,305	51	1,468	2
Income tax expense (profit) (Note 4 and 24)	2,325	1	(1,815)	(2)
Net income from continuing operations	141,980	50	3,283	4
Net income from discontinued operations	-	-	434	-
Net income	141,980	50	3,717	4

(Continued)

Triocean Industrial Corporation Co., Ltd.

PARENT COMPANY ONLY STATEMENTS OF COMPREHENSIVE INCOME
(In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2023		2022	
	Amount	**%**	**Amount**	**%**
Other comprehensive income				
Items that will not be reclassified subsequently to profit or loss:				
Unrealized gain/(loss) on investments in equity instruments at fair value through other comprehensive income	($ 1,478)	-	($ 1,359)	(1)
Items that may be reclassified subsequently to profit or loss:				
Exchange differences arising on translation of foreign operations	182	-	6,555	8
Income tax related to other comprehensive income components	(36)	-	(1,311)	(2)
	146	-	5,244	6
Other comprehensive income (loss), net of income tax	(1,332)	-	3,885	5
Total comprehensive income	$ 140,648	50	$ 7,602	9
Earnings per share (Note 25)				
From continuing operations and discontinued operations				
Basic	$ 4.27		$ 0.15	
Diluted	$ 4.26		$ 0.15	
From continuing operations				
Basic	$ 4.27		$ 0.13	
Diluted	$ 4.26		$ 0.13	

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

Triocean Industrial Corporation Co., Ltd.

PARENT COMPANY ONLY STATEMENTS OF CHANGES IN EQUITY
(In Thousands of New Taiwan Dollars)

				Other equity				
	Ordinary share capital	Capital surplus	Unappropriated retained earnings (accumulated deficit)	Exchange differences on translating foreign operations	Unrealized gains or losses on financial assets at fair value through other comprehensive income	Revaluation increment of property	Total	Total equity
Balance on January 1, 2022	$ 249,881	$ 7,340	($ 27,491)	($ 12,306)	($ 4,659)	$ 556,397	$ 539,432	$ 769,162
Net income	-	-	3,717	-	-	-	-	3,717
Other comprehensive income (loss), net of income tax	-	-	-	5,244	(1,359)	-	3,885	3,885
Total comprehensive income (loss)	-	-	3,717	5,244	(1,359)	-	3,885	7,602
Balance, December 31, 2022	249,881	7,340	(23,774)	(7,062)	(6,018)	556,397	543,317	776,764
Net income	-	-	141,980	-	-	-	-	141,980
Other comprehensive income (loss), net of income tax	-	-	-	146	(1,478)	-	(1,332)	(1,332)
Total comprehensive income (loss)	-	-	141,980	146	(1,478)	-	(1,332)	140,648
Capital increase in cash (Note 21)	175,000	331,100	-	-	-	-	-	506,100
Disposal of investment property (Notes 15 and 21)	-	-	556,397	-	-	(556,397)	(556,397)	-
Disposal of equity instruments at fair value through other comprehensive income	-	-	(7,496)	-	7,496	-	7,496	-
Balance, December 31, 2023	$ 424,881	$ 338,440	$ 667,107	($ 6,916)	$ -	$ -	($ 6,916)	$1,423,512

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

Triocean Industrial Corporation Co., Ltd.

PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS
(In Thousands of New Taiwan Dollars)

	2023	2022
Cash flow from operating activities		
Profit before income tax from continuing operations	$ 144,305	$ 1,468
Profit before income tax from discontinued operation	-	434
Adjustments for:		
Depreciation expense	4,542	1,705
Amortization expense	104	120
Expected credit losses recognized	-	(159)
Net loss of financial assets measured at fair value through profit or loss and liabilities	-	12,975
Finance costs	10,033	15,129
Interest income	(1,620)	(2,081)
Dividend income	-	(2,009)
Share of profits of subsidiaries and associates	(36,985)	27,772
Gain on disposal of investment property	(17,976)	-
Loss on disposal of intangible assets	-	590
Gain on disposal of investment accounted for using the equity method	(1,416)	(2,730)
Loss on fair value adjustment of investment property	-	14,670
Provision	1,109	(2,095)
Others	(180)	(93)
Changes in operating assets and liabilities:		
Contract assets	(46,219)	18,099
Notes receivable	-	20,292
Accounts receivable	4,578	(357)
Other receivables	(45,578)	2,081
Prepayments	(29,556)	(15,325)
Other current assets	(1,576)	80
Contract liabilities	113,853	71,141
Notes payable	29,149	(14,423)
Accounts payable	4,762	(6,222)
Other payables	12,783	3,393
Other current liabilities	984	(8,142)
Cash generated from operations	145,096	136,313
Interest received	1,620	2,081
Dividends received	-	2,009
Interest paid	(10,373)	(14,532)

(Continued)

Triocean Industrial Corporation Co., Ltd.

PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS
(In Thousands of New Taiwan Dollars)

	2023	2022
Income tax paid	($ 33,635)	($ 117)
Net cash generated by operating activities	102,708	125,754
Cash flow from investing activities		
Disposal of financial assets at fair value through other comprehensive income	30,022	-
Disposal of long-term equity investment using the equity method	-	10,910
Investment using the equity method	(700,000)	(150,000)
Other payables – Related parties	(445,750)	-
Refunds from capital reduction of the invested company using the equity method	-	12,149
Sale price of the invested company under the equity method	29,360	-
Purchase of property, plant and equipment	(8,870)	(1,000)
Purchase of intangible assets	(384)	(155)
Acquisition of investment property	-	(4,800)
Disposal of investment property	738,986	-
Decrease in other financial assets	200,342	105,125
Dividends received	22,312	34,346
Net cash used in (generated by) investing activities	(133,982)	6,575
Cash flow from financing activities		
Increase in short-term borrowings	70,000	303,900
Decrease in short-term borrowings	(417,900)	(511,000)
Increase in short-term bills payable	298,612	-
Repayment of corporate bonds	-	(288,900)
Borrowing of long-term loans	87,040	400,000
Repayment of long-term borrowings	(426,520)	-
Increase (decrease) in guarantee deposits received	(4,399)	57
Decrease in other payables – related parties	-	(80,000)
Repayment of the principal portion of lease liabilities	(3,953)	(1,350)
Capital increase in cash	506,100	-
Net cash generated by (used in) investing activities	108,980	(177,293)
Net increase (decrease) in cash	77,706	(44,964)
Cash balance at the beginning of year	30,225	75,189
Cash balance at the end of year	$ 107,931	$ 30,225

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

Triocean Industrial Corporation Co., Ltd.
Notes to the Parent Company Only Financial Statements
For the years ended December 31, 2023 and 2022
(Expressed in Thousand NTD, Unless Stated Otherwise)

I. Organization and Operations

Triocean Industrial Corporation Co., Ltd. (hereinafter referred to as the "Company"), formerly known as Triocean Textile Fiber Co., Ltd., was changed to the current name in July 2021, and was established in Taipei City in October 1968. Its original business was in the weaving, printing and dyeing, and processing of various fibrous fabrics, trading, etc. The Company's Board of Directors resolved in November 2020 to stop the production and textile business and change the registered address to Kaohsiung City. Currently, the Company is primarily engaged in the construction business.

The Company's shares have been listed on the Taipei Exchange (TPEx) since January 1999. The Company has been listed on the Taiwan Stock Exchange (TWSE) since September 2000.

The parent company only financial statements are presented in NTD, which is the Company's functional currency.

II. Date and Procedures for Approval of the Financial Report

The parent company only financial statements were released after being approved by the Board of Directors on March 12, 2024.

III. Application of Newly Issued and Amended Standards and Interpretations

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

The application of the amendments to the IFRSs endorsed and issued into effect by the FSC will not have a material impact on the Company's accounting policies.

(II) The IFRSs endorsed by the FSC for application starting from 2024

New/Revised/Amended Standards and Interpretations	Effective Date Announced by IASB
Amendments to IFRS 16 “Lease Liability in a Sale and Leaseback”	January 1, 2024 (Note 2)
Amendments to IAS 1 “Classification of Liabilities as Current or Non-current”	January 1, 2024
Amendments to IAS 1 “Non-current Liabilities with Covenants”	January 1, 2024
Amendments to IAS 7 and IFRS 7 “Supplier Finance Arrangements”	January 1, 2024 (Note 3)

Note 1: Unless stated otherwise, the new/revised/amended standards and interpretations above are effective for annual reporting periods beginning on or after their respective effective dates.

Note 2: A seller-lessee should apply the amendments to IFRS 16 retrospectively to sale and leaseback transactions entered into after the date of initial application of IFRS 16.

Note 3: Partial exemption from disclosure requirements upon first application of these amendments.

As at the publication date of this parent company only financial statement, the Company is continuously assessing the possible impact that the application of other standards and interpretations will have on the parent company only financial position and financial performance.

(III) New IFRSs in issue but not yet endorsed and issued into effect by the FSC

New/Revised/Amended Standards and Interpretations	Effective Date Announced by 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
IFRS 17 “Insurance Contracts”	January 1, 2023
Amendments to IFRS 17	January 1, 2023
Amendment to IFRS 17 “Initial Application of IFRS 17 and IFRS 9 – Comparative Information”	January 1, 2023
Amendments to IAS 21 “Lack of Exchangeability”	January 1, 2025 (Note 2)

Note 1: Unless stated otherwise, the new/revised/amended standards and interpretations above are effective for annual reporting periods beginning on or after their respective effective dates.

Note 2: Applicable to annual reporting periods beginning on or after January 1, 2025. When the amendment is applied for the first time, the effect is recognized in the retained earnings on the date of initial application. When the Company uses a presentation currency other than its functional currency, it shall, at the date of initial application, recognise any effect as an adjustment to the amount of translation differences for foreign operations under equity.

Except for the above impact, as at the date the parent company only financial statements were authorized for issue, the Company is continuously assessing the possible impact that the application of other 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

(I) Statement of compliance

The parent company only financial statements are prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

(II) Basis of preparation

Except for financial instruments and investment property measured at fair value and contingent considerations for the acquisition of subsidiaries, the parent company only financial statements have been prepared on a historical cost basis.

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

1. Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities;
2. Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for an asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
3. Level 3 inputs are unobservable inputs for an asset or liability.

When the Company prepared the parent company only financial statements, the subsidiaries were accounted for using the equity method. In order to make the income, other comprehensive income, and equity of the parent company only financial statement for the year consistent with the income, other comprehensive income, and equity attributable to the owners of the Company in the parent company only financial statements, certain accounting treatment differences between the parent company only basis and the consolidated basis have been adjusted to "investments accounted for using equity method," "share of profit or loss of subsidiaries accounted for using equity method," "share of other comprehensive income of subsidiaries accounted for using the equity method" and related equity items.

(III) Classification of current and non-current assets and liabilities

Current liabilities include:

1. Assets held primarily for the purpose of trading;
2. Assets expected to be realized within 12 months after the reporting date; and
3. Cash (excluding those restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period).

Current liabilities include:

1. Liabilities held primarily for the purpose of trading;
2. Liabilities due to be settled within 12 months after the reporting period; and
3. Liabilities for which the Group does not have an unconditional right to defer settlement for at least 12 months after the reporting period.

Assets and liabilities that are not classified as current are classified as non-current.

The Company is engaged in construction projects, and its operating cycle is longer than one year. Therefore, the assets and liabilities related to the construction business are classified as current or non-current based on the normal operating cycle.

(IV) Foreign currency

In preparing the parent company only financial statements of the Company, transactions in currencies other than the Company's functional currency (i.e. foreign currencies) are recognized at the rates of exchange prevailing on the transaction dates.

