

Da-Cin Construction Co., Ltd.

**Financial Statements for the
Years Ended December 31, 2023 and 2022 and
Independent Auditors' Report**

INDEPENDENT AUDITORS' REPORT

The Board of Directors and Shareholders
Da-Cin Construction Co., Ltd.

Opinion

We have audited the accompanying financial statements of Da-Cin Construction Co., Ltd. (the “Company”), which comprise the balance sheets as of December 31, 2023 and 2022, and the statements of comprehensive income, changes in equity and cash flows for the years then ended, and the notes to the financial statements, including material accounting policy information (collectively referred to as the “financial statements”).

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

Basis for Opinion

We conducted our audits in accordance with the Regulations Governing Financial Statement Audit and Attestation Engagements of Certified Public Accountants and the Standards on Auditing of the Republic of China. Our responsibilities under those standards are further described in the Auditors’ Responsibilities for the Audit of the 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 financial statements for the year ended December 31, 2023. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

The key audit matter of the financial statements for the year ended December 31, 2023 is described as follows:

Long-term Construction Contracts

For the construction industry, the estimate of total costs for construction contracts is an important factor used in the calculation of the percentage of completion. It is management's responsibility to estimate the total costs and determine the content of construction contracts based on different types of projects, estimated contract amounts, periods, operations and construction measurements. Furthermore, long-term construction contracts are easily affected by the price fluctuations of raw materials and labor. In addition, estimation is subjective since there are possibilities of mistakes or misstatements of revenue recognition. Therefore, the estimate of the costs of long-term construction contracts is considered a key audit matter.

We obtained an understanding of the background of the construction by reviewing the long-term construction-in-progress in order to perform sampling and examination of the construction, which involved significant judgment. We also examined the processes to prepare and approve the adjustments to the testing of the internal controls pertaining to the estimation of total costs and performed the corresponding audit procedures as follows:

1. We performed control tests related to the Company's processes to prepare and approve adjustments to the estimated total costs.
2. We evaluated the completeness and accuracy of management's estimates of the total costs of long-term construction contracts.
3. We evaluated the reasonableness of the changes from the last period.
4. We compared the related documents on a sample basis to assess the completeness and accuracy of the change in the estimate of total costs.
5. We examined whether the cost of construction contracts was adjusted significantly in the subsequent period and analyzed changes in revenue, costs and gross profits for each project of construction.

For the estimates and judgments related to long-term construction contracts, refer to Note 5 to the accompanying financial statements. For other related disclosures, refer to Note 24.

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the 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 financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an 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 Standards on Auditing of the Republic of China will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

1. Identify and assess the risks of material misstatement of the 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 Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient and appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the financial statements. We are responsible for the direction, supervision, and performance of the audit. We remain solely responsible for our audit opinion.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the 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.

The engagement partners on the audits resulting in this independent auditors' report are Ming-Hsien Liu and Kuan-Hao Lee.

Ming-Hsien Liu Kuanhao Lee

Deloitte & Touche
Taipei, Taiwan
Republic of China

March 5, 2024

Notice to Readers

The accompanying financial statements are intended only to present the 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 financial statements are those generally applied in the Republic of China.

For the convenience of readers, the independent auditors' report and the accompanying 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 financial statements shall prevail.

DA-CIN CONSTRUCTION CO., LTD.

BALANCE SHEETS DECEMBER 31, 2023 AND 2022 (In Thousands of New Taiwan Dollars)

ASSETS	2023		2022	
	Amount	%	Amount	%
CURRENT ASSETS				
Cash and cash equivalents (Notes 4 and 6)	\$ 3,689,086	19	\$ 7,641,217	41
Financial assets at fair value through profit or loss - current (Notes 4 and 7)	892,021	5	1,015,884	5
Financial assets at amortized cost - current (Notes 4 and 9)	248,110	1	248,110	1
Contract assets - current (Notes 4, 24 and 31)	4,397,777	23	2,557,780	14
Notes receivable (Notes 4, 10 and 24)	440,820	2	496,136	3
Accounts receivable (Notes 4, 10, 24 and 31)	1,194,541	6	1,127,006	6
Other receivables (Notes 4, 10 and 31)	16,077	-	27,496	-
Land and buildings held for sale (Notes 4, 5 and 11)	47,788	-	220,353	1
Construction in progress - land and buildings (Notes 4, 5 and 11)	3,390,347	18	689,559	4
Other financial assets - current (Notes 4 and 32)	803,257	4	533,980	3
Refundable deposits on construction contracts	376,576	2	537,260	3
Other current assets (Note 17)	197,119	1	203,305	1
Total current assets	15,693,519	81	15,298,086	82
NON-CURRENT ASSETS				
Financial assets at fair value through other comprehensive income - non-current (Notes 4 and 8)	409,511	2	306,326	2
Investments accounted for using the equity method (Notes 4 and 12)	1,925,647	10	2,047,357	11
Property, plant and equipment (Notes 4 and 14)	812,090	4	471,645	3
Right-of-use assets (Notes 4 and 15)	31,354	-	40,155	-
Investment properties (Notes 4, 16 and 32)	295,077	2	464,469	2
Deferred tax assets (Notes 4 and 26)	45,749	1	23,795	-
Other financial assets - non-current (Notes 4 and 32)	35,726	-	36,456	-
Other non-current assets (Note 17)	10,362	-	11,755	-
Total non-current assets	3,565,516	19	3,401,958	18
TOTAL	\$ 19,259,035	100	\$ 18,700,044	100
LIABILITIES AND EQUITY				
CURRENT LIABILITIES				
Short-term borrowings (Notes 4 and 18)	\$ 800,000	4	\$ 100,000	1
Contract liabilities - current (Notes 4 and 24)	1,830,595	10	1,429,354	8
Notes payable	7,888	-	36,720	-
Accounts payable	4,061,862	21	4,327,501	23
Other payables (Notes 20 and 31)	390,643	2	385,966	2
Current tax liabilities (Notes 4 and 26)	121,232	1	206,229	1
Provisions - current (Notes 4 and 21)	80,939	-	87,881	-
Lease liabilities - current (Notes 4 and 15)	16,393	-	24,730	-
Current portion of long-term borrowings (Notes 4 and 18)	200,000	1	-	-
Other current liabilities	148,711	1	119,890	1
Total current liabilities	7,658,263	40	6,718,271	36
NON-CURRENT LIABILITIES				
Bonds payable (Notes 4, 19 and 32)	1,998,220	10	1,997,542	11
Long-term borrowings (Notes 4 and 18)	500,000	3	700,000	4
Deferred tax liabilities (Notes 4 and 26)	24,893	-	22,397	-
Lease liabilities - non-current (Notes 4 and 15)	10,727	-	10,019	-
Net defined benefit liabilities - non-current (Notes 4 and 22)	32,852	-	18,930	-
Deposits received	4,507	-	4,859	-
Other non-current liabilities (Note 4)	14,164	-	-	-
Total non-current liabilities	2,585,363	13	2,753,747	15
Total liabilities	10,243,626	53	9,472,018	51
EQUITY (Note 23)				
Share capital				
Ordinary shares	2,707,940	14	3,384,925	18
Capital surplus	2,341,698	12	2,307,629	12
Retained earnings				
Legal reserve	1,057,851	6	923,639	5
Special reserve	16,933	-	103,854	1
Unappropriated earnings	2,957,272	15	2,676,244	14
Total retained earnings	4,032,056	21	3,703,737	20
Other equity	57,791	-	(16,934)	-
Treasury shares	(124,076)	-	(151,331)	(1)
Total equity	9,015,409	47	9,228,026	49
TOTAL	\$ 19,259,035	100	\$ 18,700,044	100

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

DA-CIN CONSTRUCTION CO., LTD.

STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022 (In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2023		2022	
	Amount	%	Amount	%
OPERATING REVENUE (Notes 4, 5, 13, 24 and 31)	\$ 15,012,124	100	\$ 17,335,252	100
OPERATING COSTS (Notes 4, 5, 13, 25 and 31)	<u>13,262,991</u>	<u>88</u>	<u>15,023,993</u>	<u>87</u>
GROSS PROFIT	1,749,133	12	2,311,259	13
UNREALIZED GAIN ON TRANSACTIONS WITH ASSOCIATES	<u>37,505</u>	<u>-</u>	<u>12,318</u>	<u>-</u>
REALIZED GAIN ON TRANSACTIONS WITH ASSOCIATES	1,711,628	12	2,298,941	13
OPERATING EXPENSES (Notes 25 and 31)	<u>421,159</u>	<u>3</u>	<u>436,914</u>	<u>2</u>
PROFIT FROM OPERATIONS	<u>1,290,469</u>	<u>9</u>	<u>1,862,027</u>	<u>11</u>
NON-OPERATING INCOME AND EXPENSES				
Interest income (Note 25)	40,440	-	23,390	-
Other income (Notes 25 and 31)	43,621	-	43,416	-
Other gains and losses (Note 25)	217,174	2	(258,792)	(1)
Finance costs (Notes 4 and 25)	(15,977)	-	(17,837)	-
Share of loss of subsidiaries and associates (Notes 4 and 12)	<u>(103,193)</u>	<u>(1)</u>	<u>(100,280)</u>	<u>(1)</u>
Total non-operating income and expenses	<u>182,065</u>	<u>1</u>	<u>(310,103)</u>	<u>(2)</u>
INCOME BEFORE INCOME TAX	1,472,534	10	1,551,924	9
INCOME TAX EXPENSE (Notes 4 and 26)	<u>284,003</u>	<u>2</u>	<u>363,578</u>	<u>2</u>
NET INCOME FOR THE YEAR	<u>1,188,531</u>	<u>8</u>	<u>1,188,346</u>	<u>7</u>

(Continued)

DA-CIN CONSTRUCTION CO., LTD.

STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022 (In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2023		2022	
	Amount	%	Amount	%
OTHER COMPREHENSIVE INCOME (LOSS)				
Items that will not be reclassified subsequently to profit or loss:				
Remeasurement of defined benefit plans (Notes 4 and 22)	\$ (13,546)	-	\$ 18,523	-
Unrealized gain on investments in equity instruments at fair value through other comprehensive income (Notes 4 and 23)	90,452	-	146,357	1
Income tax relating to items that will not be reclassified subsequently to profit or loss (Notes 4 and 26)	<u>2,708</u>	<u>-</u>	<u>(3,704)</u>	<u>-</u>
	<u>79,614</u>	<u>-</u>	<u>161,176</u>	<u>1</u>
Items that may be reclassified subsequently to profit or loss:				
Exchange differences on translation of the financial statements of foreign operations (Notes 4 and 23)	(23,003)	-	112,427	-
Unrealized gain on investments in debt instruments at fair value through other comprehensive income (Notes 4 and 23)	2,885	-	(14,249)	-
Income tax relating to items that may be reclassified subsequently to profit or loss (Notes 4, 23 and 26)	<u>5,671</u>	<u>-</u>	<u>(18,655)</u>	<u>-</u>
	<u>(14,447)</u>	<u>-</u>	<u>79,523</u>	<u>-</u>
Other comprehensive income for the year, net of income tax	<u>65,167</u>	<u>-</u>	<u>240,699</u>	<u>1</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	<u>\$ 1,253,698</u>	<u>8</u>	<u>\$ 1,429,045</u>	<u>8</u>
EARNINGS PER SHARE (Note 27)				
Basic	<u>\$3.77</u>		<u>\$3.66</u>	
Diluted	<u>\$3.75</u>		<u>\$3.64</u>	

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

(Concluded)

DA-CIN CONSTRUCTION CO., LTD.

STATEMENTS OF CHANGES IN EQUITY FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022 (In Thousands of New Taiwan Dollars)

	Share Capital (Note 23)	Capital Surplus (Note 23)	Legal Reserve
BALANCE AT JANUARY 1, 2022	\$ 3,384,925	\$ 2,273,560	\$ 8,000,000
Appropriation of 2021 earnings			
Legal reserve	-	-	1,000,000
Special reserve	-	-	-
Cash dividends distributed by the Company	-	-	-
Cash dividends paid to subsidiaries - deemed as treasury share transactions	-	34,069	-
Disposal of investments in equity instruments designated as at fair value through other comprehensive income	-	-	-
Net income for the year ended December 31, 2022	-	-	-
Other comprehensive (loss) income for the year ended December 31, 2022	-	-	-
BALANCE AT DECEMBER 31, 2022	3,384,925	2,307,629	9,000,000
Appropriation of 2022 earnings			
Legal reserve	-	-	1,000,000
Special reserve	-	-	-
Cash dividends distributed by the Company	-	-	-
Cash dividends paid to subsidiaries - deemed as treasury share transactions	-	34,069	-
Changes in ownership interests in subsidiaries	-	-	-
Cash capital reduction	(676,985)	-	-
Net income for the year ended December 31, 2023	-	-	-
Other comprehensive (loss) income for the year ended December 31, 2023	-	-	-
BALANCE AT DECEMBER 31, 2023	<u>\$ 2,707,940</u>	<u>\$ 2,341,698</u>	<u>\$ 1,000,000</u>

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

DA-CIN CONSTRUCTION CO., LTD.

STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022 (In Thousands of New Taiwan Dollars)

	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	\$ 1,472,534	\$ 1,551,924
Adjustments for:		
Depreciation expenses	48,427	56,761
Amortization expenses	3,580	3,327
Net (gain) loss on fair value change of financial assets and liabilities designated as at fair value through profit or loss	(220,853)	280,951
Finance costs	15,977	17,837
Interest income	(40,440)	(23,390)
Dividend income	(26,924)	(26,916)
Share of loss of subsidiaries and associates	103,193	100,280
Loss on disposal of property, plant and equipment	48	30
(Gain) loss on lease modification	(20)	21
Unrealized gain on transactions with subsidiary	37,505	12,318
Changes in operating assets and liabilities		
Contract assets	(1,839,997)	(515,749)
Notes receivable	55,316	(297,956)
Accounts receivable	(67,535)	(751,748)
Other receivables	11,419	28,222
Land and buildings held for sale and construction in progress - land and buildings	(2,708,438)	216,538
Other current assets	6,186	19,865
Incremental costs of obtaining a contract	-	627
Other financial assets	(268,547)	88,731
Contract liabilities	401,241	(1,143,953)
Notes payable	(28,832)	20,919
Accounts payable	(265,639)	284,179
Other payables	5,355	42,093
Provisions	(6,942)	(9,651)
Other current liabilities	28,821	(6,083)
Net defined benefit liabilities	376	(3,199)
Other items of operating activities	160,684	91,480
Cash generated from operations	(3,123,505)	37,458
Interest received	40,440	22,641
Interest paid	(15,977)	(18,023)
Income tax paid	(380,077)	(382,848)
Net cash used in operating activities	(3,479,119)	(340,772)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of financial assets at fair value through other comprehensive income	(10,447)	-
Purchase of financial assets at fair value through profit or loss	(6,458)	(33,093)
Proceeds of financial assets at fair value through other comprehensive income	-	194,094

(Continued)

DA-CIN CONSTRUCTION CO., LTD.

STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022 (In Thousands of New Taiwan Dollars)

	2023	2022
Proceeds from sale of financial assets at fair value through profit or loss	\$ 350,857	\$ 10,456
Payments for property, plant and equipment	(5,324)	(111,933)
Proceeds from disposal of property, plant and equipment	-	18
Increase in refundable deposits	(1,646)	(3,654)
Decrease in refundable deposits	2,850	2,340
Payments for computer software	(3,389)	(4,331)
Payments for investment properties	-	(186,785)
Subsidiary dividends received	25,000	-
Other dividends received	<u>26,924</u>	<u>26,916</u>
Net cash generated from (used in) investing activities	<u>378,367</u>	<u>(105,972)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from short-term borrowings	700,000	-
Repayments of short-term borrowings	-	(150,000)
Proceeds from long-term borrowings	-	500,000
Guarantee deposits received	-	764
Refund of guarantee deposits received	(352)	-
Repayment of the principal portion of lease liabilities	(32,797)	(45,541)
Cash capital reduction	(676,985)	-
Dividends paid	<u>(846,231)</u>	<u>(846,231)</u>
Net cash used in financing activities	<u>(856,365)</u>	<u>(541,008)</u>
EFFECTS OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH HELD IN FOREIGN CURRENCIES	<u>4,986</u>	<u>13,810</u>
NET DECREASE IN CASH AND CASH EQUIVALENTS	(3,952,131)	(973,942)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	<u>7,641,217</u>	<u>8,615,159</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	<u>\$ 3,689,086</u>	<u>\$ 7,641,217</u>

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

(Concluded)

DA-CIN CONSTRUCTION CO., LTD.

NOTES TO FINANCIAL STATEMENTS

FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022

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

1. GENERAL INFORMATION

Da-Cin Construction Co., Ltd. (the “Company”) was incorporated in the Republic of China (ROC) on February 13, 1967 and its shares have been trading on the Taiwan Stock Exchange since March 1996. The Company engages mainly in civil engineering, building construction, and the management of and investment in related businesses.

In consideration of the potential development of the overseas construction business, the Company’s board of directors resolved to set up the Singapore branch of Da-Cin Construction Co., Ltd. on June 24, 2010. The Singapore branch started its operations in May 2011.

The financial statements are presented in the Company’s functional currency, the New Taiwan dollar.

2. APPROVAL OF FINANCIAL STATEMENTS

The financial statements were approved by the Company’s board of directors on March 5, 2024.

3. APPLICATION OF NEW, AMENDED AND REVISED STANDARDS AND INTERPRETATIONS

- a. Initial application of the amendments to the International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) (collectively, the “IFRS Accounting Standards”) endorsed and issued into effect by the Financial Supervisory Commission (FSC)

The initial application of the IFRS Accounting Standards endorsed and issued into effect by the FSC did not have a material impact on the Company’s accounting policies.

- b. The IFRS Accounting Standards endorsed by the FSC for application starting from 2024

New, Amended and Revised Standards and Interpretations	Effective Date Announced by IASB (Note 1)
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 above IFRS Accounting Standards will be effective for annual reporting periods beginning on or after their respective effective dates.

Note 2: A seller-lessee shall 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: The amendments provide some transition relief regarding disclosure requirements.

As of the date the financial statements were authorized for issuance, the Company has assessed that the application of other standards and interpretations will not have a material impact on the Company's financial position and financial performance.

- c. The IFRS Accounting Standards in issue but not yet endorsed and issued into effect by the FSC

<u>New, Amended and Revised Standards and Interpretations</u>	<u>Effective Date Announced by IASB (Note 1)</u>
Amendments to IFRS 10 and IAS 28 "Sale or Contribution of Assets between an Investor and its Associate or Joint Venture"	To be determined by IASB
IFRS 17 "Insurance Contracts"	January 1, 2023
Amendments to IFRS 17	January 1, 2023
Amendments to IFRS 17 "Initial Application of IFRS 9 and IFRS 17 - Comparative Information"	January 1, 2023
Amendments to IAS 21 "Lack of Exchangeability"	January 1, 2025 (Note 2)

Note 1: Unless stated otherwise, the above IFRS Accounting Standards are effective for annual reporting periods beginning on or after their respective effective dates.

Note 2: An entity shall apply those amendments for annual reporting periods beginning on or after January 1, 2025. Upon initial application of the amendments, the entity recognizes any effect as an adjustment to the opening balance of retained earnings. When the entity uses a presentation currency other than its functional currency, it shall, at the date of initial application, recognize any effect as an adjustment to the cumulative amount of translation differences in equity.

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

4. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION

Statement of Compliance

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

Basis of Preparation

The financial statements have been prepared on the historical cost basis except for financial instruments which are measured at fair value, and net defined benefit liabilities which are measured at the present value of the defined benefit obligation less the fair value of plan assets.

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:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities;
- 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
- Level 3 inputs are unobservable inputs for an asset or liability.

When preparing these parent company only financial statements, the Company used the equity method to account for its investment in subsidiaries and associates. In order for the amounts of the net profit for the year, other comprehensive income for the year and total equity in the parent company only financial statements to be the same as the amounts attributable to the owners of the Company in its consolidated financial statements, adjustments arising from the differences in accounting treatments between the parent company only basis and the consolidated basis were made to investments accounted for using the equity method, the share of profit or loss of subsidiaries and associates, the share of other comprehensive income of subsidiaries and associates and the related equity items, as appropriate, in these parent company only financial statements.

Classification of Current and Non-current Assets and Liabilities

Current assets include:

- a. Assets held primarily for the purpose of trading;
- b. Assets expected to be realized within 12 months after the reporting period; and
- c. Cash and cash equivalents unless the asset is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period.

Current liabilities include:

- a. Liabilities held primarily for the purpose of trading;
- b. Liabilities due to be settled within 12 months after the reporting period; and
- c. Liabilities for which the Company 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 the construction business, which has an operating cycle of over 1 year. The normal operating cycle applies when considering the classification of the Company's construction-related assets and liabilities.

Foreign Currencies

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

At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at 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 except for exchange difference on foreign currency borrowings relating to assets under construction for future productive use, which are included in the cost of those assets when they are regarded as an adjustment to interest costs on those foreign currency borrowings.

Non-monetary items measured at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Exchange differences arising from the retranslation of non-monetary items are included in profit or loss for the period except for exchange differences arising from the retranslation of non-monetary items in respect of which gains and losses are recognized directly in other comprehensive income, in which cases, the exchange differences are also recognized directly in other comprehensive income.

Non-monetary items that are measured at historical cost in a foreign currency are translated using the exchange rate at the date of the transaction.

For the purpose of presenting the parent company only financial statements, the functional currencies of the Company and its foreign operations (including subsidiaries, associates and branches in other countries or those that use currencies which are different from the currency of the Company) are translated into the presentation currency, the New Taiwan dollar, as follows: Assets and liabilities are translated at the exchange rates prevailing at the end of the reporting period; and income and expense items are translated at the average exchange rates for the period. The resulting currency translation differences are recognized in other comprehensive income.

Investments in Subsidiaries

The Company uses the equity method to account for its investments in subsidiaries.

A subsidiary is an entity that is controlled by the Company.

Under the equity method, an investment in a subsidiary is initially recognized at cost and is adjusted thereafter to recognize the Company's share of the profit or loss and other comprehensive income of the subsidiary. The Company also recognizes the changes in the Company's share of equity of subsidiaries attributable to the Company.

Changes in the Company's ownership interest in a subsidiary that do not result in the Company losing control of the subsidiary are accounted for as equity transactions. The Company recognizes directly in equity any difference between the carrying amount of the investment and the fair value of the consideration paid or received.

When the Company's share of loss of a subsidiary exceeds its interest in that subsidiary (which includes any carrying amount of the investment accounted for using the equity method and long-term interests that, in substance, form part of the Company's net investment in the subsidiary), the Company continues recognizing its share of further losses.

