Hung Ching Development & Construction Co., Ltd.
2024 Annual Sharehold’s Metting
Minutes
(Translation)

1. Time and Date: 10:00 a.m., Tuesday, June 25, 2024

2. Place: No. 13, Lane 751, Kangning Street, Xizhi District, New Taipei City (A.S.E. Design Center)

3. Type of Meeting: Physical shareholder's meeting.

4. Attendees:(1)The total number of shares of shareholders present and entrusted to attend was 196,814,443 shares (including electronic voting 127,903,607 shares with voting rights exercised), accounting for the total number of issued shares of the company 75.18% of 261,758,305 shares (excluding 8,547,695 non-voting shares), has the legal number of shares present is reached.

(2) Directors: Chia-Pay Chou、Du-Tsuen Uang、Ching-Hua Chen、Fang-Yin Chen、Chien-Hua Yao、Yen-Yi Tseng, Representative of Advanced Semiconductor Engineering, Inc.、Ching-Chou Su, Representative of Advanced Semiconductor Engineering, Inc.

Indpendent Directors : Hong-Long Hong (Convener of the Audit Committee) 、Wei-Li Tsuo、Chun-Chin Tu

(3) CPA Jun-Hong Shi of Deloitte & Touche
Lawyer Antony Po of Li Mo & Associates Attorneys-at-Law

5.Chairman: Directors Chia-Pay Chou **Recorder:** Fang-Yin Chen

6. Call the Meeting to Order: The number of shares present has reached the statutory amount, and the chairman declares the meeting to be convened in accordance with the law

7.Chair's Remarks: (To be omitted)

8.Report Items

I. 2023 Business Report (Attachment 1)

II. Audit Committee's review of the 2023 annual final accounting books and statements. (Attachment 2)

III. Report on 2023 employees' and directors' remuneration.

IV. Report on the status of loans of funds.

Question raised by shareholder account number 40434 about：
Shareholder account number 40434, Securities Investors and Futures Traders Protection Center, made the first speech on the first case of reported matters. According to the competent authority, in order to promote the corporate governance of listed companies, assist the sound development of enterprises and enhance market

confidence, it is aimed at all listed companies. The company conducts corporate governance assessment and publishes the assessment results; your company has been at the bottom of the scale for the past five years, which is not conducive to the company's social image and future sound development. In order to implement corporate governance and protect the rights and interests of shareholders and stakeholders, the Center recommends that your company formulate plans to improve and enhance governance and submit them to the board of directors regularly to establish a good corporate governance system. Please include the content of this speech and the company's reply in the minutes of the shareholders' meeting so that all shareholders will be aware of it.

Chairman replied:
Thank you for your advice. Let me explain briefly: Because our company is a traditional industry, we have always only focused on the development of our industry and saved expenses. We have not spent too much money and human resources on improving governance evaluation scores, but all of our Corporate governance and information disclosure are handled and completed in compliance with the timetable prescribed by the competent authorities. Your suggestions are very good. We will discuss and review them at the board of directors and try our best to improve. Thank you for your suggestions.

9. Ratification Items

Item 1: (Proposed by the Board of Directors)

Proposal:Acknowledgment of the 2023 business report and annual final accounting books and statements.

Explanation: The Board of Directors has prepared the Company's 2023 Business Report, Financial Statements, and Earnings Distribution Proposal, among which the Financial Statements have been audited by CPA, Cheng Hsu-Jan and Shih Chun-Hung of Deloitte & Touche, by whom an audit report has been issued accordingly.

Attachment:
I. Business Report (Attachment 1).
II. Financial Statements (Attachment 3).
III. Earnings Distribution Table (Attachment 4).

Resolution: 1.Shareholders' speeches and questions:None
2.Voting Results:
Shares represented at the time of voting: 196,740,145

Voting Results	% of the total represented share present
Votes in favor: 191,596,982 (including electronic voting:122,851,477)	97.38%
Votes against: 47,056 (including electronic voting :47,056)	0.02%
Votes invalid:0	0.00%
Votes abstained:5,096,107 (including electronic voting:5,005,074)	0.259%

This case was voted on and passed as originally proposed.

Item 2: (Proposed by the Board of Directors)
Proposal: Acknowledgment of the 2023 Earnings Distribution.
Explanation:

1. The Company's earnings distribution in 2023 is proposed in accordance with the Company Act and the Articles of Incorporation of the Company.
2. The dividend to shareholders of NT$405,459,000 will be distributed in cash. Based on the number of shares recorded in the Company's current shareholder register of 270,306,000 shares, NT$1.5 per share will be distributed. The distribution of cash dividends shall be based on share ratio and rounded off to the integer. Fractional dividend amounts that are less than NT$1 shall be ranked from high to low in value and from old to new in account number, and then they shall be adjusted in this order until the total amount of cash dividend distribution is met. Subsequent factors such as the issuance of new shares due to the Company's cash capital increase and issuance of new shares, or the transfer or cancellation of treasury shares due to the purchase of the Company's shares, which affects the number of shares that the Company can participate in the distribution of shareholder dividends, and the dividend rate of shareholders changes and needs to be revised, it is proposed to authorize the Board of Directors to handle and adjust it.
3. The shareholders' ex-dividend date shall be determined by the Board of Directors after a resolution is made at the shareholders' meeting.

Attachment: Earnings Distribution Table (Attachment 4)
Resolution:1.Shareholders' speeches and questions:None
2.Voting Results:
Shares represented at the time of voting: 196,740,145

Voting Results	% of the total represented share present
Votes in favor: 191,625,388 (including electronic voting:122,879,883)	97.40%
Votes against: 458,644 (including electronic voting :458,644)	0.23%
Votes invalid:0	0.00%
Votes abstained:4,656,113 (including electronic voting:4,565,080)	2.36%

This case was voted on and passed as originally proposed.

10. Discussion Items

Item 1: Item 1 (Proposed by the Board of Directors)

Proposal: Authorize the Board of Directors to select one or a combination of options or a combination of domestic issuance of common stocks by cash capital increase, or the issuance of domestic and foreign convertible corporate bonds to raise funds at the appropriate time.