At the end of each reporting period, monetary items denominated in foreign currencies are translated at the rates prevailing on that date. Exchange differences on monetary items arising from settlement or translation are recognized in profit or loss in the period in which they arise.

Non-monetary items measured at historical cost that are denominated in foreign currencies are translated at the rates of exchange prevailing on the transaction dates and are not retranslated.

At the time of preparing the parent company only financial statements, the assets and liabilities of the Company's foreign operations (including subsidiaries that operate in countries or use currencies different from the Company's) are translated into NTD at the average exchange rates for each month of the year, and the resulting exchange differences are recognized in other comprehensive income.

(V) Investment in subsidiaries

The Company accounts for its investment in subsidiaries under the equity method.

A subsidiary is an entity controlled by the Company.

Under the equity method, an investment is initially recognized at cost, and the carrying amount after the acquisition is increased or decreased by the Company's share of the profit or loss and other comprehensive income of the subsidiary and the profit distribution. In addition, the changes in the Company's other equity in subsidiaries are recognized in proportion to the shareholding.

Changes in the Company's ownership interests in subsidiaries that do not result in the Company losing control over the subsidiaries are accounted for as equity transactions. The difference between the carrying amount of the investment and the fair value of the consideration paid or received is recognized directly in equity.

When the Company's share of losses in a subsidiary equals or exceeds its equity in the subsidiary, it continues to recognize losses in proportion to its shareholding.

The amount of the acquisition cost exceeding the share of the net fair value of the subsidiary's identifiable assets and liabilities that constitute a business on the date of acquisition is recognized as goodwill. The goodwill is included in the carrying amount of the investment and is not amortized.

In assessing impairment, the Company considers the cash-generating unit as a whole in the parent company only financial statements and compares the recoverable amount with the carrying amount. If the recoverable amount of the asset increases subsequently, the reversal of the impairment loss will be recognized as a gain. However, the carrying amount of the asset after the reversal of the impairment loss shall not exceed the amount that would have been appropriated if the impairment loss had not been recognized after amortization. The impairment loss attributable to goodwill shall not be reversed in the subsequent period.

Unrealized gains and losses on downstream transactions between the Company and its subsidiaries are written off in the parent company only financial statements. The gains and losses arising from the downstream and lateral transactions between the Company and its subsidiaries are recognized in the parent company only financial statements only to the extent that they are irrelevant to the Company's interests in the subsidiaries.

(VI) Property, plant and equipment

Property, plant and equipment are initially recognized at cost and subsequently measured at cost less accumulated depreciation and accumulated impairment loss.

Each significant component of the remaining property, plant and equipment is depreciated separately on a straight-line basis within their useful lives. The Company conducts at least one annual review at the end of each year to assess the estimated useful life, residual value, and depreciation methods, and applies the effect of changes in applicable accounting estimates prospectively.

When derecognizing an item of property, plant and equipment, the difference between the net disposal proceeds and the carrying amount of the asset shall be recognized in loss or profit.

(VII) Investment property

Investment properties refers to properties held for the purpose of earning rents or capital appreciation or both. Investment properties also include land held for a currently undetermined future use.

Self-owned investment properties are initially measured at cost (including transaction cost). The investment properties acquired through lease are initially measured at cost (including the originally measured amount of the lease liabilities, the lease payments paid before the lease commencement date, the original direct cost, and the estimated cost of restoring the underlying asset, less the lease incentives received).

Starting January 1, 2022, the Company's accounting policy for the subsequent measurement of investment properties was changed from the cost model to the fair value model. All investment properties were subsequently measured using the fair value model, with changes in fair value recognized in profit and loss for the period.

When property, plant and equipment is transferred to investment property after own-use, the difference between the original carrying amount and the fair value is recognized in other comprehensive income.

When investment properties are derecognized, the difference between the net disposal price and the carrying amount of the asset is recognized in profit or loss.

(VIII) Intangible assets

Intangible assets with finite useful lives that are acquired separately are initially measured at cost and subsequently measured at cost less accumulated amortization and accumulated impairment losses. Intangible assets are amortized on a straight-line basis. At the end of each year, the estimated useful life, residual value, and amortization method are reviewed by the Company, and the application of accounting estimates is deferred the impact of changes in accounting estimates prospectively.

On derecognition of an intangible asset, the difference between the net disposal proceeds and the carrying amount of the asset is recognized in profit or loss for the period.

(IX) Impairment of assets related to property, plant and equipment, right-of-use assets, investment properties, and intangible assets

The Company assesses if there are any signs of possible impairment in property, plant, and equipment as well as right-of-use, investment properties, and intangible assets at the end of each reporting period. If there is any sign of impairment, an estimate is made of its recoverable amount. If it is not possible to determine the recoverable amount of an individual asset, the Company estimates the recoverable amount of the CGU to which the asset belongs.

The recoverable amount is the fair value less cost of sales or its value in use, whichever is higher. If the recoverable amount of an individual asset or a CGU is lower than its carrying amount, the carrying amount is reduced to the recoverable amount, and the impairment loss is recognized in profit or loss.

When the impairment loss is subsequently reversed, the carrying amount of the asset, the CGU, or the asset related to contract cost is increased to the revised recoverable amount, provided that the increased carrying amount shall not exceed the carrying amount (less amortization or depreciation) of the asset, CGU, or the asset related to contract cost which was not recognized in impairment loss in prior years. The reversal of the impairment loss is recognized in profit or loss.

(X) Non-current assets held for sale

The carrying amount of the disposal group is classified as held for sale when it is expected to be recovered mainly through a sale transaction instead of continued use. The disposal groups meeting this classification must be available for immediate sale in the current state, and the probability of sale must be highly probable. When the appropriate level of management commits to sell the asset, and the sale is expected to be completed within one year from the date of classification, the probability of sale is highly likely.

If the Company loses control over the subsidiary at the time of sale, regardless of whether it retains non-controlling interests in the former subsidiary after the sale, all assets and liabilities of the subsidiary are fully classified as held for sale.

The disposal group classified as held for sale are measured at the lower of carrying amount or fair value less costs to sell, and depreciation of such assets is stopped.

(XI) Financial instruments

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

Financial assets and financial liabilities not at fair value through profit or loss are measured at fair value plus transaction costs directly attributable to the acquisition or issuance of financial assets or financial liabilities. The transaction costs directly attributable to the acquisition or issuance of financial assets or financial liabilities at fair value through profit or loss is immediately recognized in profit or loss.

1. Financial assets

Regular trading of financial assets shall be recognized and derecognized in accordance with trade date accounting.

(1) Measurement types

Financial assets held by the Company are those measured at fair value through profit or loss (FVTPL) and at amortized cost, as well as investments in equity instruments measured at fair value through other comprehensive income (FVTOCI).

A. Investments in equity instruments at FVTOCI

The Company may, upon initial recognition, make an irrevocable election to designate as at FVTOCI the investments in equity instruments that are not held for trading and the ones that are not recognized by an acquirer in a business combination or with the contingent consideration.

Investments in an equity instrument measured at FVTOCI are measured at fair value, and any subsequent fair value changes are recognized in other comprehensive income and accumulated in other equity. Upon disposal of investments, cumulative gain or loss is directly transferred to retained earnings and are not reclassified to profit or loss.

Dividends of investments in equity instruments measured at FVTOCI are recognized in profit or loss when the Company’s right to receive dividends is established unless such dividends clearly represent the recovery of a part of the investment cost.

B. Financial assets at amortized cost

When the Company’s investments in financial assets meet the following two conditions simultaneously, they are classified as financial assets measured at amortized cost:

a. Held under a certain business model, of which the objective is to collect contractual cash flows by holding the financial assets; and
b. The cash flows on specific dates specified in the contractual terms are solely payments of the principal and interest on the principal amount outstanding.

Financial assets measured at cost after amortization (including cash, accounts receivable measured at cost after amortization, other receivables and other financial assets) are the total carrying amount determined by the effective interest method less any impairment loss, and any foreign currency exchange gains or losses are recognized in profit or loss.

Interest revenue is calculated by multiplying the effective interest rate by the total carrying amount of financial assets:

Financial assets are credit-impaired when the issuer or debtor has experienced major financial difficulty, default, and the debtor is likely to file for bankruptcy or other financial reorganization, or financial difficulties that cause the active market of the financial asset to disappear.

(2) Impairment of financial assets and contract assets

The Company assesses the impairment loss of financial assets measured at amortized cost (including trade receivables), finance lease receivables, and contract assets based on the expected credit loss at the end of each reporting period.

Trade receivables, finance lease receivables, and contract assets are recognized in loss allowance based on the lifetime expected credit losses (ECLs). Other financial assets are first assessed based on whether the credit risk has increased significantly since the initial recognition. If there is no significant increase in the risk, a loss allowance is recognized at an amount equal to 12-month ECLs.

If the risks have increased significantly, a loss allowance is recognized at an amount equal to lifetime ECLs. The ECLs refer to the weighted average credit loss with the risk of default as the weight. The 12-month ECLs represent the ECLs from possible defaults of a financial instrument within 12 months after the reporting date. The lifetime ECLs represent the ECLs from all possible defaults in a financial instrument over the expected life of a financial instrument.

For the purpose of internal credit risk management, the Company, without considering the collateral held, determines that the following situations represent defaults in the financial assets:

A. Internal or external information indicates that it is impossible for the debtor to settle the debt.

B. It is overdue for more than 90 days, unless there is reasonable and corroborative information showing that a default date postponed is more appropriate.

The Company recognizes an impairment loss for all financial assets with a corresponding downward adjustment to their carrying amount through a loss allowance account.

(3) Derecognition of financial assets

The Company derecognizes a financial asset when the contractual rights to the cash inflow from the financial asset expire or when it transfers the financial assets and substantially all the risks and rewards of ownership of the asset to another party.

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

2. Equity instruments

Debt and equity instruments issued by the Company are classified as either financial liabilities or equity in accordance with the substance of the contractual arrangements and the definitions of financial liabilities and equity instruments.

Equity instruments issued by the Company are recognized at the proceeds received, net of the cost of direct issue.

3. Financial liabilities

(1) Subsequent measurement

All financial liabilities are measured at amortized cost in the effective interest method, except for the following:

Financial liabilities measured at fair value through profit or loss

Financial liabilities measured at fair value through profit or loss include held for trading.

Financial liabilities held for trading are measured at fair value, and the related gains or losses are recognized in other gains and losses.

Please refer to Note 27 for the determination of fair value.

(2) Derecognition of financial liabilities

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

(XII) Provision

The amount recognized in provisions is the best estimate of the expenditure required to settle the obligation at the end of the reporting period based on the consideration for the risks and uncertainties of the obligation. The provisions are measured at the discounted value of the cash flow estimated to settle the obligation.

1. Warranty

Warranty obligations under construction contracts are recognized based on management's best estimate of the expenses required to satisfy the Company's obligations, and related construction warranty obligations are accrued when revenue is recognized.

2. Contingent liabilities acquired in a business combination

If the contingent liabilities assumed for a business combination are present obligations arising from past events and the fair value of which can be reliably measured, they are recognized at the fair value as the original measurement amount on the acquisition date. On the subsequent reporting date, such contingent liabilities are measured at the amortized amount. However, if it is assessed that it is likely to be required to pay the present obligation amount, the subsequent measurement shall be based on the present obligation amount or the post-amortization amount, whichever is higher.

(XIII) Revenue recognition

After the Company identifies its performance obligations in contracts with customers, it allocates the transaction price to each performance obligation in the contracts and recognizes revenue when performance obligations are satisfied.

When the other party participates in the provision of goods or services to the customer, if the Company controls the product or service before transferring it to the customer, the Company acts as the principal and recognizes revenue at the total amount; otherwise, if the Company is an agent, the revenue is recognized at net amount. Since a specific product or service is a single product or service that can be distinguished, the Company shall determine one by one for the specific product or service in the contract as a principal or agent.