Any excess of the cost of acquisition over the Company's share of the net fair value of the identifiable assets and liabilities of a subsidiary that constitutes a business at the date of acquisition is recognized as goodwill, which is included within the carrying amount of the investment and is not amortized. Any excess of the Company's share of the net fair value of the identifiable assets and liabilities of a subsidiary that constitutes a business over the cost of acquisition is recognized immediately in profit or loss.

The Company assesses its investment for any impairment by comparing the carrying amount with the estimated recoverable amount as assessed based on the investee's financial statements as a whole. Impairment loss is recognized when the carrying amount exceeds the recoverable amount. If the recoverable amount of the investment subsequently increases, the Company recognizes a reversal of the impairment loss; the adjusted post-reversal carrying amount should not exceed the carrying amount that would have been recognized (net of amortization or depreciation) had no impairment loss been recognized in prior years. An impairment loss recognized on goodwill cannot be reversed in a subsequent period.

When the Company loses control of a subsidiary, it recognizes the investment retained in the former subsidiary at its fair value at the date when control is lost. The difference between the fair value of the retained investment plus any consideration received and the carrying amount of the previous investment at the date when control is lost is recognized as a gain or loss in profit or loss. Besides this, the Company accounts for all amounts previously recognized in other comprehensive income in relation to that subsidiary on the same basis as would be required if the Company had directly disposed of the related assets or liabilities.

Profit or loss resulting from downstream transactions is eliminated in full only in the parent company only financial statements. Profit and loss resulting from upstream transactions and transactions between subsidiaries is recognized only in the parent company only financial statements and only to the extent of interests in the subsidiaries that are not related to the Company.

Joint Operations

A joint operation is a joint arrangement whereby the Company and other parties that have joint control of the arrangement have rights to the assets and obligations for the liabilities relating to the arrangement.

Any acquisition of an interest in a joint operation in which the activity of the joint operation constitutes a business should be treated as a business combination, except when the parties sharing joint control are under the common control of the same ultimate controlling party or parties both before and after the acquisition and that control is not transitory.

The Company recognizes the following items in relation to its interest in a joint operation:

- a. Its assets, including its share of any assets held jointly.
- b. Its liabilities, including its share of any liabilities incurred jointly.
- c. Its revenue from the sale of its share of the output arising from the joint operation.
- d. Its share of the revenue from the sale of the output of the joint operation.
- e. Its expenses, including its share of any expenses incurred jointly.

The Company accounts for the assets, liabilities, revenue and expenses relating to its interest in a joint operation in accordance with the IFRSs applicable to the particular assets, liabilities, revenue and expenses.

When the Company sells or contributes assets to its joint operation, it recognizes gains and losses resulting from such a transaction only to the extent of the other parties' interests in the joint operation. When the Company purchases assets from its joint operation, it does not recognize its share of the gain or loss until it resells those assets to a third party.

Property, Plant and Equipment

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

Property, plant and equipment in the course of construction are measured at cost less any recognized impairment loss. Cost includes professional fees and borrowing costs eligible for capitalization. Samples produced when testing whether an item of property, plant and equipment is functioning properly before that asset reaches its intended use are measured at the lower of cost or net realizable value, and any proceeds from selling those samples and the cost of those samples are recognized in profit or loss. Such assets are depreciated and classified to the appropriate categories of property, plant and equipment when completed and ready for their intended use.

Except for freehold land which is not depreciated, the depreciation of property, plant and equipment is recognized using the straight-line method. Each significant part is depreciated separately. The estimated useful lives, residual values and depreciation methods are reviewed at the end of each reporting period, with the effects of any changes in the estimates accounted for on a prospective basis.

On derecognition of an item of property, plant and equipment, the difference between the sales proceeds and the carrying amount of the asset is recognized in profit or loss.

Investment Properties

Investment properties are properties held to earn rentals and/or for capital appreciation. Investment properties also include land held for a currently undetermined future use.

Investment properties are initially measured at cost, including transaction costs. Subsequent to initial recognition, investment properties are measured at cost less accumulated depreciation and accumulated impairment loss. Depreciation is recognized using the straight-line method.

On derecognition of an investment property, the difference between the net disposal proceeds and the carrying amount of the asset is included in profit or loss.

Intangible Assets

a. Intangible assets acquired separately

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 loss. Amortization is recognized on a straight-line basis. The estimated useful lives, residual values, and amortization methods are reviewed at the end of each reporting period, with the effect of any changes in the estimates accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are measured at cost less accumulated impairment loss.

b. Derecognition of intangible assets

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.

Assets Related to Contract Costs

When a sales contract is obtained, commission paid to employees who sold the property and selling service fees paid to agents under exclusive sale agreements are recognized as assets (incremental costs of obtaining a contract) to the extent of are expected recoverable costs and are recognized in profit or loss when the property is transferred to the customers. However, the Company elects not to capitalize the incremental costs of obtaining a contract if the amortization period of the related asset, which the Company otherwise would have recognized, is expected to be one year or less.

Impairment of Property, Plant and Equipment, Right-of-use Assets, Investment Properties, Intangible Assets and Assets Related to Contract Costs

At the end of each reporting period, the Company reviews the carrying amounts of its property, plant and equipment, right-of-use assets, investment properties and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss. When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. Corporate assets are allocated to the individual cash-generating units on a reasonable and consistent basis of allocation.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually and whenever there is an indication that the assets may be impaired.

The recoverable amount is the higher of fair value less costs to sell and value in use. If the recoverable amount of an asset or cash-generating unit is estimated to be less than its carrying amount, the carrying amount of the asset or cash-generating unit is reduced to its recoverable amount, with the resulting impairment loss recognized in profit or loss.

Before the Company recognizes an impairment loss from assets related to contract costs, any impairment loss on inventories, property, plant and equipment and intangible assets shall be recognized in accordance with applicable standards. Then, impairment loss from the assets related to the contract costs is recognized to the extent that the carrying amount of the assets exceeds the remaining amount of consideration that the Group expects to receive in exchange for related goods or services less the costs which relate directly to providing those goods or services and which have not been recognized as expenses. The assets related to the contract costs are then included in the carrying amount of the cash-generating unit to which they belong for the purpose of evaluating impairment of that cash-generating unit.

When an impairment loss is subsequently reversed, the carrying amount of the corresponding asset, cash-generating unit or assets related to contract costs is increased to the revised estimate of its recoverable amount, but only to the extent of the carrying amount that would have been determined had no impairment loss been recognized for the asset, cash-generating unit or assets related to contract costs in prior years. A reversal of an impairment loss is recognized in profit or loss.

Financial Instruments

Financial assets and financial liabilities are recognized when the Company becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issuance of financial assets and financial liabilities (other than financial assets and financial liabilities at FVTPL) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at FVTPL are recognized immediately in profit or loss.

a. Financial assets

All regular way purchases or sales of financial assets are recognized and derecognized on a trade date basis.

1) Measurement categories

Financial assets are classified into the following categories: Financial assets at FVTPL, financial assets at amortized cost, investments in debt instruments and investments in equity instruments at FVTOCI.

a) Financial assets at FVTPL

Financial assets are classified as at FVTPL when such financial assets are mandatorily classified or designated as at FVTPL. Financial assets mandatorily classified as at FVTPL include investments in equity instruments which are not designated as at FVTOCI and debt instruments that do not meet the amortized cost criteria or the FVTOCI criteria.

Financial assets at FVTPL are subsequently measured at fair value, and any dividends or interest earned on such financial assets are recognized in other income and interest income, respectively; any remeasurement gains or losses on such financial assets are recognized in profit or loss. Fair value is determined in the manner described in Note 30.

b) Financial assets at amortized cost

Financial assets that meet the following conditions are subsequently measured at amortized cost:

- i. The financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- ii. The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Subsequent to initial recognition, financial assets at amortized cost, including cash and cash equivalents and accounts receivable at amortized cost, are measured at amortized cost, which equals the gross carrying amount determined using the effective interest method less any impairment loss. Exchange differences are recognized in profit or loss.