Explanation: In response to one or more capital needs such as enriching working capital, repaying bank loans, and reinvesting, it is proposed to request the shareholders' meeting to authorize the Board of Directors to perform domestic issuance of common stocks by cash capital increase, or the issuance of domestic and foreign convertible corporate bonds at an appropriate time, depending on the current financial market conditions. The Board of Directors is authorized by the shareholders' meeting to raise funds in stages or simultaneously by selecting one or a combination of the aforementioned financing tools within one year from the date of the resolution of the shareholders' meeting within the limit of not more than 270,000,000 common shares. The content of the method is described as follows:

1. Principles on the authorization to the Board of Directors for cash capital increase in Taiwan:
   (1) The number of issued shares for the cash capital increase shall not exceed 270,000,000 shares.
   (2) The cash capital increase is NT$10 per share. It is proposed to authorize the Chairman to coordinate with the underwriter(s) of the public offering to determine the actual issue price in accordance with the relevant provisions of "Guidelines of Public Offering and Issuance" from the Taiwan Securities Association and subject to market conditions. The final price shall be reported to the regulatory authority before issuance.
   (3) The underwriting method of the external public offering will be authorized to the Board of Directors to select either issuance of public offering or book building method in accordance with Article 28-1 of the Securities Exchange Act:
      ① Issuance of public offering:
      Besides retaining 10%~15% of the issued shares in accordance with Article 267 of the Company Act, the employees will give priority to subscribe based on the actual issue price; in addition, 10% of the total amount of new shares to be issued is allocated to the public in accordance with Article 28-1 of the Securities and Exchange Act, and the remaining 75%~80% will be pre-subscribed by the original shareholders according to the shareholding ratio of the subscription base date. If the original shareholders hold insufficient shares to subscribe for a new share, they may subscribe jointly or merged into one person. If the original shareholders do not subscribe, the Chairman of the Board of Directors shall be authorized to designate a specific person to subscribe at the issued price.
      ② Book building method:
      In addition to reserving 10% to 15% of the issued shares for

employees to subscribe at the actual issuance price, as stipulated in Article 267 of the Company Law, the remaining shares will be publicly issued through the method of allotment by inquiry price circle, in accordance with Article 28-1 of the Securities and Exchange Act. This will be done by waiving the preemptive rights of the original shareholders. Additionally, if there is insufficient subscription or partial abandonment of subscription by the company's employees, the Chairman is authorized to negotiate with specific individuals for subscription. In addition, if any employee of the Company does not subscribe enough or gives up part of the subscription, the Chairman is authorized to negotiate with specific persons to subscribe for the subscription.

(4) The rights and obligations of the new common shares issued would be the same as previous shares.

(5) The funds raised by the cash capital increase are expected to be used for one or more purposes such as enriching working capital, repaying bank loans, or reinvesting, and it is expected to be implemented within two years after the completion of the fundraising. The implementation of the plan is expected to have benefits such as strengthening the status of the industry, enhancing long-term competitiveness, improving the financial structure, and saving interest expenses, and it will also benefit shareholders' equity.

(6) The key elements of the cash capital increase plan are determined by the authorized Board of Directors. These elements include the issue price, the number of shares to be issued, the issuance conditions, the planned projects, the amount to be raised, the expected progress, the anticipated benefits, and the capital increase reference date. Furthermore, the authorized Board of Directors is also responsible for managing any future changes to the relevant aspects of the cash capital increase plan, which may arise due to approval by the competent authority, operational assessment, or objective environmental needs.

(7) The Board of Directors is authorized to handle all matters which are not addressed herein, in accordance with the applicable laws and regulations.

2. Principles for the authorization of the Board of Directors to issue domestic and foreign convertible corporate bonds:

(1) Estimated number of shares for conversion: Up to the limit of the number of shares that can be converted as listed in the Company's change registration list at the time of issuance.

(2) Timing of issuance: It depends on the Company's capital needs and market conditions.

(3) Interest rate of issuance: In accordance with the fund market interest rate at the time of issuance and strive to be rationalized as a principle.

(4) Issuance period: To be determined based on the Company's capital needs.

(5) Issuance conditions: Negotiated with the lead underwriter and stipulated in accordance with the provisions and other relevant regulations.
(6) The funds raised from the issuance of domestic and foreign convertible corporate bonds are expected to be used for one or more purposes such as enriching working capital, repaying bank loans, or reinvesting, and are expected to be implemented within two years after the completion of the fundraising. The implementation of the plan is expected to strengthen the position of the industry, enhance long-term competitiveness, improve the financial structure, save interest expenses and other benefits, which will also benefit shareholders' equity.
(7) The Board of Directors shall be authorized to formulate relevant matters such as the issuance method of the convertible corporate bonds, the amount to be raised, the planned projects, the scheduled progress, and the expected benefits.
(8) The Board of Directors is authorized to handle all matters which are not addressed herein, in accordance with the applicable laws and regulations.

Resolution: 1.Shareholders' speeches and questions:None
2.Voting Results:
Shares represented at the time of voting: 196,740,145

Voting Results	% of the total represented share present
Votes in favor:189,086,371 (including electronic voting:120,340,866)	96.10%
Votes against: 3,004,524 (including electronic voting :3004,524)	1.52%
Votes invalid:0	0.00%
Votes abstained:4,649,250 (including electronic voting:4,558,217)	2.36%

This case was voted on and passed as originally proposed.

11. Extempore Motions:None

12. Adjournment:10:53 a.m. , Tuesday, June 25, 2024

(This minutes only states the gist of the meeting, and the audio and video records of the meeting shall prevail for detailed content.)

Attachment 1

Business Report

Introduction

The real estate market in 2023 experienced a slow start followed by a rebound. In the first half of the year, consecutive interest rate hikes by the central bank, mortgage rates exceeding 2%, the fifth wave of selective credit controls, and the government's implementation of the average land rights law affected the willingness of people to buy homes. During this period, the overall transaction volume across Taiwan hit a nearly 5-year low, decreasing by 18.7% compared to the same period last year, resulting in a sluggish real estate market. However, in the latter half of the year, as the overall economic situation stabilized and incentivized by the preferential mortgage program geared toward young adults, buyers with rigid demand for self-occupation, first-time purchase, and long-term investment gradually entered the market. Consequently, the real estate market began to warm up, with prices rising instead of falling. Transaction volumes in the six major cities increased by 20.9% compared to the first half of the year and by 15.4% compared to the same period last year, indicating a significant increase in transaction volume. Overall, the total number of housing transactions in 2023 was 306,000 units, a decrease of 3.5% compared to the previous year, marking a new low in nearly 4 years. With the gradual disappearance of policy uncertainties and the gradual improvement of the economy, various signs indicate that the real estate market is gradually stabilizing.

Operating Performance

For the fiscal year 2023, the consolidated operating income amounted to NT$2,315,375 thousand. This was primarily attributed to the sales revenue from properties such as the Kaohsiung K27 factory office building and the Di Jing Yuan project, constituting 84% of the total operating income. Other sources of income, including real estate leasing, construction contracts, and service income, accounted for the remaining 16% of operating income. After deducting construction and leasing costs totaling NT$1,640,147 thousand, the gross operating profit was NT$675,228 thousand. Operating expenses amounted to NT$316,734 thousand. Additionally, after considering the net amount of non-operating income and expenses, which totaled NT$302,980 thousand, and deducting the income tax expense of NT$97,605 thousand, the consolidated net income amounted to NT$563,869 thousand. The net income attributable to the Company's individual entity was NT$580,013 thousand, with an earnings per share of NT$2.22.