1. Service revenue

The labor service revenue comes from the procurement service of construction materials, and the related revenue is recognized when the labor service is provided.

2. Construction revenue

During the construction process of the property construction contract, the Company gradually recognizes the income over time. As the cost of construction is directly related to the progress of completion of the performance obligation, the Company measures the progress of completion based on the actual investment cost as a percentage of the expected total cost. The Company gradually recognizes contract assets during the construction process, and reclassifies them to trade receivables upon billing. If the construction payment received exceed the amount of revenue recognized, the difference is recognized in contract liability. The retention of a construction project withheld by the customer in accordance with the contract terms aims to ensure that the Company completes all contractual obligations and is recognized in contract asset before the Company’s performance is completed.

If the result of the performance obligation cannot be measured reliably, the engineering service revenue is recognized only within the expected recoverable amount of the cost incurred when the performance obligation is met.

(XIV) Leases

The Company assesses whether a contract belongs to (or contains) a lease on the date of establishment of the contract.

1. The Company as the lessor

When the lease terms do not transfer the risks and rewards attached to the ownership of assets to the lessee, the leases are classified as operating leases.

Under operating leases, lease payments are recognized as income on a straight-line basis over the lease terms. The initial direct cost incurred in obtaining an operating lease is added to the carrying amount of the underlying asset and recognized as expenses on a straight-line basis over the lease term.

2. The Company as the lessee

Except for low-value asset leases and short-term leases to which a recognition exemption applies, where lease payments are recognized as expenses on a straight-line basis over the lease terms, all leases are recognized with a right-of-use asset and a lease liability on the lease commencement date.

Right-of-use assets are initially measured at cost and subsequently measured at cost less accumulated depreciation and accumulated impairment losses. Right-of-use assets are presented on a separate line in the parent company only balance sheets.

Right-of-use assets are depreciated on a straight-line basis over the lease terms.

Lease liabilities are initially measured at the present value of the lease payments. If the lease implied interest rate can be easily determined, the lease payment is discounted at the said interest rate. If such interest rate cannot be easily determined, the lessee’s incremental borrowing interest rate shall apply.

Subsequently, the lease liability is measured at the amortized cost using the effective interest method, and the interest expense is amortized over the lease term. If there are changes in future lease payments during the lease period or in the index or rate used to determine lease payments, the Company will remeasure the lease liabilities and adjust the right-of-use assets accordingly. The remaining remeasurement amount is recognized in profit or loss. Lease liabilities are presented on a separate line in the parent company only balance sheets.

(XV) Borrowing costs

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

For specific borrowings, if the investment income earned by making a temporary investment before the capital expenditure that meets the requirements is incurred, it is deducted from the borrowing costs that meet the capitalization conditions.

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

(XVI) Employee benefits

1. Short-term employee benefits

Relevant liabilities for short-term employee benefits are measured by the non-discounted amount expected to be paid in exchange for employee services.

2. Post-employment benefits

Payments to defined contribution retirement benefit plans are recognized as expenses when employees have rendered services entitling them to the contributions.

(XVII) Income tax

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

1. Tax currently payable

The Company determines the income (loss) of the current period in accordance with laws and regulations, and calculates the income tax payable (recoverable) accordingly.

According to the Income Tax Act in the ROC, an additional tax on unappropriated earnings is provided for in the year the shareholders approve to retain earnings.

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

2. Deferred tax

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

Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are generally recognized for the extent that it is probable that taxable profits will be available against which to deduct the temporary differences and losses.

The taxable temporary differences related to the investment in subsidiaries are recognized as deferred income tax liabilities, except that when the timing of the reversal of the temporary difference can be controlled by the Company and it is probable that the temporary difference is likely not to be reversed in the foreseeable future. The deductible temporary difference related to such investment is recognized as deferred income tax only when it is probable that there will be sufficient taxable income to realize the temporary difference, which is expected to be reversed in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable income will be available to allow all or part of the asset to be recovered. A previously unrecognized deferred tax asset is also reviewed at the end of each reporting period, and its carrying amount will be increased as it has become probable that future taxable income will allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates in the period in which the liabilities are expected to be settled or assets realized, based on tax rates and tax laws that have been enacted or substantively enacted at 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 taxes are recognized in profit or loss, except when they relate to items that are recognized in other comprehensive income

V. Critical Accounting Judgments and Key Sources of Estimation Uncertainty

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

When the Company develops significant accounting estimates, it will be included in the consideration of cash flow estimates, growth rates, discount rates, profitability, and other relevant major estimates. Management will continue to review the estimates and basic assumptions.

(I) Goodwill impairment included in investment subsidiaries

When determining whether the goodwill included in the investment in a subsidiary is impaired, the Company amortizes the goodwill acquired from the merger to the CGUs of the Company expected to benefit from the synergy of the merger on the acquisition date, and estimates the use of the cash-generating units of the amortized goodwill value. To calculate the value in use, management shall estimate the future cash flow expected to be generated from the CGUs of amortized goodwill and determine the appropriate discount rate for calculating the present value. If the actual cash flow is less than expected, or the facts and circumstances change resulting in a downward revision of the future cash flow or an upward revision of the discount rate, a significant impairment loss may be incurred.

(II) Construction contract

The profit or loss of a construction contract project is recognized as revenue and cost with reference to the degree of completion of the contract activities, and the degree of completion is measured based on the proportion of contract costs incurred for the completion of construction to date to the estimated total contract costs. Since the estimated total cost and contract items are based on the evaluation and judgment of the management based on the nature, expected contract amount, construction duration, engineering implementation and construction methods of different projects, they may affect the calculation of the percentage of completion and project profit and loss.

VI. Cash

	December 31, 2023	December 31, 2022
Cash	$ 875	$ 676
Bank demand deposit	107,056	29,549
	$107,931	$ 30,225

The credit quality of the financial institutions with which the Company has business dealings is good. The Company has a number of financial institutions to diversify credit risks, so there is no expected credit loss.

VII. Financial instruments measured at fair value through profit or loss – only as at December 31, 2022

Financial liabilities – non-current	December 31, 2022
Mandatorily at fair value through profit or loss	
Non-derivative financial liabilities	
Contingent consideration (Note 12)	$232,725

VIII. Financial assets measured at fair value through other comprehensive income – non-current – only as at December 31, 2022

Investments in equity instruments at FVTOCI	December 31, 2022
Domestic listed stocks	$ 31,500

The common shares mentioned above are designated to be measured at FVTOCI as they are investments for medium- and long-term strategic purposes.

IX. Other financial assets

	December 31, 2023	December 31, 2022
Restricted bank deposits	$ 43,195	$260,311
Refundable deposits	27,855	11,081
	71,050	271,392
Less: Other financial assets – current	(69,101)	(270,061)
Other financial assets – non-current	$ 1,949	$ 1,331

The annual interest rate for restricted bank deposits per annum as of December 31, 2023 and 2022 was 0.51% to 0.58% and 0.46%, respectively.

The counterparties of the Company and the counterparties in contract performance are financial institutions with good credit ratings, and there is no major concern about performance of the contract. Therefore, it is expected that there is no significant credit risk.

For information on the pledge of other financial assets of the Company, please refer to Note 29.

X. Accounts receivable

	December 31, 2023	December 31, 2022
Accounts receivable – arising from operations		
Measurement of total carrying amount at amortized cost	$ 368	$ 4,946
Less: Loss allowance	-	-
	$ 368	$ 4,946

To mitigate credit risk, management of the Company has assigned a dedicated team to be responsible for credit limit determination, credit approval and other monitoring procedures to ensure that appropriate actions are taken in the recovery of overdue receivables. In addition, the Company reviews the recoverable amounts of accounts receivable on a case-by-case basis on the balance sheet date to ensure that appropriate impairment losses have been recorded for uncollectible accounts receivable. Accordingly, the Company’s management believes that the Company’s credit risk has been significantly reduced.

The Company adopts individual evaluation and a simplified approach as in IFRS 9 to recognize loss allowance for trade receivables based on the lifetime ECLs. The lifetime ECLs are calculated using a provision matrix that takes into account customers’ past default history and current financial position, as well as GDP forecasts. The accounts receivable of the Company for 2023 and 2022 were mainly from the related parties outsourced to the government tender projects, and there is no possibility of expected credit impairment. As the Company’s historical credit loss experience shows that there is no significant difference in the loss patterns of different customer groups, the provision matrix does not further differentiate between customer segments, and only uses the number of days past due for receivables to set the expected credit loss rate.

If there is evidence that a counterparty is facing serious financial difficulties and the Company cannot reasonably expect to recover the amount, the Company will directly write off the relevant trade receivables, but will continue to try to collect the receivable. The recovered amount is recognized in profit or loss.

The following table details the loss allowance of trade receivables based on the Company's provision matrix:

December 31, 2023

	Not past due	1 to 90 days past due	Overdue over 90 days	Total
Expected credit loss rate (%)	-	-	100	
Gross carrying amount	$ 368	$ -	$ -	$ 368
Loss allowance (lifetime expected credit losses)	-	-	-	-
Amortized cost	$ 368	$ -	$ -	$ 368

December 31, 2022

	Not past due	1 to 90 days past due	Overdue over 90 days	Total
Expected credit loss rate (%)	-	-	100	
Gross carrying amount	$ 4,946	$ -	$ -	$ 4,946
Loss allowance (lifetime expected credit losses)	-	-	-	-
Amortized cost	$ 4,946	$ -	$ -	$ 4,946

XI. Non-current assets held for sale – only as at December 31, 2022

On December 26, 2022, the Company's Board of Directors resolved to sell 100% of the equity of its subsidiary, Shanghai Laishida Co., Ltd., to a non-related party and subsidiary, and sell 100% of the equity of its subsidiary, Zhao-Ting Property Co., Ltd. to the related party Hong-Ting Co., Ltd., respectively. The transactions were completed in February 2023.

As of December 31, 2022, the Company reclassified the carrying amount of NTD 28,532 thousand of the investment under the equity method as non-current assets held for sale and presented them separately in the parent company only balance sheet.

XII. Investment under equity method

Investment in subsidiaries

	December 31, 2023	December 31, 2022
Not a TWSE or TPEx listed company		
Tri Ocean Textile (Thailand) Co., Ltd. (Tri Ocean Textile (Thailand))	$ 78,444	$ 92,637
Shang-Ting Construction Co., Ltd. (Shang-Ting Construction)	1,695,327	965,598
	$1,773,771	$1,058,235

The Company's ownership interest and percentage of voting rights in the subsidiaries on the balance sheet date are as follows:

	December 31, 2023	December 31, 2022	Description
San-Long	-	-	Note 1
Tri Ocean Textile (Thailand)	100%	100%	
Zhao-Ting Property	-	100%	Note 2
Shanghai Laishida	-	100%	Note 3
Shang-Ting Construction	100%	100%	Note 4
Tri Ocean Energy	-	-	Note 5

Note 1: Based on the purpose of integrating group resources and streamlining organizational structure, the Board of Directors resolved on April 22, 2022 to set May 1, 2022 as the based date for the short-form merger between the Company and San-Long. After the merger, the Company became the surviving company, with San-Long being extinguished. The assets and liabilities of San-Long were generally assumed by the Company.

Note 2: In order to improve the management efficiency of the Group and reduce the operating costs of the Group, on December 26, 2022, the Company's Board of Directors resolved to sell 100% of the equity of the subsidiary, Zhao-Ting Property Co., Ltd., to the related party, Hong-Ting Co., Ltd. The disposal price was determined with reference to the net equity value of the subsidiary, and the transaction was completed in February of 2023, and share of profits of subsidiaries and associates is NT$ 274 thousands dollars. For information on the disposal of the subsidiary, please refer to Note 11.