Interest income is calculated by applying the effective interest rate to the gross carrying amount of such a financial asset, except for:

- i. Purchased or originated credit-impaired financial assets, for which interest income is calculated by applying the credit-adjusted effective interest rate to the amortized cost of such financial assets; and
- ii. Financial assets that are not credit-impaired on purchase or origination but have subsequently become credit-impaired, for which interest income is calculated by applying the effective interest rate to the amortized cost of such financial assets in subsequent reporting periods.

A financial asset is credit impaired when one or more of the following events have occurred:

- i. Significant financial difficulty of the issuer or the borrower;
- ii. Breach of contract, such as a default;
- iii. It is becoming probable that the borrower will enter bankruptcy or undergo a financial reorganization; or
- iv. The disappearance of an active market for that financial asset because of financial difficulties.

Cash equivalents include time deposits with original maturities within 3 months from the date of acquisition, which are highly liquid, readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value. These cash equivalents are held for the purpose of meeting short-term cash commitments.

c) Investments in debt instruments at FVTOCI

Debt instruments that meet the following conditions are subsequently measured at FVTOCI:

- i. The debt instrument is held within a business model whose objective is achieved by both the collecting of contractual cash flows and the selling of such financial assets; and
- ii. The contractual terms of the debt instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Investments in debt instruments at FVTOCI are subsequently measured at fair value. Changes in the carrying amounts of these debt instruments relating to changes in foreign currency exchange rates, interest income calculated using the effective interest method and impairment losses or reversals are recognized in profit or loss. Other changes in the carrying amount of these debt instruments are recognized in other comprehensive income and will be reclassified to profit or loss when the investment is disposed of.

d) Investments in equity instruments at FVTOCI

On initial recognition, the Company may make an irrevocable election to designate investments in equity instruments as at FVTOCI. Designation as at FVTOCI is not permitted if the equity investment is held for trading or if it is contingent consideration recognized by an acquirer in a business combination.

Investments in equity instruments at FVTOCI are subsequently measured at fair value with gains and losses arising from changes in fair value recognized in other comprehensive income and accumulated in other equity. The cumulative gain or loss will not be reclassified to profit or loss on disposal of the equity investments; instead, it will be transferred to retained earnings.

Dividends on these investments in equity instruments are recognized in profit or loss when the Company's right to receive the dividends is established, unless the dividends clearly represent a recovery of part of the cost of the investment.

2) Impairment of financial assets and contract assets

The Company recognizes a loss allowance for expected credit losses on financial assets at amortized cost (including accounts receivable), investment in debt instruments that are measured at FVTOCI and contract assets.

The Company always recognizes lifetime expected credit losses (ECLs) for accounts receivable and contract assets. For all other financial instruments, the Company recognizes lifetime ECLs when there has been a significant increase in credit risk since initial recognition. If, on the other hand, the credit risk on a financial instrument has not increased significantly since initial recognition, the Company measures the loss allowance for that financial instrument at an amount equal to 12-month ECLs.

Expected credit losses reflect the weighted average of credit losses with the respective risks of default occurring as the weights. Lifetime ECLs represent the expected credit losses that will result from all possible default events over the expected life of a financial instrument. In contrast, 12-month ECLs represent the portion of lifetime ECLs that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

The impairment loss of all financial assets is recognized in profit or loss by a reduction in their carrying amount through a loss allowance account, except for investment in debt instruments that are measured at FVTOCI, for which the loss allowance is recognized in other comprehensive income and the carrying amounts of such financial assets are not reduced.

3) Derecognition of financial assets

The Company derecognizes a financial asset only when the contractual rights to the cash flows from the asset expire or when it transfers the financial asset 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 sum of the consideration received and receivable is recognized in profit or loss. On derecognition of an investment in a debt instrument at FVTOCI, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss which had been recognized in other comprehensive income is recognized in profit or loss. However, on derecognition of an investment in an equity instrument at FVTOCI, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognized in profit or loss, and the cumulative gain or loss which had been recognized in other comprehensive income is transferred directly to retained earnings, without recycling through profit or loss.

b. Equity instruments

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

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

The repurchase of the Company's own equity instruments is recognized in and deducted directly from equity, and its carrying amounts are calculated based on weighted average by share types. No gain or loss is recognized in profit or loss on the purchase, sale, issuance or cancellation of the Company's own equity instruments.

c. Financial liabilities

1) Subsequent measurement

All financial liabilities are measured at amortized cost using the effective interest method.

2) Derecognition of financial liabilities

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

Provisions

Provisions are measured at the best estimate of the discounted cash flows of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation.

Warranties

Provisions for the expected cost of warranty obligations are recognized at the date of the construction contract, at the Company's best estimate of the expenditure required to settle the Company's obligation.

Revenue Recognition

The Company identifies contracts with customers, allocates the transaction price to the performance obligations and recognizes revenue when performance obligations are satisfied.

For contracts entered into with the same customer (or related parties of the customer) at or near the same time, those contracts are accounted for as a single contract if the contracts are negotiated as a package with a single commercial objective, or the goods or services promised in the contracts are a single performance obligation.

a. Revenue from the sale of land and buildings

For contracts to sell properties in the ordinary course of business, the fixed transaction price is received in instalments and recognized as a contract liability. The transaction price, after adjusting for the effect of the significant financing component, is recognized as revenue when the construction is completed and the property is transferred to the buyer.

b. Revenue from the rendering of services

Revenue from the rendering of services comes from the management of construction services.

As the Company provides construction services, customers simultaneously receive and consume the benefits provided by the Company's performance. Consequently, the related revenue is recognized when services are rendered.

c. Construction contract revenue

Customers control properties while they are construction in progress, and thus, the Company recognizes revenue over time. The Company measures the progress on the basis of costs incurred relative to the total expected costs as there is a direct relationship between the costs incurred and the progress of satisfying the performance obligations. Contract assets are recognized during the construction and are reclassified to trade receivables at the point at which the customer is invoiced. If the milestone payments exceed the revenue recognized to date, then the Company recognizes contract liabilities for the difference. Certain payments, which are retained by the customer as specified in the contract, are intended to ensure that the Company adequately completes all of its contractual obligations.

Such retention receivables are recognized as contract assets until the Company satisfies its performance obligations.

Land and Buildings for Sale, Land Held for Construction, and Land and Buildings in Construction

When entrusting contractors to construct the buildings, construction cost is distributed to each construction project. Once the title and ownership has been transferred, land acquired or swapped is recorded as land in construction. Before transferring, any proceeds paid is recorded as prepayments for land. All the expenditures put into the construction are recorded as land and buildings in construction - construction cost, which will be reclassified as land and buildings for sales with land in construction while construction completes. The proceeds received from customers before construction completion are recorded as advance receipts.

Land and buildings for sale, and land and buildings in construction are stated at the lower of cost or net realizable value by comparing the lower of cost or net realizable value by item. Net realizable value is the estimated selling price of inventories less all estimated costs of completion and costs necessary to make the sale. When net realizable value is lower than cost, the cost is reduced to net realizable value, and recorded as current construction cost. If net realizable value will increase in future, it could be reversed in the amount of the original write-down, and recognized as a reduction in the cost of construction.

Leases

At the inception of a contract, the Company assesses whether the contract is, or contains, a lease.

a. The Company as lessor

Leases are classified as finance leases whenever the terms of a lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Lease payments (less any lease incentives payable) from operating leases are recognized as income on a straight-line basis over the terms of the relevant leases.