2024 Operating Plan

In the 2024, in addition to continuing the sale of residential projects such as Emperor Court on Pingnan Road and Hongjing Qingyun in Tucheng, the ongoing projects will proceed as follows: the construction of the Kaohsiung K13 Factory Office Building, with a floor area of approximately 32,900 ping, is expected to receive a usage permit in the second quarter of 2024; the Zhongli Factory Office Building, with a floor area of approximately 19,300 ping, is expected to be completed and obtain a usage permit in the second quarter of 2025; the Zhubei project is planned to be divided into 8 zones and developed in three phases. The soil and water conservation project for the entire area was completed in the second quarter of 2022, and the first phase of development (Zone A, residential and reception house) is expected to receive a construction permit in the fourth quarter of 2024.

Future Operating Outlook:

The development of the real estate market is influenced by factors such as the financial environment, government policies, and market supply and demand. Looking ahead to the real estate market in the current year (2024), with policy uncertainties largely resolved, the market is returning to the fundamentals of supply and demand. Under the government's preferential loan policies aimed at encouraging young people to settle down, the rigid demand for home purchases remains relatively stable. Buyers are primarily interested in properties with "lower total prices" and "smaller sizes." On the other hand, property prices are closely linked to construction costs, and factors such as rising land acquisition costs, increasing labor wages, and raw material costs contribute to the rising construction expenses. Additionally, the impending implementation of carbon taxes next year may further increase the costs of materials like steel and cement. These increased costs are expected to be reflected in higher selling prices for pre-sale and newly completed homes. Furthermore, with domestic interest rates still at a low level and the global economy recovering, along with the possibility of interest rate cuts in the United States, it is anticipated that the domestic housing market will exhibit a pattern of "stable prices with steady transaction volume" or "steady transaction volume with moderate price increases" this year. Real estate itself has the characteristic of maintaining value, making it a relatively low-risk investment compared to other financial products. Purchasing real estate is seen as a relatively prudent choice. In the long run, the outlook for the real estate market can be viewed with cautious optimism.

The Company is currently prioritizing the development of office buildings and residential projects to meet the demands of affiliates. Planning for the purchased land in Phase 14 of Taichung is currently underway. The Company has also acquired land in the Puzianduan area of Banqiao, New Taipei City, which is currently undergoing urban redevelopment. Once approved by the Ministry of the Interior, the Company will promptly proceed with the construction of the land. Furthermore, the Company is actively searching for suitable land inventory to meet future business development needs.

Thank you again for your support and advice over the year, and wish you good health and all the best!

Chairman:	Managerial Officer：	Accounting Supervisor:
Wen-Hsiang Chien	Chia-Pei Chou	Fang-Ying Chen

Attachment 2

Audit Committee Review Report

The Board of Directors has prepared the Company's 2023 Business Report, Financial Statements, and Earnings Distribution Proposal, among which the Financial Statements have been audited by Deloitte & Touche, Taiwan, by whom an audit report has been issued accordingly. The Business Report, Financial Statements and the Earnings Distribution Proposal have been reviewed by us, the Audit Committee of the Company. We have not found any inconsistencies with applicable laws in our review of the aforementioned documents. Therefore, we, the Audit Committee, hereby issue this report in compliance with Article 14-4 of the Securities and Exchange Act and Article 219 of the Company Act.

Hung Ching Development & Construction Co., Ltd.
Convener of the Audit Committee
Hong-Long Hong

March 18, 2024

Attachment 3

Independent Auditors' Report

To the Board of Directors and the Shareholders of Hung Ching Development & Construction Co., Ltd.

Opinion

We have audited the accompanying consolidated financial statements of the Hung Ching Development & Construction Co., Ltd. and its subsidiaries (the "Group"), which comprise the consolidated balance sheets as of December 31, 2023 and 2022, and the consolidated statements of comprehensive income, changes in equity, and cash flows for the years then ended, and the notes to consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as of December 31, 2023 and 2022, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with the "Regulations Governing the Preparation of Financial Reports by Securities Issuers" and 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 of the Republic of China.

Basis for Opinion

We conducted our audits in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and auditing standards generally accepted in the Republic of China. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Parent Company Only Financial Statements section of our report. We are independent of the Group 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 Group's consolidated financial statements for the year ended December 31, 2023. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

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

Sales Revenue of Building and Land - Related Party Transaction

In 2023, the Hung Ching Group generated NT$1,946,184 thousand in sales revenue from real estate. The sale of the K27 factory office building to a significant investor accounted for NT$1,666,600 thousand, representing 86% of the total sales revenue from real estate for the year. This transaction is considered significant for the consolidated financial statements as it is one of the main sources of income for the Hung Ching Group. The auditor has identified the related party transactions in sales revenue from real estate as a key audit matter due to the higher controllability of transactions with related parties and the significant impact of the reasonableness of the conditions and the commercial substance of such transactions on the expression of the consolidated financial statements.Please refer to Notes 4, 22 and 29 to the Consolidated Financial Statements.

The main audit procedures performed on the specific levels in respect of the above-mentioned key audit matter for the audit of the year are as follows:

1. We understood and tested the design and operating effectiveness of the internal controls related to the sales cycle.
2. We obtained sales contracts from related parties to understand the purpose of the transactions, the prices and terms of payment, and to evaluate whether the transactions were commercially reasonable and the basis for pricing.
3. We issued a letter of inquiry regarding related party sales transactions.

Other Matters

We have also audited the parent company only financial statements of Hung Ching Construction Development Co., Ltd. as of and for the years ended December 31, 2023 and 2022 on which we have issued an unmodified opinion.

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

The management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the "Regulations Governing the Preparation of Financial Reports by Securities Issuers "and the IFRS, IAS, IFRIC, and SIC endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group'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 Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance (including members of the Audit Committee) are responsible for overseeing the Group's financial reporting process.