Note 3: In January 2022, Shanghai Laishida returned RMB2,800,000 from the capital reduction and completed company change registration. In order to improve the management efficiency of the Group and reduce the operating costs of the Group, on December 26, 2022, the Company's Board of Directors resolved to sell 100% of the equity of the subsidiary, Shanghai Laishida, to a non-related party. The transaction was completed in February of 2023. The disposal of the subsidiary amounted to NTD 1,142 thousand, please refer to Note 11.

Note 4: In December 2020, the Company acquired 100% equity of Shang-Ting Construction Company from Hung Hung-Chang and Chiang Yu-Lian for a total consideration of NTD 775,750 thousand, of which the remaining amount at the end of 2022 was NTD 445,750 thousand (recorded in other payables – related parties and financial liabilities measured at FVTPL, respectively) were paid in July 2023.

The Company increased its cash capital by NTD 700,000 thousand and NTD 150,000 thousand in 2023 and 2022, respectively, and the change of company registration has been completed.

Note 5: In order to improve the management efficiency of the Group and reduce the operating costs of the Group, on April 22, 2022, the Company's Board of Directors resolved to sell 100% of the equity of the subsidiary, Tri Ocean Energy, to a non-related party. The transaction was completed in April of 2022. The disposal of the subsidiary, amounted to NTD 2,730.

Information on the Company's investees is shown in Table 6.

XIII. Property, plant and equipment

(I) Property, plant, and equipment are listed as follows:

2023

	Office equipment	Other equipment	Total
Cost			
Balance on January 1, 2023	$ 574	$ 4,591	$ 5,165
Addition	447	9,523	9,970
Disposal	(139)	(3,591)	(3,730)
Balance as at December 31, 2023	882	10,523	11,405
Accumulated depreciation and impairment			
Balance on January 1, 2023	351	3,652	4,003
Depreciation expense	153	360	513
Disposal	(139)	(3,591)	(3,730)
Balance as at December 31, 2023	365	421	786
Net as at December 31, 2023	$ 517	$ 10,102	$ 10,619

2022

	Transportation equipment	Office equipment	Other equipment	Total
Cost				

Balance on January 1, 2022	$ 3,591	$ 654	$ 1,291	$ 5,536
Addition	-	-	1,000	1,000
Disposal	-	(80)	(1,291)	(1,371)
Balance as at December 31, 2022	3,591	574	1,000	5,165
Accumulated depreciation and impairment				
Balance on January 1, 2022	3,591	335	1,114	5,040
Depreciation expense	-	96	238	334
Disposal	-	(80)	(1,291)	(1,371)
Balance as at December 31, 2022	3,591	351	61	4,003
Ne as at December 31, 2022	$ -	$ 223	$ 939	$ 1,162

(II) The Company's property, plant and equipment is depreciated on a straight-line basis over the following useful lives:

Office equipment	5 years
Other equipment	5 to 10 years

XIV. Lease agreement

(I) Right-of-use assets

	December 31, 2023	December 31, 2022
Carrying amount of right-of-use assets		
Land and buildings	$ 16,074	$ 13,622
Transportation equipment	2,764	913
	$ 18,838	$ 14,535

	2023	2022
Addition of right-of-use assets	$ 8,582	$ 15,659
Disposal of right-of-use assets	$ 250	$ -
Depreciation expense of right-of-use assets		
Land and buildings	$ 3,026	$ 973
Transportation equipment	1,003	398
	$ 4,029	$ 1,371

(II) Lease liabilities

	December 31, 2023	December 31, 2022
Carrying amount of lease		

liabilities		
Current	$ 4,386	$ 3,398
Non-current	$ 14,468	$ 11,164

Discount rate interval (%) of lease liabilities is as follows:

	December 31, 2023	December 31, 2022
Land and buildings	1.75	1.08
Transportation equipment	0.87～2.11	0.87～1.29

(III) Important leasing activities and terms and conditions

The Company leases land, buildings and transportation equipment for business purposes, and the lease terms are 2 to 5 years. Upon termination of the lease term, the Company has no preferential rights to acquire the land, buildings and transportation equipment leased, and leases an office building with a substantive related party for office use. Please refer to Note 28.

(IV) Other lease information

	2023	2022
Total cash outflow for leases		
Short-term lease expense	$ 182	$ 512
Low-value asset lease expense	$ 127	$ 86
Total cash outflow for leases	($ 4,467)	($ 2,004)

XV. Investment property – only as at December 31, 2022

	December 31, 2022
Measured at fair value	
Land	$499,749
Buildings and structures	221,261
Total	$721,010

In order to revitalize assets, improve financial structure, and enrich working capital, the Company entered into a business agreement with a non-related party by resolution of the Board of Directors in May 2023 for NTD 755,000 thousand (before tax). The transaction was completed in July 2023. The necessary costs after expenses amounted to NTD 738,986 thousand, and the gain on disposal of the investment property amounted to NTD 17,976 thousand.

The original lease term of the investment property before disposal is 5 years, and the lessee is granted the option to extend the lease term. When the lessee exercises the right to renew the lease, it is agreed that the rent will be adjusted according to the market price. The lessee does not have the preferential right to acquire the investment property at the end of the lease term.

Investment property measured at fair value

	Land	Buildings and structures	Total
Balance on January 1, 2023	$ 499,749	$ 221,261	$ 721,010
Disposal	(499,749)	(221,261)	(721,010)
Balance as at December 31, 2023	$ -	$ -	$ -
Balance on January 1, 2022	$ 497,204	$ 233,676	$ 730,880
Addition	-	4,800	4,800
Gains (losses) on changes in fair value	2,545	(17,215)	(14,670)
Balance as at December 31, 2022	$ 499,749	$ 221,261	$ 721,010

The investment property is measured at fair value on a recurring basis. The fair value of the investment property was appraised in December 2022 by qualified appraisers Wang Fu-Sheng and Chen Ming-Chuan Jing Rui Real Estate Appraisal of Grand Elite Property Appraisal Co., Ltd. The fair value of the income derived from the land and buildings as at December 31, 2022 and 2021 were NTD 721,010 thousand and NTD 730,880 thousand, respectively. Based on the evaluation by the Group’s management, there was no significant change in the fair value of the investment property before the disposal date from December 31, 2022.

The above fair value measurement has taken into account the uncertainty of the impact of subsequent developments of COVID-19 on market fluctuations.

The fair value of investment property is valued under the income approach, and the important assumptions are as follows. When the estimated future net cash inflow increases or the discount rate decreases, the fair value will increase.

	December 31, 2022
Estimated future cash inflow	$990,626
Estimated future cash outflow	71,842
Estimated future net cash inflow	$918,784
Discount rate (%)	2.71

The rents in the area where the investment properties are located are about NTD 430 to NTD 530 per ping, and the rents of similar objects in the market are about NTD 433 to NTD 522 per ping.

The investment property was leased out under operating leases before it was disposed of. The rent incomes generated in 2023 and 2022 were NTD 14,225 thousand and NTD 26,236 thousand, respectively. Future cash inflow expected to be generated from the investment property includes rental income, interest income of deposits and the value of disposals at the end of the period. The rental income is estimated based on the Group’s current lease contract and considering the future annual rental growth rate. The income analysis period is estimated to be 10 years; interest income from deposits was estimated based on the average of one-year time deposit rates of the five major banks; and the ending value of dispositions was estimated using the direct capitalization method of the income approach. Future cash outflows expected to be generated from investment properties include expenditures for land value taxes, housing taxes, insurance premiums, maintenance fees and management fees. These expenditures are estimated based on the current level of expenditures and take into consideration future adjustments to the announced land value and the tax rates set out in the House Tax Act.

The discount rate was determined by taking into account the 2-year postal time deposits plus 3-digit amount declared by Chunghwa Post Co., Ltd. and adding the risk premium related to the investment property.

For the amount of investment property pledged by the Company as collateral for loans, please refer to Note 29.

XVI. Loans

(I) Short-term loans

	December 31, 2023	December 31, 2022
Secured bank borrowings (Note 29)		
Bank borrowings	$ 70,000	$ 417,900

As at December 31, 2023 and 2022, the annual interest rate was 2.18% and 1.86%, respectively.

In December 2023, the Company applied to the bank for a short-term financing loan amount of NTD 297,500 thousand, and the substantive related party Hung Hung-Chang provided TWSE/TPEX listed stocks as collateral. If the value of the shares fell to 125% of the guarantee amount, the Company must use pledged deposits to make up the difference. As of December 31, 2023, the Company had not provided pledged deposits to make up for the difference.

(II) Short-term bills payable – only as at December 31, 2022

	December 31, 2023
Commercial paper payable	$300,000
Less: Discounts on short-term bills payable	(1,388)
	$298,612
Interest rate per annum (%)	1.4

The abovementioned short-term bills payable were guaranteed by subsidiary Shang-Ting Construction in an amount equivalent to NTD 300,000 thousand with repurchase bonds. For details.

(III) Long-term loans

	December 31, 2023	December 31, 2022
Secured bank borrowings (Note 29)	$ 60,520	$400,000
Less: Long-term loans due within one business cycle	(60,520)	-
Long-term borrowings	$ -	$400,000
Interest rate per annum (%)	2.48～2.82	2.00
Maturity period	May 2027– April 2028	August 2025

XVII. Notes payable and accounts payable

	December 31, 2023	December 31, 2022
Notes payable		
From operations	$ 34,366	$ 5,217
Accounts payable		
From operations	$ 8,295	$ 3,533

In the accounts payable, the amounts of construction retention payable under construction contracts as at December 31, 2023 and 2022 were NTD 8,295 thousand and NTD 878 thousand, respectively. Construction retentions are non-interest bearing and will be paid at the end of the retention period of each construction contract. The retention period is the normal operating cycle of the Company, which is usually more than one year. For the description of the construction contract, please refer to Note 22.

XVIII. Other payables

	December 31, 2023	December 31, 2022
Business tax payable	$ 10,641	$ 5,710
Payables for salaries, bonuses and unused leave of absence	6,741	2,601
Remuneration payable to directors and employees	3,728	-
Labor service payable	1,516	1,321
Payables for equipment	1,100	-
Others	1,658	2,209
	$ 25,384	$ 11,841

XIX. Provision for liabilities

	2023	2022
Opening balance	$ 253	$ 2,348
Increase (reversal) in the current year	1,109	(2,095)
Closing balance	1,362	253
Less: Provision – current	(260)	-
Provision – non-current	$ 1,102	$ 253

XX. Maturity analysis of assets and liabilities

The Company's assets and liabilities related to the construction business are classified as current or non-current according to the operating cycle, and the relevant amounts recognized are based on the amounts expected to be recovered or settled over one year and more than one year after the balance sheet date as listed below:

	Within 1 year	After 1 year	Total
December 31, 2023			
Assets			
Contract assets	$ 39,894	$ 6,325	$ 46,219
Accounts receivable	368		368
Other financial assets – current	43,195	25,850	69,045
	$ 83,457	$ 32,175	$ 115,632
Liabilities			
Contract liabilities	$ 184,994	$ -	$ 184,994
Notes payable and accounts payable	34,574	8,087	42,661
Long-term loans due within one business cycle	-	60,520	60,520
	$ 219,568	$ 68,607	$ 288,175
December 31, 2022			
Assets			
Contract assets	$ -	$ -	$ -
Accounts receivable	4,946	-	4,946
Other financial assets – current	9,750	-	9,750
	$ 14,696	$ -	$ 14,696
Liabilities			
Contract liabilities	$ 71,141	$ -	$ 71,141
Notes payable and accounts payable	8,750	-	8,750
	$ 79,891	$ -	$ 79,891

XXI. Equity

(I) Share capital

Common stock

	December 31, 2023	December 31, 2022
Rated number of shares (thousand shares)	99,000	99,000
Authorized share capital	$ 990,000	$ 990,000
Number of shares issued and fully paid (thousand shares)	42,488	24,988
Share capital issued	$ 424,881	$ 249,881

Common shares issued have a par value of NTD 10 per share and each share is entitled to one voting right and the right to receive dividends.