When a lease includes both land and building elements, the Company assesses the classification of each element separately as a finance or an operating lease based on the assessment as to whether substantially all the risks and rewards incidental to ownership of each element have been transferred to the lessee. The lease payments are allocated between the land and the building elements in proportion to the relative fair values of the leasehold interests in the land element and building element of the lease at the inception of a contract. If the allocation of the lease payments can be made reliably, each element is accounted for separately in accordance with its lease classification. When the lease payments cannot be allocated reliably between the land and building elements, the entire lease is generally classified as a finance lease unless it is clear that both elements are operating leases; in which case, the entire lease is classified as an operating lease.

b. The Company as lessee

The Company recognizes right-of-use assets and lease liabilities for all leases at the commencement date of a lease, except for short-term leases and low-value asset leases accounted for applying a recognition exemption where lease payments are recognized as expenses on a straight-line basis over the lease terms.

Right-of-use assets are initially measured at cost, which comprises the initial measurement of lease liabilities adjusted for lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs needed to restore the underlying assets, and less any lease incentives received. Right-of-use assets are subsequently measured at cost less accumulated depreciation and impairment losses and adjusted for any remeasurement of the lease liabilities. Right-of-use assets are presented on a separate line in the balance sheets.

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

Lease liabilities are initially measured at the present value of the lease payments, which comprise fixed payments, in-substance fixed payments, variable lease payments which depend on an index or a rate, residual value guarantees, the exercise price of a purchase option if the Company is reasonably certain to exercise that option, and payments of penalties for terminating a lease if the lease term reflects such termination, less any lease incentives receivable. The lease payments are discounted using the interest rate implicit in a lease, if that rate can be readily determined. If that rate cannot be readily determined, the Company uses the lessee's incremental borrowing rate.

Subsequently, lease liabilities are measured at amortized cost using the effective interest method, with interest expense recognized over the lease terms. When there is a change in a lease term, a change in the amounts expected to be payable under a residual value guarantee, a change in the assessment of an option to purchase an underlying asset, or a change in future lease payments resulting from a change in an index or a rate used to determine those payments, the Company remeasures the lease liabilities with a corresponding adjustment to the right-of-use assets. However, if the carrying amount of the right-of-use assets is reduced to zero, any remaining amount of the remeasurement is recognized in profit or loss. For a lease modification that is not accounted for as a separate lease, the Company accounts for the remeasurement of the lease liability by (a) decreasing the carrying amount of the right-of-use asset of lease modifications that decreased the scope of the lease, and recognizing in profit or loss any gain or loss on the partial or full termination of the lease; (b) making a corresponding adjustment to the right-of-use asset of all other lease modifications. Lease liabilities are presented on a separate line in the balance sheets.

Borrowing Costs

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

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization.

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.

Employee Benefits

a. Short-term employee benefits

Liabilities recognized in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related services.

b. Retirement benefits

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

Defined benefit costs (including service costs, net interest and remeasurement) under defined benefit retirement benefit plans are determined using the projected unit credit method. Service cost (including current service costs and past service cost) and net interest on the net defined benefit liabilities (assets) are recognized as employee benefits expense in the period in which they occur. Remeasurement, comprising actuarial gains and losses and the return on plan assets (excluding interest), is recognized in other comprehensive income in the period in which it occurs. Remeasurement recognized in other comprehensive income is reflected immediately in retained earnings and will not be reclassified to profit or loss.

Net defined benefit liabilities (assets) represent the actual deficit (surplus) in the Company's defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any refunds from the plans or reductions in future contributions to the plans.

Taxation

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

a. Current tax

Income tax payable (recoverable) is based on taxable profit (loss) for the year determined according to the applicable tax laws of each tax jurisdiction.

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.

b. Deferred tax

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities and the corresponding tax bases used in the computation of taxable profit.

Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are generally recognized for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized.

Deferred tax liabilities are recognized for taxable temporary differences associated with investments in subsidiaries and associates, except where the Company is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognized to the extent that it is probable that there will be sufficient taxable profits against which to utilize the benefits of the temporary differences and they are expected to reverse 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 profits will be available to allow all or part of the assets to be recovered. A previously unrecognized deferred tax asset is also reviewed at the end of each reporting period and recognized to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

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

c. Current and deferred taxes

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

5. MATERIAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

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

When developing material accounting estimates, revisions to accounting estimates are recognized in the period in which the estimates are revised if the revisions affect only that period or in the period of the revisions and future periods if the revisions affect both current and future periods. The estimates and underlying assumptions are reviewed on an ongoing basis.

Key Sources of Estimation Uncertainty

Construction contracts

Contract revenue and costs are recognized by reference to the stage of completion of each contract. The stage of completion of a contract is measured based on the proportion of contract costs incurred for work performed to date to the estimated total contract costs. Incentives and penalties are considered as variable consideration and should be included in the contract revenue only when it is highly probable that a significant reversal in the amount of cumulative revenue recognized will not occur when the uncertainty associated with the variable consideration is subsequently resolved.

The estimated total contract costs and contractual items are assessed and determined by management, based on the nature of the work, expected sub-contracting charges, construction periods, processes, methods, etc., for each construction contract. Changes in these estimates might affect the calculation of the percentage of completion and related profit and loss from the construction contracts (refer to Note 24 for the details).

6. CASH AND CASH EQUIVALENTS

	December 31	
	2023	2022
Cash on hand	\$ 3,591	\$ 3,731
Checking accounts and demand deposits	3,524,573	6,535,963
Cash equivalents (investments with original maturities within 3 months)		
Time deposits	<u>160,922</u>	<u>1,101,523</u>
	<u>\$ 3,689,086</u>	<u>\$ 7,641,217</u>

7. FINANCIAL INSTRUMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS

	December 31	
	2023	2022
<u>Financial assets at FVTPL - current</u>		
Financial assets at FVTPL		
Non-derivative financial assets		
Domestic listed shares	\$ 658,643	\$ 792,254
Mutual funds	<u>233,378</u>	<u>223,630</u>
	<u>\$ 892,021</u>	<u>\$ 1,015,884</u>

8. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

a. Investments in equity instruments

	December 31	
	2023	2022
<u>Non-current</u>		
Domestic investments		
Listed shares	\$ 257,197	\$ 150,150
Unlisted shares	<u>106,716</u>	<u>112,863</u>
	<u>\$ 363,913</u>	<u>\$ 263,013</u>

These investments in equity instruments are held for medium- to long-term strategic purposes. Accordingly, the management elected to designate these investments in equity instruments as at FVTOCI as they believe that recognizing short-term fluctuations in these investments' fair value in profit or loss would not be consistent with the Company's strategy of holding these investments for long-term purposes.

b. Investments in debt instruments

	December 31	
	2023	2022
<u>Non-current</u>		
Foreign investments		
Bonds payable	<u>\$ 45,598</u>	<u>\$ 43,313</u>

Refer to Note 30 for information relating to the credit risk management of investments in debt instruments at FVTOCI.

9. FINANCIAL ASSETS AT AMORTIZED COST

	December 31	
	2023	2022
<u>Current</u>		
Domestic investments		
Time deposits with original maturities of more than 3 months	<u>\$ 248,110</u>	<u>\$ 248,110</u>

The interest rates for time deposits with original maturities of more than 3 months ranged from 0.48% to 0.55% and 0.10% to 0.27% as of December 31, 2023 and 2022, respectively.