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is high, but an audit performed in accordance with auditing standards does not provide assurance that the consolidated financial statements will be audited in accordance with accounting principles and practices generally accepted in the Republic of China.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the auditing standards generally accepted in the Republic of China will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

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

1. Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is

higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or 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 Group's internal control.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the consolidated 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 consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group 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 opinion to the Group.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated 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 regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Deloitte & Touche

Certified Public Accountant	Certified Public Accountant
Shiuh-Ran Cheng	Jun-Hong Shi
Financial Supervisory Commission	Financial Supervisory Commission
Approval Document No.:	Approval Document No.:
Jin-Guan-Zheng-Shen-Zi No. 1010028123	Jin-Guan-Zheng-Shen-Zi No. 1110348898

March 8, 2024

Hung Ching Development & Construction Co., Ltd. and Subsidiaries

Consolidated Balance Sheets

December 31, 2023 and 2022

Unit: NT$1,000

Code	Assets	December 31, 2023 Amount	%	December 31, 2022 Amount	%
	CURRENT ASSETS				
1100	Cash and cash equivalents (Note 6)	$ 598,639	2	$ 291,360	1
1110	Financial assets at fair value through profit or loss - current (Note 7)	2,980	-	17,080	-
1140	Contract assets (Note 22)	-	-	37,437	-
1150	Notes receivable (Notes 8 and 22)	3,087	-	1,099	-
1172	Trade receivables, net (Notes 8 and 22)	11,449	-	17,869	-
1180	Trade receivables - related parties (Notes 8, 22 and 29)	10,234	-	14,672	-
1200	Trade receivables (Note 8)	1,718	-	308	-
1210	Trade receivables - related parties (Notes 8 and 29)	1,621,999	6	14	-
130X	Inventories - net (Notes 9 and 30)	14,043,171	50	10,028,776	51
1429	Prepayments (Note 16)	394,639	2	300,662	2
1479	Other current assets (Note 16)	22	-	23	-
11XX	Total current assets	16,687,938	60	10,709,300	54
	NON-CURRENT ASSETS				
1517	Financial assets at fair value through other comprehensive income - non-current, net (Notes 10, 28 and 30)	6,030,521	22	4,143,878	21
1550	Investments accounted for using equity method (Note 12)	570,995	2	-	-
1600	Property, plant and equipment, net (Notes 13, 23, and 30)	1,042,463	4	1,062,875	5
1755	Right-of-use assets (Notes 14 and 23)	6,766	-	17,269	-
1760	Investment properties - net (Notes 15, 23, and 30)	3,505,231	12	3,700,635	19
1780	Intangible assets (Note 23)	417	-	523	-
1840	Deferred tax assets (Note 24)	81,031	-	61,007	-
1930	Long-term notes receivable (Notes 8 and 22)	592	-	1,381	-
1990	Other non-current assets (Notes 16 and 23)	68,964	-	75,569	1
15XX	Total non-current assets	11,306,980	40	9,063,137	46
1XXX	Total assets	$ 27,994,918	100	$ 19,772,437	100

Code	Liabilities and equity	December 31, 2023 Amount	%	December 31, 2022 Amount	%
	CURRENT LIABILITIES				
2100	Short-term loans (Notes 17, 28 and 30)	$ 6,146,000	22	$ 5,762,900	29
2110	Short-term bills payable - net (Notes 17, 28, and 30)	5,852,816	21	1,453,568	7
2130	Contract liabilities (Note 22)	41,664	-	14,831	-
2170	Trade payables (Note 18)	766,348	3	590,893	3
2219	Other payables	190,463	1	166,535	1
2230	Current tax liabilities	66,883	-	92,236	1
2280	Lease liabilities (Note 14)	1,870	-	5,270	-
2322	Long-term loans due within one year (Notes 17 and 30)	157,388	-	179,803	1
2399	Other current liabilities (Note 19)	30,397	-	15,205	-
21XX	Total current liabilities	13,253,829	47	8,281,241	42
	NON-CURRENT LIABILITIES				
2540	Long-term loans (Notes 17, 28 and 30)	2,881,693	11	1,848,218	9
2580	Lease liabilities (Note 14)	4,972	-	12,824	-
2645	Guarantee deposits received (Note 15)	29,796	-	31,020	-
25XX	Total non-current liabilities	2,916,461	11	1,892,062	9
2XXX	Total liabilities	16,170,290	58	10,173,303	51
	EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY (Note 21)				
3110	Share capital	2,703,060	10	2,703,060	13
3200	Capital surplus	358,719	1	350,171	2
	Retained earnings				
3310	Legal reserve	1,020,589	4	990,076	5
3320	Special reserve	334,733	1	244,982	1
3350	Unappropriated earnings	2,363,156	8	2,307,488	12
3300	Total retained earnings	3,718,478	13	3,542,546	18
3400	Other equity	5,094,140	18	3,132,013	16
3500	Treasury Shares	(455,812)	(1)	(455,812)	(2)
31XX	Total equity attributable to owners of the Company	11,418,585	41	9,271,978	47
36XX	NON-CONTROLLING INTERESTS	406,043	1	327,156	2
3XXX	Total equity	11,824,628	42	9,599,134	49
	Total equity and liabilities	$ 27,994,918	100	$ 19,772,437	100

The accompanying notes are an integral part of the consolidated financial statements.

Chairman: Wen-Hsiang Chien　　Manager: Chia-Pei Chou　　Accounting Supervisor: Fang-Ying Chen

Hung Ching Development & Construction Co., Ltd. and Subsidiaries
Consolidated Statements of Comprehensive Income
January 1 to December 31, 2023 and 2022

Unit: NT$ thousand, except NT$ for EPS

Code		2023 Amount	2023 %	2022 Amount	2022 %
	Operating income (Notes 22 and 29)				
4100	Sales Revenue of Building and Land	$ 1,946,184	84	$ 891,467	64
4300	Rental revenue	185,527	8	173,836	13
4500	Construction project revenue	6,277	-	171,882	12
4600	Service revenue	90,181	4	98,295	7
4800	Other operating revenue	87,206	4	52,632	4
4000	Total operating revenue	2,315,375	100	1,388,112	100
	Operating cost (Notes 9 and 23)				
5110	Cost of building and land for sale	1,361,187	59	441,415	32
5300	Rental costs	136,678	6	117,655	8
5500	Construction project cost	1,200	-	152,989	11
5600	Service costs	57,016	2	60,980	4
5800	Other operating costs	84,066	4	62,198	5
5000	Total operating costs	1,640,147	71	835,237	60
5900	Gross operating profit	675,228	29	552,875	40
	Operating expenses (Note 23)				
6100	Selling and marketing expenses	41,896	2	85,193	6
6200	General and administrative expenses	274,838	12	288,775	21
6000	Total operating expenses	316,734	14	373,968	27
6900	Net operating income	358,494	15	178,907	13
	NON-OPERATING INCOME AND EXPENSES				
7010	Other income (Note 23)	413,444	18	318,162	23
7020	Other gains and losses (Note 23)	60,463	2	(3,949)	-
7050	Finance costs (Note 23)	(170,722)	(7)	(104,348)	(8)
7060	Share of loss (profit) of associates recognized under equity method	(205)	-	-	-
7000	Total non-operating income and expenses	302,980	13	209,865	15