As of December 31, 2023 and 2022, the abovementioned number of issued shares, including the number of commons stocks privately placed, was 31,853 thousand shares and 14,353 thousand shares, respectively, and the public offering procedures have not yet been processed. Information on previous private placements of common shares is as follows:

Date of private placement	Number of private placement (capital reduction) shares (thousand shares)	Amount of private placement
July 20, 2012	5,000	$ 40,000
December 5, 2012	2,150	28,595
September 30, 2013	5,000	75,500
December 28, 2015	2,500	29,750
March 31, 2017	2,223	20,007
September 1, 2017	(7,445)	-
December 4, 2020	40,000	226,400
August 25, 2021	(35,075)	-
July 13, 2023	17,500	506,100
Total	31,853	$ 926,352

On June 28, 2023, the Board of Directors of the Company resolved to increase capital by NTD 175,000 thousand through private placement of 17,500 thousand common shares at a premium price of NTD 28.92 per share with July 13, 2023 as the base date, obtaining NTD 506,100 thousand of additional paid-in capital, and capital surplus was increased by NTD 331,100 thousand. The paid-in capital was NTD 424,881 thousand after the capital increase, and the registration of change was completed.

A cash capital increase of the Company was approved by the Board of Directors on March 12, 2024. A total of 10 million shares with par value of $10 per share will be issued at a tentaive price of $55 per share (to be adjusted depending on the situation). This cash capital increase will be proceeded after the effective registration with the Securities and Futures Bureau, Financial Supervisory Commission.

(II) Capital reserve

May be used to make up for losses, release Cash or capital stock (Note)	December 31, 2023	December 31, 2022
Stock options for expired convertible corporate bonds	$ 7,340	$ 7,340
Premium from stock issuance	331,100	-
	$338,440	$ 7,340

Note: Such capital reserves may be used to make up for losses, and may be used to distribute cash or capitalize on share capital when the Company has no losses. However, the capital reserves shall be limited to a certain percentage of the Company's paid-in capital each year.

(III) Retained earnings and dividend policy

If there are earnings in the annual final accounting, the Company shall pay tax and make up for the accumulated losses, and then set aside 10% as the legal reserve, and the rest shall be set aside or reversed as special reserve in accordance with the laws and regulations. For the remaining earnings, the Board of Directors shall prepare a proposal for the distribution of earnings to be submitted to the shareholders' meeting for resolution on the distribution of dividends to shareholders. For the distribution policy of the remuneration to employees and director, please refer to Note 23(6) Remuneration to employees and directors.

In addition, in accordance with the Company's Articles of Incorporation, earnings may be distributed in the form of cash dividends or stock dividends. Cash dividends are preferred for the distribution of earnings, or may be distributed in the form of stock dividends. However, the percentage of stock dividends may not be distributed at a rate of no more than 50% of the total dividends as a principle. Where the Company has no earnings to distribute for the year, or the Company has earnings but the amount of earnings is far less than the actual earnings distributed by the Company in the previous year, or based on the Company's finance, business, and operating conditions, all or a portion of the Company's reserves may be distributed in accordance with the laws and regulations of the competent authorities.

The loss appropriation proposals for 2022 and 2021 were approved by the Company's general shareholders' meetings held on June 19, 2023 and June 8, 2022, respectively.

The 2023 earnings distribution was proposed by the Board of Directors on March 12, 2024 as follows:

	2023
Legal reserve	$ 66,711
Special reserves	$ 6,916
Cash dividends	$ 84,976
Cash dividend per share (NTD)	$ 2

The 2023 earnings distribution is pending resolution by the shareholders' meeting in May 2024.

(IV) Other equity items

1. Exchange differences on translation of financial statements of foreign operations

	2023	2022
Opening balance	($ 7,062)	($ 12,306)
Occurred in the current year		
Exchange differences on foreign operations	770	6,555
Income tax on translation of foreign operations	(154)	(1,311)
Disposal of foreign operations	(588)	-
Income tax on disposal of foreign operations	118	-
Closing balance	($ 6,916)	($ 7,062)

2. Unrealized gain or loss on financial assets at fair value through other comprehensive income

	2023	2022
Opening balance	($ 6,018)	($ 4,659)
Occurred in the current year		
Unrealized profit or loss	(1,478)	(1,359)
Accumulated gains and losses on disposal of equity instruments transferred to retained earnings	7,496	-
Closing balance	$ -	($ 6,018)

3. Revaluation gains of property

	2023	2022
Opening balance	$556,397	$556,397
Reclassified to retained earnings	(556,397)	-
Closing balance	$ -	$556,397

XXII. Revenue

	2023	2022
Revenue from contracts with customers		
Construction revenue	$283,221	81,242
Service revenue	396	3,814
	$283,617	$ 85,056

(I) Contract balance

	December 31, 2023	December 31, 2022	January 1, 2022
Notes receivable (Note 10)	$ -	$ -	$ 20,092
Accounts receivable (Note 10)	$ 368	$ 4,946	$ 4,430
Contract assets			
Engineering construction	$ 39,894	$ -	$ 14,754
Construction retention receivable	6,325	-	3,345
	$ 46,219	$ -	$ 18,099
Contract liabilities			
Engineering construction	$184,994	$ 71,141	$ -

The change in contract assets and liabilities is mainly due to the difference between the point of meeting the performance obligation and the time of payment by the customer.

The credit risk management of contract assets adopted by the Company is the same as that of accounts receivable.

Please refer to Note 10.

(II) Breakdown of revenue from contracts with customers

For the breakdown of revenue, please refer to Statement 15 Significant Accounting Items.

(III) Contracts with customers not yet completed

As at December 31, 2023 and 2022, the transaction prices for the amortization of the Company's performance obligations that have not yet been fully satisfied were NTD 1,202,478 thousand and NTD 645,219 thousand, respectively, and are expected to be completed before the end of 2027 and recognized in revenue gradually.

XXIII. Net profit before tax

(I) Other income

	2023	2022
Management service income	$ 36,656	$ 25,888
Rental income	14,225	26,236
Dividend income	-	2,009
Others	1,271	2,561
	52,152	56,694
Less: Other income from discontinued operations	-	(275)
	$ 52,152	$ 56,419

(II) Other gains and losses

	2023	2022
Gains on disposal of investment property	$ 17,976	$ -
Gain on disposal of equity-method subsidiaries (Note 12)	1,416	2,730
Net foreign exchange gain or loss	56	12,830
Financial liabilities profit or loss measured at fair value through profit or loss	-	(12,975)
Gain or loss on fair value adjustment of investment property (Note 15)	-	(14,670)
Other expenses	(167)	(840)
	$ 19,281	($ 12,925)

(III) Financial cost

	2023	2022
Borrowing interest	$ 9,798	$ 14,495
Interest on convertible corporate bonds	-	507
Interest on lease liabilities	205	56
Others	30	71
	$ 10,033	$ 15,129

(IV) Depreciation and amortization

	2023	2022
Property, plant and equipment	$ 513	$ 334
Right-of-use assets	4,029	1,371
Intangible assets	104	120
	$ 4,646	$ 1,825
Depreciation expenses by function		
Operating expenses	$ 4,542	$ 1,705
Amortization expenses by function		
Operating expenses	$ 104	$ 120

(V) Employee benefits expense

	2023	2022
Short-term employee benefits	$ 37,612	$ 21,971
Post-employment benefits		
Defined contribution plan	1,235	851
	$ 38,847	$ 22,822
Operating cost	$ 2,742	$ -
Operating expenses	36,105	22,822
	$ 38,847	$ 22,822

(VI) Remuneration to employees and directors

The Company appropriates no less than 1% and no more than 1% of the Company’s earnings before income tax for the year as remuneration to employees and directors, respectively. However, where the Company has accumulated losses, an amount to offset the losses shall be retained in advance and then remuneration to employees and directors shall be appropriated in accordance with the aforementioned percentages.

As there was still losses to be offset for 2022, remuneration of employees and directors was not estimated. The estimated remuneration of employees and directors for 2023 is as follows:

	2023
Estimated percentage (%)	
Remuneration to employees	1.68
Remuneration to directors	0.84
Amount	
Remuneration to employees	$ 2,485
Remuneration to directors	1,243

If there is a change in the amount of the annual parent company only financial statements after the publication date, it will be treated as a change in the accounting estimate and will be adjusted and accounted for in the following year.

It was resolved by the Board of Directors not to distribute employees’ remuneration and directors’ remuneration in 2022 and 2021.

For information on the remuneration of employees and directors resolved by the Board of Directors in 2023 and 2022, please visit the Market Observation Post System of the Taiwan Stock Exchange.

(VII) Gain (loss) on foreign currency exchange

	2023	2022
Total foreign currency exchange gains	$ 86	$ 20,895
Total foreign currency exchange losses	(30)	(8,065)
	$ 56	$ 12,830

XXIV. Income tax

(I) Income tax recognized in profit or loss

Major components of income tax expenses (benefit) are as follows:

	2023	2022
Deferred income tax		
Incurred in the current year	$ 2,731	($ 1,815)
Adjusted in prior years	(406)	-
Income tax expense (benefit) recognized in profit or loss	$ 2,325	($ 1,815)

Reconciliation of accounting income and income tax expense (profit) is as follows:

	2023	2022
Income before tax from continuing and discontinued operations	$144,305	$ 1,902
Income tax expense with net profit before tax calculated at statutory tax rate	$ 28,861	$ 380
Non-deductible expenses and losses in determining taxable income and tax-exempt income	($ 8,052)	$ 4,276
Unrecognized deductible temporary differences	3,011	2,894
Recognizable loss carryforwards	(21,089)	(9,365)
Adjusted in prior years	(406)	-

Income tax expense (benefit) recognized in profit or loss	$ 2,325	($ 1,815)

(II) Income tax recognized in other comprehensive income

	2023	2022
Deferred income tax		
Incurred in the current period		
Translation of the financial statements of foreign operations	($ 36)	($ 1,311)

(III) Current income tax assets

	December 31, 2023	December 31, 2022
Current income tax assets		
Tax refund receivable	$ 332	$ 190

(IV) Deferred income tax assets and liabilities

Changes in deferred income tax assets and liabilities are as follows:

2023

	Opening balance	Recognized in profit or loss	Recognized in other comprehensive income	Closing balance
Deferred income tax assets				
Temporary difference				
Unrealized gains of subsidiaries	$ 157	($ 19)	$ -	$ 138
Warranty liabilities	51	222	-	273
Unrealized valuation loss of investment property	2,934	(2,934)	-	-
Others	1,766	-	(36)	1,730
	$ 4,908	($ 2,731)	($ 36)	$ 2,141

	Opening balance	Recognized in profit or loss	Recognized in other comprehensive income	Closing balance
Deferred income tax liabilities				

Temporary difference				
Reserve for land increment tax	$ 33,899	$ 406	($ 34,305)	$ -

2022

	Opening balance	Recognized in profit or loss	Recognized in other comprehensive income	Closing balance
Deferred income tax assets				
Temporary difference				
Unrealized exchange losses	$ 681	($ 681)	$ -	$ -
Unrealized gains of subsidiaries	176	(19)	-	157
Warranty liabilities	470	(419)	-	51
Unrealized valuation loss of investment property	-	2,934	-	2,934
Translation of the financial statements of foreign operations	3,077	-	(1,311)	1,766
	$ 4,404	$ 1,815	($ 1,311)	$ 4,908
Deferred income tax liabilities				
Temporary difference				
Reserve for land increment tax	$ 33,899	$ -	$ -	$ 33,899

(V) Deductible temporary differences of deferred income tax assets not recognized in the parent company only balance sheet and tax credits of unused loss carryforwards

	December 31, 2023	December 31, 2022
Deductible (recognizable) temporary difference		
Share of profit or loss of subsidiaries accounted for using the equity method	$146,979	$ 81,960
Loss carryforwards		
Expired in 2023	$ -	$ 3,683
Expires in 2024	-	8,460
Expires in 2025	4,629	13,575
Expires in 2026	46,186	46,186
Expires in 2027	7,936	7,936
Expires in 2028	9,083	9,083
Expire in 2029	14,115	14,115
Expire in 2030	$ 30,816	$ 30,816
Expire in 2031	10,952	10,952
	$123,717	$144,806

(VI) Assessment of income tax

The profit-seeking enterprise income tax returns of the Company has been assessed by the tax authorities up to 2021, and there is no significant difference between the verification result and the number of declarations.