10. NOTES RECEIVABLE, ACCOUNTS RECEIVABLE AND OTHER RECEIVABLES

	December 31	
	2023	2022
<u>Notes receivable</u>		
At amortized cost	\$ 440,820	\$ 496,136
<u>Accounts receivable</u>		
At amortized cost		
Gross carrying amount	\$ 1,203,170	\$ 1,135,635
Less: Allowance for impairment loss	(8,629)	(8,629)
	\$ 1,194,541	\$ 1,127,006
<u>Other receivables</u>		
Others	\$ 16,077	\$ 27,496

Notes receivable and accounts receivable

In order to minimize credit risk, the management of the Company has delegated a team responsible for determining credit limits, credit approvals and other monitoring procedures to ensure that follow-up action is taken to recover overdue debts. In addition, the Company reviews the recoverable amount of each individual trade debt at the end of the reporting period to ensure that adequate allowance is made for possible irrecoverable amounts. In this regard, the management believes the Company's credit risk was significantly reduced.

The Company estimates possible irrecoverable amounts and measures the loss allowance for accounts receivable in accordance with the individual assessment, aging of accounts receivable, past experience and the customer's current financial position. Overdue debts are placed under legal collection procedures in accordance with the contractual arrangements.

When determining the recoverability of accounts receivable, the Company considers the changes in the credit quality of accounts receivable during the period from the original credit date to the end of the year. For accounts receivable that were past the credit period, the Company measures possible irrecoverable amounts and loss allowance.

The Company writes off an account receivable when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery. For accounts receivable that have been written off, the Company continues to engage in enforcement activity to attempt to recover the receivables due. Where recoveries are made, these are recognized in profit or loss.

The aging analysis of notes receivable and accounts receivable was as follows:

	December 31	
	2023	2022
Not past due	\$ 1,425,670	\$ 1,619,241
Up to 30 days past due	218,320	10,507
Over 30 days past due	-	2,023
	\$ 1,643,990	\$ 1,631,771

The movements of the loss allowance of accounts receivable were as follows:

	December 31	
	2023	2022
Balance at January 1	\$ 8,629	\$ 8,629
Add: Net remeasurement of loss allowance	<u>-</u>	<u>-</u>
Balance at December 31	<u>\$ 8,629</u>	<u>\$ 8,629</u>

11. LAND AND BUILDINGS HELD FOR SALE, CONSTRUCTION IN PROGRESS - LAND AND BUILDINGS

	Land and Buildings Held for Sale	Construction in Progress - Land and Buildings		
		Land	Construction Cost	Prepayments for Land and Buildings
<u>December 31, 2023</u>				
Self-constructed on own land	\$ -	\$ 3,243,139	\$ 95,185	\$ 52,023
Joint venture construction	<u>47,788</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>\$ 47,788</u>	<u>\$ 3,243,139</u>	<u>\$ 95,185</u>	<u>\$ 52,023</u>
<u>December 31, 2022</u>				
Self-constructed on own land	\$ -	\$ 636,499	\$ 48,060	\$ 5,000
Joint venture construction	<u>220,353</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>\$ 220,353</u>	<u>\$ 636,499</u>	<u>\$ 48,060</u>	<u>\$ 5,000</u>

12. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

Investments in Subsidiaries

	December 31	
	2023	2022
Unlisted companies		
Da Cin Development Co., Ltd.	\$ 959,810	\$ 1,014,450
Dacin Asia Holdings Ltd.	965,837	1,016,082
Dacin Integration Technology Co., Ltd.	<u>-</u>	<u>16,825</u>
	<u>\$ 1,925,647</u>	<u>\$ 2,047,357</u>
	Proportion of Ownership and Voting Rights	
	December 31	
	2023	2022
Da Cin Development Co., Ltd.	100%	100%
Dacin Asia Holdings Ltd.	100%	100%
Dacin Integration Technology Co., Ltd.	100%	100%

For more information about the Company's indirectly owned entities, refer to Note 35.

13. JOINT OPERATIONS

The Company entered into a joint operation agreement in the form of jointly controlled operations to undertake the "Sinotech Engineering" of sewerage pipe systems project, the Taiwan Taoyuan International Airport Access MRT System project, and the Nangang Depot public housing project. The Company respectively held 50%, 50%, and 45% interest in those joint operations.

14. PROPERTY, PLANT AND EQUIPMENT

	Freehold Land	Buildings	Equipment	Transportation Equipment	Furniture and Fixtures	Miscellaneous Equipment	Total
<u>Cost</u>							
Balance at January 1, 2022	\$ 287,797	\$ 135,404	\$ 3,148	\$ 308	\$ 18,523	\$ 1,409	\$ 446,589
Additions	97,454	13,541	263	-	675	-	111,933
Disposals	-	-	(53)	(42)	(1,090)	(261)	(1,446)
Balance at December 31, 2022	<u>\$ 385,251</u>	<u>\$ 148,945</u>	<u>\$ 3,358</u>	<u>\$ 266</u>	<u>\$ 18,108</u>	<u>\$ 1,148</u>	<u>\$ 557,076</u>
<u>Accumulated depreciation</u>							
Balance at January 1, 2022	\$ -	\$ (65,969)	\$ (1,210)	\$ (208)	\$ (8,635)	\$ (786)	\$ (76,808)
Depreciation expense	-	(5,966)	(462)	(20)	(3,323)	(250)	(10,021)
Disposals	-	-	42	35	1,069	252	1,398
Balance at December 31, 2022	<u>\$ -</u>	<u>\$ (71,935)</u>	<u>\$ (1,630)</u>	<u>\$ (193)</u>	<u>\$ (10,889)</u>	<u>\$ (784)</u>	<u>\$ (85,431)</u>
Carrying amount at December 31, 2022	<u>\$ 385,251</u>	<u>\$ 77,010</u>	<u>\$ 1,728</u>	<u>\$ 73</u>	<u>\$ 7,219</u>	<u>\$ 364</u>	<u>\$ 471,645</u>
<u>Cost</u>							
Balance at January 1, 2023	\$ 385,251	\$ 148,945	\$ 3,358	\$ 266	\$ 18,108	\$ 1,148	\$ 557,076
Additions	-	620	421	-	4,283	-	5,324
Disposals	-	-	(307)	(165)	(2,947)	(267)	(3,686)
Reclassified	267,179	80,814	-	-	-	-	347,993
Balance at December 31, 2023	<u>\$ 652,430</u>	<u>\$ 230,379</u>	<u>\$ 3,472</u>	<u>\$ 101</u>	<u>\$ 19,444</u>	<u>\$ 881</u>	<u>\$ 906,707</u>
<u>Accumulated depreciation</u>							
Balance at January 1, 2023	\$ -	\$ (71,935)	\$ (1,630)	\$ (193)	\$ (10,889)	\$ (784)	\$ (85,431)
Depreciation expense	-	(8,409)	(451)	(20)	(3,306)	(170)	(12,356)
Disposals	-	-	305	137	2,930	266	3,638
Reclassified	-	(468)	-	-	-	-	(468)
Balance at December 31, 2023	<u>\$ -</u>	<u>\$ (80,812)</u>	<u>\$ (1,776)</u>	<u>\$ (76)</u>	<u>\$ (11,265)</u>	<u>\$ (688)</u>	<u>\$ (94,617)</u>
Carrying amount at December 31, 2023	<u>\$ 652,430</u>	<u>\$ 149,567</u>	<u>\$ 1,696</u>	<u>\$ 25</u>	<u>\$ 8,179</u>	<u>\$ 193</u>	<u>\$ 812,090</u>

The above items of property, plant and equipment are depreciated on a straight-line basis over their estimated useful lives as follows:

Buildings	
Main buildings	27-60 years
Improvements	10 years
Equipment	3-8 years
Transportation equipment	5 years
Furniture and fixtures	3-8 years
Miscellaneous equipment	3-5 years