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Code		2023 Amount	2023 %	2022 Amount	2022 %
7900	Income before tax	$ 661,474	28	$ 388,772	28
7950	Income tax expense (Note 24)	97,605	4	102,700	7
8200	NET PROFIT FOR THE YEAR	563,869	24	286,072	21
	Other comprehensive income/(loss)				
8310	Items that will not be reclassified subsequently to profit or loss				
8316	Unrealized gain/(loss) on investments in equity instruments at fair value through other comprehensive income	1,815,835	78	(556,047)	(40)
8349	Income tax related to items that will be reclassified	14,669	1	-	-
8360	Items that may be reclassified subsequently to profit or loss				
8361	Exchange differences on translating the financial statements of foreign operations	(2,601)	-	1,793	-
8399	Income tax related to items that will be reclassified (Note 24)	520	-	(359)	-
8300	Other comprehensive income/(loss) for the year, net of income tax	1,828,423	79	(554,613)	(40)
8500	Total comprehensive income/(loss) for the year	$ 2,392,292	103	($ 268,541)	(19)
	NET PROFIT/(LOSS) ATTRIBUTABLE TO				
8610	Owners of the Company	$ 580,013	25	$ 305,126	22
8620	NON-CONTROLLING INTERESTS	(16,144)	(1)	(19,054)	(1)
8600		$ 563,869	24	$ 286,072	21
	TOTAL COMPREHENSIVE INCOME/(LOSS) ATTRIBUTABLE TO:				
8710	Owners of the Company	$ 2,408,365	104	($ 249,487)	(18)
8720	NON-CONTROLLING INTERESTS	(16,073)	(1)	(19,054)	(1)
8700		$ 2,392,292	103	($ 268,541)	(19)
	EARNINGS PER SHARE (Note 25)				
9710	Basic	$ 2.22		$ 1.17	
9810	Diluted	$ 2.21		$ 1.16	

The accompanying notes are an integral part of the consolidated financial statements.

Chairman:	Manager:	Accounting Supervisor:
Wen-Hsiang Chien	Chia-Pei Chou	Fang-Ying Chen

Hung Ching Development & Construction Co., Ltd. and Subsidiaries
Consolidated Statements of Changes in Equity
January 1 to December 31, 2023 and 2022

Unit: NT$1,000

		EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY											
								Other equity items					
		Share capital			Retained earnings								
Code		Number of Shares (In Thousand Shares)	Amount	Capital surplus	Legal reserve	Special reserve	Unappropriated earnings	Exchange differences on translating the financial statements of foreign operations	Unrealized gain (loss) on financial assets at fair value through other comprehensive income	Treasury shares	Total	NON-CONTROLLING INTERESTS	Total equity
A1	Balance as of January 1, 2022	270,306	$ 2,703,060	$ 324,528	$ 828,158	$ 347,554	$ 2,872,626	($ 5,858)	$ 3,692,484	($ 455,812)	$ 10,306,740	$ 346,210	$ 10,652,950
	Appropriation and distribution of retained earnings 2021												
B1	Legal reserve	-	-	-	161,918	-	(161,918)	-	-	-	-	-	-
B17	Reversal of special capital reserve	-	-	-	-	(102,572)	102,572	-	-	-	-	-	-
B5	Cash dividend to shareholders	-	-	-	-	-	(810,918)	-	-	-	(810,918)	-	(810,918)
D1	Net profit for 2022	-	-	-	-	-	305,126	-	-	-	305,126	(19,054)	286,072
D3	Other comprehensive income (loss) (after tax) for 2022	-	-	-	-	-	-	1,434	(556,047)	-	(554,613)	-	(554,613)
D5	Total comprehensive income/(loss) for 2022	-	-	-	-	-	305,126	1,434	(556,047)	-	(249,487)	(19,054)	(268,541)
M1	Adjustment in capital surplus from dividends paid to subsidiaries	-	-	25,643	-	-	-	-	-	-	25,643	-	25,643
Z1	Balance as of December 31, 2022	270,306	2,703,060	350,171	990,076	244,982	2,307,488	(4,424)	3,136,437	(455,812)	9,271,978	327,156	9,599,134
	Appropriation and distribution of retained earnings 2022												
B1	Legal reserve	-	-	-	30,513	-	(30,513)	-	-	-	-	-	-
B3	Special capital reserve provided	-	-	-	-	89,751	(89,751)	-	-	-	-	-	-
B5	Cash dividend to shareholders	-	-	-	-	-	(270,306)	-	-	-	(270,306)	-	(270,306)
D1	Net profit for 2023	-	-	-	-	-	580,013	-	-	-	580,013	(16,144)	563,869
D3	Other comprehensive income (loss) (after tax) for 2023	-	-	-	-	-	-	(2,081)	1,830,433	-	1,828,352	71	1,828,423
D5	Total comprehensive income/(loss) for 2023	-	-	-	-	-	580,013	(2,081)	1,830,433	-	2,408,365	(16,073)	2,392,292
T1	Acquisition of Minority Stake	-	-	-	-	-	-	-	-	-	-	94,960	94,960
M1	Adjustment in capital surplus from dividends paid to subsidiaries	-	-	8,548	-	-	-	-	-	-	8,548	-	8,548
Q1	Disposal of equity instruments at fair value through other comprehensive income or loss	-	-	-	-	-	(133,775)	-	133,775	-	-	-	-
Z1	Balance as of December 31, 2023	270,306	$ 2,703,060	$ 358,719	$ 1,020,589	$ 334,733	$ 2,363,156	($ 6,505)	$ 5,100,645	($ 455,812)	$ 11,418,585	$ 406,043	$ 11,824,628

The accompanying notes are an integral part of the consolidated financial statements.

Chairman: Wen-Hsiang Chien   Manager: Chia-Pei Chou   Accounting Supervisor: Fang-Ying Chen

Hung Ching Development & Construction Co., Ltd. and Subsidiaries
Consolidated Statements of Cash Flows
January 1 to December 31, 2023 and 2022

Unit: NT$1,000

Code		2023	2022
	Cash flows from operating activities		
A00010	Income before tax for the year	$ 661,474	$ 388,772
A20010	Adjustments to reconcile profit (loss)		
A20100	Depreciation expenses	138,594	144,369
A20200	Amortization of long-term prepayments and intangible assets	4,566	5,279
A20400	Gain (Loss) on financial assets and liabilities at fair value through profit or loss, net	(253)	81
A20900	Finance costs	170,722	104,348
A21200	Interest income	(12,741)	(1,182)
A21300	Dividend income	(388,049)	(308,738)
A22300	Share of loss (profit) of affiliates accounted for under equity method	205	-
A22500	Gain (Loss) on disposal and scrap of property, plant and equipment	1,395	-
A22700	Disposal of investment property interests	(61,551)	-
A23800	Profit on reduce inventory to market (Gain from price recovery of inventory)	(7,100)	(4,134)
A29900	Profit from lease modification	(711)	-
A30000	Changes in operating assets and liabilities, net		
A31115	Financial asset at FVTPL	14,353	-
A31125	Contract Asset	37,437	(37,437)
A31130	Notes receivable	(1,199)	1,865
A31150	Trade receivables	6,420	4,017
A31160	Trade receivables from related parties	4,438	(9,393)
A31180	Other receivables	(1,623,380)	808
A31200	Inventories	(1,495,962)	(2,414,503)
A31230	Prepayments	(92,231)	(265,492)
A31240	Other current assets	1	338
A31270	Incremental costs of obtaining a contract	-	7,153
A32125	Contract liabilities	26,833	(107,278)
A32130	Notes payable	-	(114)
A32150	trade payables	175,455	(45,587)
A32180	Other payables	26,900	(46,834)
A32230	Other current liabilities	15,192	(1,221)
A33000	Cash outflows from operations	(2,399,192)	(2,584,883)