XXV. Earnings per share

The net profit and the weighted average number of ordinary shares used to calculate the earnings per share of continuing operations are as follows:

Net income for the year

	2023	2022
Net profit	$141,980	$ 3,717
Less: Net profit of discontinued operations used to calculate basic earnings per share of discontinued operations	-	434
Net income used to calculate the basic and diluted earnings per share of continuing operations	$141,980	$ 3,283

Number of shares

Unit: Thousand shares

	2023	2022
Weighted average number of ordinary shares used to calculate basic and diluted earnings per share	33,235	24,988
Employee remuneration due to dilutive effect of potential ordinary shares	60	-
Weighted average number of common shares used to calculate diluted earnings per share	33,295	24,988

If the Company can settle the compensation to employees in cash or shares, the Company assumes the entire amount of the compensation would be settled in shares and the resulting potential shares are included in the weighted average number of shares outstanding used in the computation of diluted earnings per share if the effect is dilutive. Such a dilutive effect of the potential shares is included in the computation of diluted earnings per share until the shareholders resolve the number of shares to be distributed to employees at their meeting in the following year.

XXVI. Capital risk management

The Company performs capital management to ensure that it can maximize shareholders' equity by optimizing the amount of debt and equity under the premise of continuing to operate.

The Company's key management reviews the Company's capital structure from time to time in accordance with the economic environment and business considerations. Based on the recommendations of the key management personnel and in accordance with the laws and regulations, the Company will balance its overall capital structure through fund-raising in the capital market and bank financing.

XXVII. Financial instruments

(I) Fair value information – financial instruments measured at fair value on a recurring basis

1. Fair value hierarchy – only as at December 31, 2022

December 31, 2022

	Level 1	Level 2	Level 3	Total
Financial assets at fair value through other comprehensive income				
Investment in equity instruments				
Domestic listed stocks	$ 31,500	$ -	$ -	$ 31,500
Financial liabilities measured at fair value through profit or loss				
Contingent consideration (Note 12)	$ -	$ -	$232,725	$232,725

There were no transfers between Level 1 and Level 2 fair value measurements in 2023 and 2022.

2. Reconciliation of Level 3 fair value measurement of financial instruments

The Company only financial liability that adopts Level 3 fair value for subsequent measurement is the contingent consideration related to the acquisition of Shang-Ting Construction. The contingent consideration-related valuation loss recognized in 2022 was NTD 12,975 thousand.

3. Valuation techniques and inputs for Level 2 and Level 3 fair value measurement

Type of financial instrument	Valuation technique and inputs
Agreement with contingent consideration	Discount the estimated fair value based on the payment risk interest rate and credit risk discount rate in accordance with the negotiated conditions.

(II) Types of financial instruments

	December 31, 2023	December 31, 2022
Financial assets		
Financial assets measured at fair value through other comprehensive income		
Investment in equity instruments	$ -	$ 31,500
Financial assets measured at amortized cost (Note 1)	$ 227,447	$ 309,083
Financial liabilities		
Financial liabilities measured at fair value through profit or loss	-	232,725
Measured at amortized cost (Note 2)	486,917	1,053,479

Note 1: The balances include financial assets measured at amortized cost, including cash, accounts receivable, other receivables, and other financial assets.

Note 2: The balance includes short-term borrowings, short-term bills payable, notes payable, accounts payable, other payables (including related parties), Long-term loans due within one business cycle, long-term borrowings and refundable deposits (current recognized in other current liabilities) (under) and other financial liabilities measured at amortized cost, but excluding the amount of short-term employee benefits payable.

(III) Financial risk management objectives and policies

The Company's major financial instruments include accounts receivable, accounts payable, lease liabilities and borrowings. The Company's financial management department monitors and manages the financial risks related to the Company's operations through the internal risk report that analyzes exposures based on the level and breadth of risks. Such risks include market risk (including interest rate risk and other price risk), credit risk and liquidity risk.

1. Market risk

The main market risk assumed by the Company’s operating activities is the risk of changes in foreign currency exchange rates and the risk of changes in interest rates.

There has been no change to the Company’s exposure to market risks and the management and measurement of such exposures.

(1) Exchange rate risk

The Company is not material to the fluctuations in the exchange rate of USD in 2023 and 2022.

(2) Interest rate risk

The carrying amounts of the Company’s financial assets and financial liabilities with exposure to the interest rate risk on the balance sheet date are as follows:

	December 31, 2023	December 31, 2022
Fair value interest rate risk		
Financial liabilities	$317,466	$ 14,562
Cash flow interest rate risk		
Financial assets	150,251	289,860
Financial liabilities	130,520	817,900

Sensitivity analysis

For assets and liabilities with floating interest rates, the change rate used in the Company internal reporting of interest rate risk to key management personnel is 100 basis points. If the interest rate increased/decreased by 100 basis points (1%) on the balance sheet date, all other variables remained unchanged under such circumstances, the Company’s net profit before tax for 2023 and 2022 would have increased/decreased by NTD 197 and (5,280) thousand, respectively. Mainly due to the Company’s bank borrowings and deposits at variable interest rates.

(3) Other price risk – 2022 only

The Company is exposed to equity price risk due to its investment in the listed equity securities. The Company's management manages risks by holding different risk portfolios.

Sensitivity analysis

The following sensitivity analysis is based on the equity price exposure on the balance sheet date.

If the equity price had increased/decreased by 5%, other comprehensive income would have increased/decreased by NTD 1,575 thousand in 2022 due to the increase/decrease in fair value of financial assets measured at FVTOCI.

2. Credit risk

The financial assets are potentially affected by the Company's counterparty or other party's failure to fulfill a contract. The impact includes the credit risk concentration, components and contract value of the Company's financial instruments. The credit risk of each financial asset of the Company is based on the contract with a positive fair value on the balance sheet date. The credit risk amount of the financial assets held by the Company is approximately equivalent to the book value.

The credit risk of the public construction projects undertaken by the Company is mainly concentrated in the government agencies, and the credit risk is expected to be insignificant.

3. Liquidity risk

The Company manages and maintains sufficient cash to cover its operating expenses and mitigate the impact of cash flow fluctuations. The Group's management monitors the use of the bank's financing facilities and ensures that they are sufficient. Therefore, there is no liquidity risk due to the inability to raise funds to fulfill contractual obligations.

The following table shows the Company's agreed repayment period of the remaining contractual maturity of its non-derivative financial liabilities. The table was based on the earliest date on which the Company may be required to make repayments, and prepared using the undiscounted cash flows of the financial liabilities, consisting of cash flows of interest and principal.

December 31, 2023

Non-derivative financial liabilities	Pay on demand or less than 1 month	1 to 3 months	3 months to 1 year	1 to 5 years
Non-interest-bearing liabilities	$ 47,701	$ 1,967	$ 10,334	$ 8,252
Fixed interest rate liabilities	$ -	$300,000	$ -	$ -
Liabilities at floating interest rates	$ 70,273	$ 126	$ 5,824	$ 65,006
Lease liabilities	$ 398	$ 795	$ 3,494	$ 14,962

December 31, 2022

Non-derivative financial liabilities	Pay on demand or less than 1 month	1 to 3 months	3 months to 1 year	1 to 5 years
Non-interest-bearing liabilities	$ 59,903	$171,427	$ 2,286	$237,289
Liabilities at floating interest rates	$ 1,315	$ 2,632	$425,855	$413,370
Lease liabilities	$ 294	$ 590	$ 2,654	$ 11,386

XXVIII. Transactions with related parties

In addition to the aforementioned notes and tables, the transactions between the Company and related parties are as follows.

(I) Names of related parties and their relationships

Name of related party	Relationship with the Company
Hung Hung-Chang	Substantive related party
Chiang Yu-Lien	Chairman of the Company (since June 2023)
Hsu Cheng-Che	General Manager of the Company (from June 2023)
Lian-Chuang Enterprise Co., Ltd. (Lian-Chuang)	Substantive related party
Hong-Ting Co., Ltd.	Substantive related party
Shang-Ting Construction Co., Ltd. (Shang-Ting Construction)	Subsidiary

(II) Operating revenue and operating cost

Presentation item	Category/Name of related party	2023	2022
Net labor service revenue	Shang Ting Construction	$ 396	$ 3,814

Construction contracting

1. 2023

Name of related party	Total contract price	Recognized construction revenue for the year	Accumulated and recognized construction revenue	Collections on construction works
Shang Ting Construction	$ 433,333	$ 220,797	$ 261,982	$ 371,760
Lian-Chuang	52,062	1,432	52,062	52,062
	$ 485,395	$ 222,229	$ 314,044	$ 423,822

2. 2022

Name of related party	Total contract price	Recognized construction revenue for the year	Accumulated and recognized construction revenue	Collections on construction works
Shang Ting Construction	$ 501,191	$ 43,736	$ 109,042	$ 178,751
Lian-Chuang	52,062	37,506	50,630	52,062
	$ 553,253	$ 81,242	$ 159,672	$ 230,813

The raw materials and subcontracted projects of the subsidiary on behalf of others through the Company are measured at cost-plus pricing with elasticity considerations. Since there are no other similar transactions, the comparison cannot be made. The construction payment is collected on a monthly basis 30–60 days.

The total price of the construction contract with the related party is based on the negotiation between the two parties, and the payment is collected according to the construction progress, and the payment terms are equivalent to those of non-related parties.

(III) Contract assets and liabilities

Presentation item	Name of related party	December 31, 2023	December 31, 2022
Contract assets			
Construction retention receivable	Shang Ting Construction	$ 6,325	$ -
Contract liabilities	Shang Ting Construction	$ 109,778	$ 69,709
	Lian-Chuang	-	1,432
	Total	$ 109,778	$ 71,141

(IV) Receivables from related parties

Presentation item	Name of related party	December 31, 2023	December 31, 2022
Accounts receivable	Shang Ting Construction	$ 368	$ 4,946
Other receivables	Shang Ting Construction	$ 5,462	$ 2,374

The outstanding related party receivables were not guaranteed, and the receivables from related parties in 2023 and 2022 were not recognized as bad debt.

(V) Payables to related parties – only as at December 31, 2022

Presentation item	Name of related party	December 31, 2022
Other payables	Hung Hung-Chang	$ 255,450
	Chiang Yu-Lien	190,300
		445,750
Included in other payables		(213,025)
Included in financial liabilities measured at fair value through profit or loss – non-current		$ 232,725

Other payables – related parties are mainly payments due to acquisition of shares of subsidiaries. Including the contingent consideration is recognized at fair value on the date of acquisition, recognized as financial liabilities measured at fair value through profit or loss – non-current.