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Code		2023	2022
A33300	Interest paid	($ 274,168)	($ 131,913)
A33500	Income tax paid	(127,940)	(99,606)
AAAA	Net cash outflow from operating activities	(2,801,300)	(2,816,402)
	CASH FLOWS FROM INVESTING ACTIVITIES		
B01800	Acquisition of intangible assets	(571,200)	-
B02200	Net cash flow from acquisition of subsidiaries	(2,388,322)	-
B02700	Acquisition of property, plant and equipment	(619)	(5,224)
B02800	Proceeds from disposal of property, plant and equipment	95	-
B03800	Decrease in refundable deposits	1,697	174,320
B04500	Purchase of intangible assets	-	(210)
B05400	Purchase of investment properties	(30)	(10,710)
B05500	Disposal of investment properties	141,188	-
B07500	Interest received	12,741	1,182
B07600	Dividends received	388,049	308,738
BBBB	Net cash flows (out) from investing activities	(2,416,401)	468,096
	Cash flows from financing activities		
C00100	Increase in short-term borrowings	383,100	3,935,900
C00500	Increase (Decrease) in short-term bills payable	4,399,248	(903,235)
C01600	Long-term loans	1,190,000	200,000
C01700	Repayments of long-term borrowings	(178,940)	(203,727)
C03000	Increase in guarantee deposits received	3,549	10,355
C03100	Decrease in guarantee deposits received	(4,773)	(4,913)
C04020	Repayment for principal of lease liabilities	(2,970)	(3,901)
C04500	Distribution of Cash Dividend	(261,758)	(785,275)
CCCC	Net cash inflow from financing activities	5,527,456	2,245,204
DDDD	EFFECTS OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH HELD IN FOREIGN CURRENCIES	(2,476)	1,673
EEEE	Increase (decrease) in Cash and Cash Equivalents for the year	307,279	(101,429)
E00100	Cash and cash equivalents, beginning of year	291,360	392,789
E00200	Cash and cash equivalents, end of year	$ 598,639	$ 291,360

The accompanying notes are an integral part of the consolidated financial statements.

Chairman: Wen-Hsiang Chien | Manager: Chia-Pei Chou | Accounting Supervisor: Fang-Ying Chen

Independent Auditors' Report

To the Board of Directors and the Shareholders of Hung Ching Development & Construction Co., Ltd.

Opinion

We have audited the accompanying parent company only financial statements of the Hung Ching Development & Construction Co., Ltd. (the "Company"), which comprise the parent company only balance sheets as of December 31, 2023 and 2022, and the parent company only statements of comprehensive income, changes in equity and cash flows for the years then ended, and the 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 and 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 of the Republic of China.

Basis for Opinion

We conducted our audits in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and auditing standards generally accepted in the Republic of China. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Parent Company Only Financial Statements section of our report. We are independent of the Company in accordance with the Norm of Professional Ethics for Certified Public Accountant of the Republic of China 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 Company's 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, and we do not provide a separate opinion on these matters.

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

Sales Revenue of Building and Land - Related Party Transaction

In 2023, the Company's revenue from the sale of real estate amounted to NT$1,946,184 thousand, of which the sale of the K27 plant office building to an investor with significant influence amounted to NT$1,666,600 thousand, which accounted for 86% of the revenue from the sale of real estate for the current year, and was material to the financial statements, and was one of the major sources of income of the Company. Considering that the transactions with related parties are highly controllable and the reasonableness of the terms of the transactions and the business substance of the transactions will have a significant effect on the presentation of these transactions in the consolidated financial statements, we have identified the related party transactions of the revenue from the sale of real estate as one of the critical items to be audited. See Notes 4, 19 and 25 to the parent company only financial statements.

The main audit procedures performed on the specific levels in respect of the above-mentioned key audit matter for the audit of the year are as follows:

1. We understood and tested the design and operating effectiveness of the internal controls related to the sales cycle.
2. We obtained sales contracts from related parties to understand the purpose of the transactions, the prices and terms of payment, and to evaluate whether the transactions were commercially reasonable and the basis for pricing.
3. We issued a letter of inquiry regarding related party sales transactions.

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

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

In preparing the parent company only financial statements, management is responsible for assessing the 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 members of the Audit Committee) are responsible for overseeing the Company's financial reporting process.

Auditors' 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 of assurance, but is not a guarantee that an audit conducted in accordance with the auditing standards generally accepted in the Republic of China will always detect a material misstatement when it exists. Misstatements can arise from fraud or error. They are considered to be material if they individually or collectively could reasonably be expected to affect the economic decisions of users of these financial statements.

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

1. Identify and assess the risks of material misstatement of the parent company only financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or 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, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the parent 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 auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.

5. Evaluate the overall presentation, structure and content of the parent company only financial statements, including the disclosures, and whether the parent company only financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Company audit. We remain solely responsible for our opinion to the Company.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the 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 regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Deloitte & Touche

Certified Public Accountant Shiuh-Ran Cheng	Certified Public Accountant Jun-Hong Shi
Financial Supervisory Commission Approval Document No.: Jin-Guan-Zheng-Shen-Zi No. 1010028123	Financial Supervisory Commission Approval Document No.: Jin-Guan-Zheng-Shen-Zi No. 1110348898

March 8, 2024

Hung Ching Development & Construction Co., Ltd.
Parent Company Only Balance Sheets
December 31, 2023 and 2022

Unit: NT$1,000

Code	Assets	December 31, 2023 Amount	%	December 31, 2022 Amount	%
	CURRENT ASSETS				
1100	Cash (Note 6)	$ 148,378	-	$ 111,686	1
1150	Notes receivable (Notes 7 and 19)	2,548	-	1,006	-
1172	Trade receivables, net (Notes 7 and 19)	10,409	-	14,175	-
1180	Trade receivables from related parties (Notes 7, 19 and 25)	1,400	-	1,400	-
1200	Other receivables (Notes 7)	1,360	-	217	-
1210	Other receivables from related parties (Notes 7 and 25)	1,621,999	6	14	-
130X	Inventories - net (Notes 5, 8, 25 and 26)	11,426,346	41	9,409,571	49
1429	Prepayments (Note 13)	429,032	2	335,053	2
1479	Other current assets (Note 13)	22	-	23	-
11XX	Total current assets	13,641,494	49	9,873,145	52
	Non-current assets				
1517	Financial assets at FVTOCI - non-current, net (Notes 9 and 26)	5,957,652	22	4,143,878	22
1550	Investments accounted for using equity method (Note 10)	4,414,834	16	1,348,301	7
1600	Property, plant and equipment - net (Notes 11, 20 and 26)	399,212	2	401,718	2
1760	Investment properties - net (Notes 12, 20 and 26)	3,073,031	11	3,248,634	17
1780	Intangible assets (Note 20)	417	-	523	-
1840	Deferred tax assets (Note 21)	80,859	-	60,878	-
1930	Long-term notes receivable (Notes 7 and 19)	592	-	1,381	-
1990	Other non-current assets (Notes 13 and 20)	65,787	-	71,423	-
15XX	Total non-current assets	13,992,384	51	9,276,736	48
1XXX	Total assets	$ 27,633,878	100	$ 19,149,881	100
Code	Liabilities and equity				
	CURRENT LIABILITIES				
2100	Short-term borrowings (Notes 14, 25 and 26)	$ 5,868,000	21	$ 5,491,900	29
2110	Short-term bills payable, net (Notes 14, 25 and 26)	5,852,816	21	1,453,568	8
2130	Contract liabilities (Note 19)	40,733	-	536	-
2170	Trade payables (Note 15)	75,627	-	65,093	-
2180	Trade payables to related parties (Notes 15 and 25)	1,133,044	4	631,206	3
2219	Other payables	138,377	1	132,103	1
2230	Current tax liabilities	30,489	-	38,720	-
2320	Long-term borrowings - current portion (Notes 14 and 26)	157,388	1	179,803	1
2399	Other current liabilities (Note 16)	15,182	-	14,378	-
21XX	Total current liabilities	13,311,656	48	8,007,307	42
	Non-current liabilities				
2540	Long-term borrowings (Notes 14 and 26)	2,881,693	11	1,848,218	10
2645	Guarantee deposits received (Note 12)	21,944	-	22,378	-
25XX	Total non-current liabilities	2,903,637	11	1,870,596	10
2XXX	Total liabilities	16,215,293	59	9,877,903	52
	Equity attributable to owners of the Company (Note 18)				
3110	Share capital	2,703,060	10	2,703,060	14
3200	Capital surplus	358,719	1	350,171	2
	Retained earnings				
3310	Legal reserve	1,020,589	4	990,076	5
3320	Special reserve	334,733	1	244,982	1
3350	Unappropriated earnings	2,363,156	9	2,307,488	12
3300	Total retained earnings	3,718,478	14	3,542,546	18
3400	Other equity	5,094,140	18	3,132,013	16
3500	Treasury shares	(455,812)	(2)	(455,812)	(2)
31XX	Total equity	11,418,585	41	9,271,978	48
	Total equity and liabilities	$ 27,633,878	100	$ 19,149,881	100

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

Chairman: Wen-Hsiang Chien Manager: Chia-Pei Chou Accounting Supervisor: Fang-Ying Chen

Hung Ching Development & Construction Co., Ltd.
Parent Company Only Statements of Comprehensive Income
January 1 to December 31, 2023 and 2022
Unit: NT$ thousands, except earnings per share of NT$

Code		2023 Amount	2023 %	2022 Amount	2022 %
	Operating revenue (Notes 19 and 25)				
4100	Sales revenue of building and land	$ 1,946,184	91	$ 891,467	83
4300	Rental revenue	147,926	7	136,318	13
4800	Other operating revenue	52,806	2	41,836	4
4000	Total operating revenue	2,146,916	100	1,069,621	100
	Operating costs (Notes 20 and 25)				
5110	Costs of building and land for sale (Note 8)	1,516,836	71	457,857	43
5300	Rental costs	107,393	5	110,815	10
5800	Other operating costs	49,298	2	41,963	4
5000	Total operating costs	1,673,527	78	610,635	57
5900	Gross operating profit	473,389	22	458,986	43
	Operating expenses (Notes 20 and 25)				
6100	Selling and marketing expenses	42,944	2	86,717	8
6200	General and administrative expenses	170,988	8	159,771	15
6000	Total operating expenses	213,932	10	246,488	23
6900	Net operating income	259,457	12	212,498	20
	Non-operating income and expenses				
7010	Other income (Note 20)	408,463	19	312,175	29
7020	Other gains and losses (Note 20)	61,537	3	(4,190)	-
7050	Finance costs (Note 20)	(163,936)	(7)	(99,432)	(9)
7060	Share of loss (profit) of subsidiaries and affiliates accounted for under equity method	47,888	2	(68,428)	(7)
7000	Total non-operating income and expenses	353,952	17	140,125	13

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Code		2023 Amount	2023 %	2022 Amount	2022 %
7900	Income before tax	$ 613,409	29	$ 352,623	33
7950	Income tax expense (Note 21)	33,396	2	47,497	4
8200	Net profit for the year	580,013	27	305,126	29
	Other comprehensive income/(loss)				
8310	Items that will not be reclassified subsequently to profit or loss				
8316	Unrealized gain/(loss) on investments in equity instruments at fair value through other comprehensive income	1,813,774	84	(556,047)	(52)
8330	Share of other comprehensive income or loss of subsidiaries accounted for using the equity method	1,990	-	-	-
8349	Income tax related to items that will be reclassified	14,669	1	-	-
8360	Items that may be reclassified subsequently to profit or loss				
8361	Exchange differences on translating the financial statements of foreign operations	(2,601)	-	1,793	-
8399	Income tax related to items that will be reclassified (Note 21)	520	-	(359)	-
8300	Other comprehensive income/(loss) for the year, net of income tax	1,828,352	85	(554,613)	(52)
8500	Total comprehensive income/(loss) for the year	$ 2,408,365	112	($ 249,487)	(23)
	Earnings per share (Note 22)				
9710	Basic	$ 2.22		$ 1.17	
9810	Diluted	$ 2.21		$ 1.16	

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

Chairman: Wen-Hsiang Chien | Manager: Chia-Pei Chou | Accounting Supervisor: Fang-Ying Chen

Hung Ching Development & Construction Co., Ltd.
Parent Company Only Statements of Changes in Equity
January 1 to December 31, 2023 and 2022