The abovementioned other payables and contingent consideration agreements have been paid in full. Please refer to Note 12 for details.

(VI) Lease agreements

Presentation item	Category/Name of related party	December 31, 2023	December 31, 2022
Right-of-use assets	Substantive related party		
	Lian-Chuang	$ 16,074	$ 13,622
Lease liabilities – current	Substantive related party		
	Lian-Chuang	$ 3,103	$ 2,866
Lease liabilities – non-current	Substantive related party		
	Lian-Chuang	12,971	10,780
		$ 16,074	$ 13,646

Presentation item	Category/Name of related party	2023	2022
Interest on lease liabilities	Substantive related party		
	Lian-Chuang	$ 166	$ 51

Presentation item	Category/Name of related party	December 31, 2023	December 31, 2022
Refundable deposits (included in other financial assets – non-current)	Substantive related party		
	Lian-Chuang	$ 500	$ 500

The Company leased the Lian-Chuang Building from its substantive related party, Lian-Chuang, for use as offices in September 2022. The rent was based on the rent level of similar assets, with fixed monthly payment in accordance with the lease agreement. In December 2023, the Company renegotiated the lease agreement to extend the lease contract period to December 2028. Therefore, the lease liabilities were re-measured and the right-of-use assets were adjusted accordingly.

(VII) Endorsements/guarantees

Chairman Chiang Yu-Lian, President Hsu Cheng-Che, and substantive related party Hung Hung-Chang provided endorsements and guarantees for the Company's loans.

(VIII) Other related party transactions

Presentation item	Category/Name of related party	2023	2022
Management service income	Shang Ting Construction	$ 36,656	$ 25,888
Other expenses	Substantive related party	$ -	$ 26
	Subsidiary	-	103
		$ -	$ 129

The service revenue above is priced based on a at cost-plus pricing with elasticity considerations at actual occurrence.

(IX) Remuneration of key management personnel

	2023	2022
Salaries, bonuses, allowances and bonuses	$ 8,940	$ 7,801

The remuneration of directors and other key management personnel is determined by the Remuneration Committee in accordance with individual performance and market trends.

XXIX. Assets pledged as collateral

The following assets of the Company have been provided to banks as performance bonds and financing guarantees:

	December 31, 2023	December 31, 2022
Other financial assets	$ 43,195	$270,061
Investment property	-	721,010
	$ 43,195	$991,071

XXX. Significant Contingent Liability and Unrecognized Contractual Commitment

Except as described in other notes, the significant commitments and contingencies of the Company as of the balance sheet date are as follows:

As at December 31, 2023 and 2022, the amount of the performance guarantee provided by the bank for the contracted projects was NTD 88,002 thousand and NTD 13,211 thousand, respectively.

XXXI. Additional Disclosures

(I) Information on major transactions and (2) Information on investees

1. Loaning of funds to others: Table 1.
2. Endorsements/guarantees for others: Table 2.
3. Marketable securities held at the end of the period: None.
4. Marketable securities acquired or disposed of at costs or prices at least NTD 300 million or 20% of the paid-in capital: Table 3.
5. Acquisition of individual real estate at costs of at least NTD 300 million or 20% of the paid-in capital: None.
6. Disposal of individual real estate at costs of at least NTD 300 million or 20% of the paid-in capital: Table 4.
7. Total purchases from or sales to related parties amounting to at least NTD 100 million or 20% of the paid-in capital: Table 5.
8. Receivables from related parties amounting to at least NTD 100 million or 20% of the paid-in capital: None.
9. Trading in derivative instruments: None.

(II) Information on investees: Table 6.

(III) Investment information in Mainland China

1. Information on any investee in Mainland China, showing the name, principal business activities, paid-in capital, method of investment, inward and outward remittance of funds, ownership percentage, current

income or loss and investment income or loss recognized, carrying amount of the investment at the end of the period, repatriations of investment income, and limit on the amount of investment in the Mainland China area: None; as stated in Note 12, the disposal of subsidiary – Shanghai Laishida has been completed, and the relevant change of the investment amount in Mainland China has been submitted to the Investment Commission of the Ministry of Economic Affairs.

2. Any of the following significant transactions with investees in Mainland China, either directly or indirectly through a third party, and their prices, payment terms, and unrealized gains or losses: None.
   (1) Amount and percentage of purchases and related payables at the end of the period.
   (2) Amount and percentage of sales and related receivables at the end of the period.
   (3) Amount of property transactions and the amount of gain or loss arising therefrom.
   (4) Ending balance of negotiable instruments endorsed or provided as collateral and the purpose thereof.
   (5) Maximum balance, ending balance, interest rate range, and total interest for the current period of the financing.
   (6) Other transactions that have a significant impact on the current profit or loss or financial position, such as the provision or receipt of services.

(IV) Information on major shareholders: Names of shareholders with a shareholding ratio of more than 5%, number of shares held, and percentage: Table 7.

Triocean Industrial Corporation Co., Ltd. and Subsidiaries

Loaning of funds to others

For the year ended December 31, 2023

Table 1 (Unit: Thousand NTD, unless Stated Otherwise)

No. (Note 1)	Lending company	Borrower	Financial statement account	Related party	Highest balance in the current year (Note 2)	Balance at the end of the year	Actual amount borrowed at the end of the year	Interest rate range (%)	Nature of loan	Business transaction amount	Reasons for short-term financing	Allowance for impairment loss	Collateral		Financing limit for each borrower	Aggregate amount of loan	Notes
													Name	Value			
1	Shang-Ting Construction Co., Ltd.	Tri Ocean Textile (Thailand) Co., Ltd	Other receivables – Related parties	Yes	$ 18,452	$ 9,017	$ 5,410	4	Short-term loan	$ -	Operating turnover	$ -	-	$ -	$ 494,812	$ 494,812	

Note 1: The amount lent by a subsidiary to an individual shall not exceed 40% of the net worth of the company to which the funds are lent.

Note 2: The total amount of loans to others by the Company and its subsidiaries is limited to 40% of the net worth of the company to which the funds are lent.

Triocean Industrial Corporation Co., Ltd. and Subsidiaries

Endorsements/Guarantees for Others

For the year ended December 31, 2023

Table 2

Unit: NTD thousand

(unless otherwise stated)

No.	Name of endorser/guarantor	Endorsee/Guarantee		Limit on endorsement/ Guarantee given on behalf of each party (Note 1)	Outstanding endorsement/ Guarantee during the year	Outstanding endorsement/Guarantee at the end of the period	Actual amount borrowed	Amount endorsed/guaranteed by collateral	Ratio of accumulated endorsement/ Guarantee to net equity in latest financial statements (%)	Aggregate endorsement/guarantee limit (Note 2)	Endorsement/ Guarantee given by parent on behalf of subsidiaries	Endorsement/ Guarantee given by subsidiaries on behalf of parent	Endorsement/ Guarantee given on behalf of companies in Mainland China	Notes
		Name of company	Relationship											
1	Shang-Ting Construction Co., Ltd.	Triocean Industrial Corporation Co., Ltd.	Parent company	$ 618,516	$ 300,000	$ 300,000	$ 300,000	$ 300,000	24	$ 2,474,062	N	Y	N	

Note 1: The limit of the endorsement/guarantee provided by a subsidiary as a whole to a single enterprise shall not exceed 50% of the net worth of the subsidiary.

Note 2: The total amount of endorsements/guarantees accumulated by the subsidiary as a whole shall not exceed twice the net worth of the subsidiary.

Triocean Industrial Corporation Co., Ltd. and Subsidiaries

Marketable securities acquired or disposed of at costs or prices at least NTD 300 million or 20% of the paid-in capital

For the year ended December 31, 2023

Table 3

(Unit: Thousand NTD, unless Stated Otherwise)

Buying/selling company	Type and name of marketable securities	Financial statement account	Counterparty	Relationship	Beginning of the year		Buying in		Selling				End of the year (Note 1)	
					Number of shares	Amount	Number of shares	Amount	Number of shares	Selling price	Carrying cost	Disposal gains (losses)	Number of shares	Amount
Triocean Industrial Corporation Co., Ltd.	Common stock													
	Shang-Ting Construction Co., Ltd.	Investment under the equity method	Note 2	Subsidiary	50,000,000	$ 965,598	70,000,000	$ 700,000	-	$ -	$ -	$ -	120,000,000	$ 1,695,327

Note 1: The amount of investment under the equity method includes investment gains and losses recognized under the equity method and related adjustments of investment under the equity method.

Note 2: For cash capital increase.

Triocean Industrial Corporation Co., Ltd. and Subsidiaries

Disposal of individual real estate at costs of at least NTD 300 million or 20% of the paid-in capital

For the year ended December 31, 2023

Table 4

(Unit: Thousand NTD, unless Stated Otherwise)

Disposal of property	Property name	Date of occurrence	Original acquisition date	Carrying amount	Transaction amount (Note)	Collection of payment	Disposal gain or loss	Counterparty	Relationship	Purpose of disposal	References for price determination	Others Covenants
The Company	Investment property – land and buildings	2023.05.09	1990.12.15 and 2000.10.01	$ 721,010	$ 738,986	Note 15	$ 17,976	Pegatron Corporation	None	Revitalize assets, improve financial structure, and replenish working capital	Appraisal report	-

Note: Necessary costs have been deducted.

Triocean Industrial Corporation Co., Ltd. and Subsidiaries

Amount of significant purchases from or sales to related parties amounting to at least NTD 100 million or 20% of the paid-in capital

For the year ended December 31, 2023

Table 5

Unit: Thousand NTD, unless Stated Otherwise

Purchase (sale) company	Counterparty	Relationship	Transaction status				Circumstances and reasons for the difference between the transaction conditions and general transactions		Notes and accounts receivable (payable)		Notes
			Purchase (sale)	Amount	As a percentage to total purchase (sales) (%)	Credit period	Unit price	Credit period	Balance	As a percentage to total notes and accounts receivable (payable) (%)	
The Company	Shang Ting Construction	Subsidiary company	Operating revenue	($221,193)	(11)	Monthly settlement 30–60 days	Note 1	-	$ 368	0.51	Note 2

Note 1: The raw materials and subcontracted projects of the Shang-Ting on behalf of others through the Company are measured at cost-plus pricing with elasticity considerations. Since there are no other similar transactions, the comparison cannot be made, a portion of the Company's revenues was recorded on a net basis.

Note 2: Receivables (payable) arising from non-sales and purchases have been excluded.

Triocean Industrial Corporation Co., Ltd. and Subsidiaries

Information on investees

For the year ended December 31, 2023

Table 6

Unit: NTD thousand

Name of investment company	Name of investment company	Location	Main business items	Initial investment amount		Held at the end of the year			Investee profit (loss) for the year	Investment income (loss) recognized in the current year (Note)	Notes
				End of the year	End of last year	Number of shares	Percentage (%)	Carrying amount (Note 1)			
Triocean Industrial Corporation Co., Ltd.	Tri Ocean Textile (Thailand) Co., Ltd.	Thailand	Manufacturing, processing and trading of fibrous fabrics	$ 390,478	$ 390,478	9,372,500	100	$ 78,444	($ 15,056)	($ 15,056)	
	Shang-Ting Construction Co., Ltd.	Kaohsiung City	Integrated Construction	1,701,025	1,001,025	120,000,000	100	1,695,327	30,532	52,041	

Note: The investment gains and losses recognized in the current year include the adjustment of unrealized gains and losses.