Unit: NT$1,000

Code		Share capital			Retained earnings			Other equity			
		Number of shares (in thousand shares)	Amount	Capital surplus	Legal reserve	Special reserve	Unappropriated earnings	Exchange differences on translating the financial statements of foreign operations	Unrealized gain (loss) on financial assets at fair value through other comprehensive income	Treasury shares	Total equity
A1	Balance as of January 1, 2022	270,306	$ 2,703,060	$ 324,528	$ 828,158	$ 347,554	$ 2,872,626	($ 5,858)	$ 3,692,484	($ 455,812)	$ 10,306,740
	Appropriation and distribution of retained earnings 2021										
B1	Legal reserve	-	-	-	161,918	-	(161,918)	-	-	-	-
B17	Reversal of special capital reserve	-	-	-	-	(102,572)	102,572	-	-	-	-
B5	Cash dividend to shareholders	-	-	-	-	-	(810,918)	-	-	-	(810,918)
D1	Net profit for 2022	-	-	-	-	-	305,126	-	-	-	305,126
D3	Other comprehensive income (loss) (after tax) for 2022	-	-	-	-	-	-	1,434	(556,047)	-	(554,613)
D5	Total comprehensive income/(loss) for 2022	-	-	-	-	-	305,126	1,434	(556,047)	-	(249,487)
M1	Adjustment in capital surplus from dividends paid to subsidiaries	-	-	25,643	-	-	-	-	-	-	25,643
Z1	Balance as of December 31, 2022	270,306	2,703,060	350,171	990,076	244,982	2,307,488	(4,424)	3,136,437	(455,812)	9,271,978
	Appropriation and distribution of retained earnings 2022										
B1	Legal reserve	-	-	-	30,513	-	(30,513)	-	-	-	-
B3	Special capital reserve provided	-	-	-	-	89,751	(89,751)	-	-	-	-
B5	Cash dividend to shareholders	-	-	-	-	-	(270,306)	-	-	-	(270,306)
D1	Net profit for 2023	-	-	-	-	-	580,013	-	-	-	580,013
D3	Other comprehensive income (loss) (after tax) for 2023	-	-	-	-	-	-	(2,081)	1,830,433	-	1,828,352
D5	Total comprehensive income/(loss) for 2023	-	-	-	-	-	580,013	(2,081)	1,830,433	-	2,408,365
M1	Adjustment in capital surplus from dividends paid to subsidiaries	-	-	8,548	-	-	-	-	-	-	8,548
Q1	Disposal of equity instruments at fair value through other comprehensive income or loss	-	-	-	-	-	(133,775)	-	133,775	-	-
Z1	Balance as of December 31, 2023	270,306	$ 2,703,060	$ 358,719	$ 1,020,589	$ 334,733	$ 2,363,156	($ 6,505)	$ 5,100,645	($ 455,812)	$ 11,418,585

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

Chairman: Wen-Hsiang Chien Manager: Chia-Pei Chou Accounting Supervisor: Fang-Ying Chen

Hung Ching Development & Construction Co., Ltd.
Parent Company Only Statements of Cash Flows
January 1 to December 31, 2023 and 2022

Unit: NT$1,000

Code		2023	2022
	Cash flows from operating activities		
A00010	Income before tax for the year	$ 613,409	$ 352,623
A20010	Adjustments to reconcile profit (loss)		
A20100	Depreciation expenses	98,950	103,161
A20200	Amortization of long-term prepayments and intangible assets	4,537	4,770
A20900	Finance costs	163,936	99,432
A21200	Interest income	(11,339)	(223)
A21300	Dividend income	(388,049)	(308,738)
A22300	Share of loss (profit) of subsidiaries and affiliates accounted for under equity method	(47,888)	68,428
A22700	Disposal of investment property interests	(61,551)	-
A23700	Profit on reduce inventory to market (Gain from price recovery of inventory)	(7,100)	(4,134)
A30000	Changes in operating assets and liabilities, net		
A31130	Notes receivable	(753)	763
A31150	Trade receivables	3,766	(4,743)
A31180	Other receivables	(1,143)	547
A31190	Other receivables - related party	(1,621,985)	133
A31200	Inventories	(1,909,276)	(2,259,216)
A31230	Prepayments	(93,979)	(311,971)
A31240	Other current assets	1	307
A31270	Incremental costs of obtaining a contract	-	7,153
A32125	Contract liabilities	40,197	(108,634)
A32150	Trade payables	10,534	8,500
A32160	Trade payables to related parties	501,838	(265,045)
A32180	Other payables	9,321	(55,253)
A32230	Other current liabilities	804	(910)
A33000	Cash outflows from operations	(2,695,770)	(2,673,050)
A33300	Interest paid	(267,382)	(126,997)
A33500	Income tax paid	(46,419)	(78,888)
AAAA	Net cash outflow from operating activities	(3,009,571)	(2,878,935)
	Cash flows from investing activities		
B01800	Acquisition of equity-method investments	(3,220,760)	-
B02700	Acquisition of property, plant and equipment	-	(1,183)

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Code		2023	2022
B03800	Decrease in refundable deposits	$ 757	$ 177,171
B04500	Purchase of intangible assets	-	(210)
B05400	Purchase of investment properties	(30)	(6,610)
B05500	Disposal of investment properties	141,188	-
B07500	Interest received	11,339	223
B07600	Dividends received	598,101	380,938
BBBB	Net cash flows (out) from investing activities	(2,469,405)	550,329
	Cash flows from financing activities		
C00100	Increase in short-term borrowings	376,100	3,914,900
C00500	Increase (Decrease) in short-term bills payable	4,399,248	(903,235)
C01600	Long-term loans	1,190,000	200,000
C01700	Repayments of long-term borrowings	(178,940)	(203,727)
C03000	Increase in guarantee deposits received	2,286	7,636
C03100	Decrease in guarantee deposits received	(2,720)	(1,715)
C04500	Distribution of cash dividend	(270,306)	(810,918)
CCCC	Net cash inflow from financing activities	5,515,668	2,202,941
EEEE	Increase (decrease) in Cash and Cash Equivalents for the year	36,692	(125,665)
E00100	Cash and cash equivalents, beginning of year	111,686	237,351
E00200	Cash and cash equivalents, end of year	$ 148,378	$ 111,686

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

Chairman: Wen-Hsiang Chien   Manager: Chia-Pei Chou   Accounting Supervisor: Fang-Ying Chen

Attachment 4

Hung Ching Development & Construction Co., Ltd.

Earnings Distribution Table

2023

Currency Unit: NT$

Undistributed retained earnings of the previous year		1,916,917,912
Net income of the year	580,013,256	
Minus: Items other than net profit for the period - Disposal of equity instruments at fair value through other comprehensive income or loss	(133,775,066)	
Net income after tax for the period minus the amount included in unappropriated earnings of the current year for items other than net income after tax for the period.		446,238,190
Withdraw 10% of the statutory surplus reserve		(44,623,819)
Reversal of special surplus reserve according to the Act		60,261,249
Distributable retained earnings of the year		2,378,793,532
Distribution items		
Shareholders' dividends - Cash		(405,459,000)
Balance of retained earnings of the year		1,973,334,532

Notes. Current profit shall first be distributed for the above profit distribution.

Chairman	Managerial Officer	Accounting Supervisor
Wen-Hsiang Chien	Chia-Pei Chou	Fang-Ying Chen