Triocean Industrial Corporation Co., Ltd. and Subsidiaries

Information of major shareholders

December 31, 2023

Table 7

Name of major shareholder	Shares	
	Number of shares held	Shareholding ratio (%)
Hong-Ting Co., Ltd.	16,238,000	38.21
Shun-Mei Enterprise Co., Ltd.	11,324,859	26.65

Note: This table states the shareholders who hold 5% or more of the Company’s common shares and preferred shares (including treasury shares) that have been registered and delivered as dematerialized securities in total on the last business day of the year according to the record of Taiwan Depository & Clearing Corporation. The share capital recorded in the Company’s parent company only financial statements and the number of shares actually delivered by the Company with the dematerialized registration completed may differ due to different calculation bases.

Table of Contents for Significant Accounting Items

Triocean Industrial Corporation Co., Ltd.

Statement of Cash

December 31, 2023

Statement 1

Unit: NTD thousand

Item	Summary	Amount
Cash	Cash on hand	$ 875
Bank deposits		
Demand and checking deposits		107,046
Foreign currency deposits (Note)	USD 296 and CNY 259	10
		107,056
		$107,931

Note: The exchange rates of USD and CNY are USD1 = $30.71 and CNY1 = $4.33, respectively.

Triocean Industrial Corporation Co., Ltd.

Statement of Contract Assets

December 31, 2023

Statement 2 Unit: NTD thousand

Item	Summary	Amount
Related party		
Shang Ting Construction	Construction retention money	$ 6,325
Non-related party		
Customer A	Engineering construction	33,679
Others (Note)	Engineering construction	6,215
		39,894
		$ 46,219

Note: The balance of each item did not exceed 5% of the balance of this item.

Triocean Industrial Corporation Co., Ltd.

Statement of Other Receivables

December 31, 2023

Statement 3 Unit: NTD thousand

Name	Amount
Related party	
Shang Ting Construction	$ 5,462
Non-related party	
Company A	21,150
Company B	20,540
Others (Note)	946
	42,636
	$ 48,098

Triocean Industrial Corporation Co., Ltd.

Statement of Other Financial Assets

December 31, 2023

Statement 4 Unit: Thousand NTD, unless Stated Otherwise

Title Item	Interest rate per annum (%)	Term	Carrying amount	Accumulated impairment
Current				
Restricted bank deposits – Demand deposits				
Taichung Commercial Bank	0.58	-	$ 11,714	$ -
Sunny Bank	0.51	-	18,286	-
Shanghai Commercial and Savings Bank	0.55	-	8,025	-
KGI Bank	0.58	-	5,170	-
Refundable deposits	-	-	25,906	-
			69,101	-
Non-current				
Refundable deposits	-	-	1,949	-
			$ 71,050	$ -

Triocean Industrial Corporation Co., Ltd.

Statement of Prepayments

December 31, 2023

Statement 5

Unit: NTD thousand

Item	Amount
Prepayment for construction	$ 42,987
Prepayment	3,962
Others	101
	$ 47,050

Triocean Industrial Corporation Co., Ltd.

Statement of Changes in Investment Using Equity Method

2023

Statement 6

Unit: Thousand NTD, unless Stated Otherwise

	Opening balance		Increase during the year (Note 1)		Decrease during the year (Note 2)		Closing balance			Market price or equity net value		
Name	Number of shares	Amount	Number of shares	Amount	Number of shares	Amount	Number of shares	Shareholding ratio %	Amount	Unit price (NTD)	Total price	Guarantee or pledge
Tri Ocean Textile (Thailand) Co., Ltd.	9,372,500	$ 92,637	-	$ -	-	($ 14,193)	9,372,500	100	$ 78,444	$ 8.40	$ 78,728	None
Shang-Ting Construction Co., Ltd.	50,000,000	965,598	70,000,000	752,041	-	(22,312)	120,000,000	100	1,695,327	10.31	1,237,031	None
		$ 1,058,235		$ 752,041		($ 36,505)			$ 1,773,771		$ 1,315,759	

Note 1: The amount of increase this year includes investment gains and losses and capital increase in subsidiaries.

Note 2: The amount of decrease for the current year includes investment income, accumulated translation adjustment and earnings distribution to subsidiaries.

Triocean Industrial Corporation Co., Ltd.

Statement of Changes in Right-of-use Assets

2023

Statement 7 Unit: NTD thousand

Item	Opening balance	Increase during the year	Decrease during the year	Closing balance
Cost				
Buildings and structures	$ 14,595	$ 5,478	$ -	$ 20,073
Transportation equipment	1,064	3,104	(428)	3,740
	15,659	8,582	(428)	23,813
Accumulated depreciation and impairment				
Buildings and structures	(973)	(3,026)	-	(3,999)
Transportation equipment	(151)	(1,003)	178	(976)
	(1,124)	(4,029)	178	(4,975)
	$ 14,535	$ 4,553	($ 250)	$ 18,838

Triocean Industrial Corporation Co., Ltd.

Statement of Short-term Borrowings

December 31, 2023

Statement 8

Unit: NTD thousand

Type of loan	Creditor	Closing balance	Duration of contract	Interest rate range %	Loan limit	Pledge or guarantee
Short-term borrowings	Taishin International Bank	$ 70,000	2023.12.26–2024.01.25	2.18	$ 297,500	Listed stocks of related parties

Note: For information on guarantees or pledges, please refer to Note 16.

Triocean Industrial Corporation Co., Ltd.

Statement of Short-term bills Payable

December 31, 2023

Statement 9

Unit: Thousands of NTD (Unless Stated Otherwise)

Item	Guarantee or acceptance institutions	Duration of contract	Interest rate per annum (%)	Amount		
				Amount of issuance	Unamortized discount	Carrying amount
Commercial paper payable	China Bills Finance Corporation	2023.12.25–2024.03.13	1.4	$300,000	$ 1,388	$298,612

Note: For information on guarantees or pledges, please refer to Note 16.

Triocean Industrial Corporation Co., Ltd.

Statement of Contract Liabilities

December 31, 2023

Statement 10 Unit: NTD thousand

Item	Summary	Amount
Related party		
Shang Ting Construction	Engineering construction	$109,778
Non-related party		
Customer A	Engineering construction	75,216
		$184,994

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

Triocean Industrial Corporation Co., Ltd.

Statement of Long-term loans due within one business cycle

December 31, 2023

Statement 11

Unit: NTD thousand

Type of loan	Creditor	Closing balance	Duration of contract	Interest rate range %	Loan limit	Pledge or guarantee
Long-term loans due within one business cycle	Taichung Commercial Bank	$ 27,000	112.04.20～117.04.20	2.82	$ 160,000	Demand deposits
	Shanghai Commercial and Savings Bank	33,520	112.11.15～116.05.15	2.48	36,000	Demand deposits
		$ 60,520				

Note: For information on guarantees or pledges, please refer to Note 29.

Triocean Industrial Corporation Co., Ltd.

Statement of Notes Payable

December 31, 2023

Statement 12 Unit: NTD thousand

Name	Supplier name	Amount
COMPANY A	Prepayment for construction	$ 14,512
COMPANY B	Prepayment for construction	12,559
COMPANY C	Prepayment for construction	2,279
COMPANY D	Prepayment for construction	1,618
Others (Note)	Construction and materials	3,398
		$ 34,366

Note: If the balance of each individual account exceeds 5% of this account, it is separately listed as above.

Triocean Industrial Corporation Co., Ltd.

Statement of Accounts Payable

December 31, 2023

Statement 13 | Unit: NTD thousand

Name	Supplier name	Amount
COMPANY A	Construction and materials	$ 4,011
COMPANY B	Construction and materials	2,964
COMPANY E	Construction and materials	401
Others (Note)	Construction and materials	919
		$ 8,295

Note: If the balance of each individual account exceeds 5% of this account, it is separately listed as above.

Triocean Industrial Corporation Co., Ltd.

Statement of Lease Liabilities

December 31, 2023

Statement 14

Unit: NTD thousand

Item	Lease period	Discount rate (%)	Closing balance
Buildings and structures	2023.12–2028.12	1.75	$ 16,074
Transportation equipment	2021.10–2026.06	0.87～2.11	2,780
Less: Lease liabilities – current			4,386
Lease liabilities – non-current			$ 14,468

Triocean Industrial Corporation Co., Ltd.

Statement of Operating Revenue and Cost

2023

Statement 15

Unit: NTD thousand

Item	Operating revenue	Operating cost	Gross operating profit
Construction project			
Public works	$ 281,789	$ 184,739	$ 97,050
Commercial and office building	1,432	1,762	(330)
	283,221	186,501	96,720
Net labor service revenue	396	-	396
Total	$ 283,617	$ 186,501	$ 97,116

Triocean Industrial Corporation Co., Ltd.

Statement of Operating Expenses

December 31, 2023

Statement 16 Unit: Thousand NTD, unless Stated Otherwise

Item	Administrative expenses
Wages and salaries	$ 31,837
Depreciation	4,542
Insurance premium	2,339
Other expenses (Note)	14,098
	$ 52,816

Note: If the balance of each individual account exceeds 5% of this account, it is separately listed as above.

Triocean Industrial Corporation Co., Ltd.

Summary of Employee Benefits, Depreciation, and Amortization Expenses by Function

2023 and 2022

Statement 17

Unit: NTD thousand

	2023			2022
	Attributable to operating costs	Attributable to operating expenses	Total	Attributable to operating expenses
Employee benefits				
Salary	$ 2,014	$ 28,400	$ 30,414	$ 14,373
Labor and national health insurance premiums	396	2,041	2,437	1,654
Pension	208	1,027	1,235	851
Remuneration to directors	-	3,437	3,437	5,110
Others	124	1,200	1,324	834
Employee benefits	$ 2,742	$ 36,105	$ 38,847	$ 22,822
Depreciation	$ -	$ 4,542	$ 4,542	$ 1,705
Amortization	-	104	104	120

Note 1: The number of employees for this year and the previous year were 36 and 22, respectively, of which the number of directors who did not serve as employees concurrently was 5 and 3.

Note 2: A company whose shares are listed on the stock exchange shall additionally disclose the following information:

1. The average employee benefit expenses for 2023 and 2022 were NTD 1,142 thousand and NTD 932 thousand, respectively.
2. The average employee salary expenses for 2023 and 2022 were NTD 981 thousand and NTD 756 thousand, respectively.
3. The average employee salary adjustments for 2023 and 2022 were 30% and 23%, respectively.

(To be continued)

(Continued from previous page)

4. According to the Company's remuneration policy, it is divided into three major areas

   The salary and remuneration of the Company's employees are based on their academic experience, professional knowledge and skills, professional seniority and personal performance, and with reference to the salary market standard, and do not vary based on age, gender, race, religion, political affiliation, marital status, or affiliation with a labor union. The annual salary is adjusted with reference to the salary market, the Company's operating conditions and organizational structure, and is adjusted in a timely manner depending on the market salary dynamics, the overall economic and industrial boom, and government regulations.

   (1) Directors

   If the Company makes a profit for the year, it shall first reserve an amount for offsetting losses, and the Board of Directors shall resolve and report to the shareholders' meeting to appropriate no more than 1% as directors' remuneration, which can only be paid in cash.

   (2) Managers

   The remuneration policy for managers is based on the Company's business strategy, profitability, performance and job contribution, and with reference to the market level. The Remuneration Committee makes recommendations and is approved by the Board of Directors.

   (3) Employees

   Employee remuneration mainly includes basic salary (including principal salary, food allowance and various allowances), year-end bonus and performance incentive. Employees' performance is evaluated and incentives are paid based on various operating performance targets. Year-end bonuses are paid at the end of the year. If the Company makes a profit for the year, it shall first reserve an amount for offsetting losses, and the Board of Directors shall resolve and report to the shareholders' meeting to appropriate no less than 1% as employee remuneration.