15. LEASE ARRANGEMENTS

a. Right-of-use assets

	Land	Buildings	Machinery Equipment	Transportation Equipment	Furniture and Fixtures	Total
<u>Cost</u>						
Balance at January 1, 2022	\$ 8,807	\$ 34,866	\$ 1,740	\$ 17,711	\$ 3,450	\$ 66,574
Additions	7,412	31,283	5,600	8,352	914	53,561
Disposals	<u>(303)</u>	<u>(29,624)</u>	<u>(4,072)</u>	<u>(4,834)</u>	<u>(994)</u>	<u>(39,827)</u>
Balance at December 31, 2022	<u>\$ 15,916</u>	<u>\$ 36,525</u>	<u>\$ 3,268</u>	<u>\$ 21,229</u>	<u>\$ 3,370</u>	<u>\$ 80,308</u>
<u>Accumulated depreciation</u>						
Balance at January 1, 2022	\$ (1,517)	\$ (15,456)	\$ (1,003)	\$ (8,114)	\$ (1,364)	\$ (27,454)
Depreciation expense	(7,339)	(24,768)	(4,834)	(6,631)	(1,066)	(44,638)
Disposals	<u>303</u>	<u>23,429</u>	<u>4,072</u>	<u>3,532</u>	<u>603</u>	<u>31,939</u>
Balance at December 31, 2022	<u>\$ (8,553)</u>	<u>\$ (16,795)</u>	<u>\$ (1,765)</u>	<u>\$ (11,213)</u>	<u>\$ (1,827)</u>	<u>\$ (40,153)</u>
Carrying amount at December 31, 2022	<u>\$ 7,363</u>	<u>\$ 19,730</u>	<u>\$ 1,503</u>	<u>\$ 10,016</u>	<u>\$ 1,543</u>	<u>\$ 40,155</u>
<u>Cost</u>						
Balance at January 1, 2023	\$ 15,916	\$ 36,525	\$ 3,268	\$ 21,229	\$ 3,370	\$ 80,308
Additions	1,095	33,624	-	4,519	525	39,763
Disposals	<u>(15,527)</u>	<u>(32,285)</u>	<u>(1,580)</u>	<u>(11,162)</u>	<u>(2,006)</u>	<u>(62,560)</u>
Balance at December 31, 2023	<u>\$ 1,484</u>	<u>\$ 37,864</u>	<u>\$ 1,688</u>	<u>\$ 14,586</u>	<u>\$ 1,889</u>	<u>\$ 57,511</u>
<u>Accumulated depreciation</u>						
Balance at January 1, 2023	\$ (8,553)	\$ (16,795)	\$ (1,765)	\$ (11,213)	\$ (1,827)	\$ (40,153)
Depreciation expense	(4,863)	(20,996)	(1,186)	(6,049)	(895)	(33,989)
Disposals	<u>12,890</u>	<u>21,052</u>	<u>1,580</u>	<u>10,863</u>	<u>1,600</u>	<u>47,985</u>
Balance at December 31, 2023	<u>\$ (526)</u>	<u>\$ (16,739)</u>	<u>\$ (1,371)</u>	<u>\$ (6,399)</u>	<u>\$ (1,122)</u>	<u>\$ (26,157)</u>
Carrying amount at December 31, 2023	<u>\$ 958</u>	<u>\$ 21,125</u>	<u>\$ 317</u>	<u>\$ 8,187</u>	<u>\$ 767</u>	<u>\$ 31,354</u>

b. Lease liabilities

	<u>December 31</u>	
	2023	2022
<u>Carrying amount</u>		
Current	<u>\$ 16,393</u>	<u>\$ 24,730</u>
Non-current	<u>\$ 10,727</u>	<u>\$ 10,019</u>

Range of discount rates for lease liabilities was as follows:

	<u>December 31</u>	
	2023	2022
Land	0.76%-2.02%	0.76%-1.13%
Buildings	0.76%-3.66%	0.76%-3.66%
Machinery equipment	1.24%-3.66%	1.24%-3.66%
Transportation equipment	1.19%-2.17%	1.13%-1.47%
Furniture and fixtures	1.19%-2.13%	0.76%-3.66%

c. Other lease information

Lease arrangements for the leasing out of the Company's investment properties under operating leases are set out in Note 16.

	For the Year Ended December 31	
	2023	2022
Expenses relating to short-term leases	\$ <u>5,762</u>	\$ <u>5,638</u>
Total cash outflow for leases	\$ <u>(38,957)</u>	\$ <u>(51,628)</u>

The Company's leases of certain office equipment qualify as short-term leases and as low-value asset leases. The Corporation has elected to apply the recognition exemption and thus, did not recognize right-of-use assets and lease liabilities for these leases.

16. INVESTMENT PROPERTIES

	Completed Investment Properties
<u>Cost</u>	
Balance at January 1, 2022	\$ 300,925
Additions	<u>186,785</u>
Balance at December 31, 2022	<u>\$ 487,710</u>
<u>Accumulated depreciation</u>	
Balance at January 1, 2022	\$ (21,139)
Depreciation expense	<u>(2,102)</u>
Balance at December 31, 2022	<u>\$ (23,241)</u>
Carrying amount at December 31, 2022	<u>\$ 464,469</u>
<u>Cost</u>	
Balance at January 1, 2023	\$ 487,710
Reclassification	<u>(167,818)</u>
Balance at December 31, 2023	<u>\$ 319,892</u>
<u>Accumulated depreciation</u>	
Balance at January 1, 2023	\$ (23,241)
Depreciation expense	(2,082)
Reclassification	<u>(508)</u>
Balance at December 31, 2023	<u>\$ (24,815)</u>
Carrying amount at December 31, 2023	<u>\$ 295,077</u>

The investment properties are depreciated over their estimated useful lives of 46-60 years using the straight-line method.

The fair values of the Company's investment properties as of December 31, 2023 and 2022 were \$729,238 thousand and \$618,853 thousand, respectively. The fair values had been arrived at on the basis of valuations carried out on the aforementioned dates by independent qualified professional appraisers not connected to the Company. The valuation was arrived at by reference to market evidence of transaction prices for similar properties.

Investment properties used by Company and pledged as collateral for bonds payable are set out in Note 32.

17. OTHER ASSETS

	December 31	
	2023	2022
<u>Current</u>		
Prepayments for construction contracts	\$ 61,936	\$ 110,890
Others	<u>135,183</u>	<u>92,415</u>
	<u>\$ 197,119</u>	<u>\$ 203,305</u>
<u>Non-current</u>		
Refundable deposits	\$ 4,742	\$ 5,944
Computer software	<u>5,620</u>	<u>5,811</u>
	<u>\$ 10,362</u>	<u>\$ 11,755</u>

18. BORROWINGS

a. Short-term borrowings

	December 31	
	2023	2022
<u>Unsecured borrowings</u>		
Credit loans	<u>\$ 800,000</u>	<u>\$ 100,000</u>
Interest rate range	1.85%-2.03%	1.40%

b. Long-term borrowings

	December 31	
	2023	2022
<u>Unsecured borrowings</u>		
Credit loans	\$ 700,000	\$ 700,000
Less: Current portion	<u>(200,000)</u>	<u>-</u>
Long-term borrowings	<u>\$ 500,000</u>	<u>\$ 700,000</u>

The interest rate of the bank credit loan as of December 31, 2023 and 2022 were 2.15% and 1.40%-1.85%, respectively.

19. BONDS PAYABLE

	December 31	
	2023	2022
2021 first series domestic secured bonds	\$ 1,998,220	\$ 1,997,542
Less: Current portion	<u>-</u>	<u>-</u>
	<u>\$ 1,998,220</u>	<u>\$ 1,997,542</u>

a. 2021 First series domestic secured bonds

On August 18, 2021, the Company issued the first secured domestic bond in the amount of \$2,000,000 thousand at a par value of \$1,000 thousand with terms of 5 years. The interest rate was 0.6% per annum. Interest is paid annually starting from the date of issuance and the principal will be repaid in full on the maturity date.

b. Movements of the convertible bonds were as follows:

	First Secured Domestic Bonds
Liabilities component at January 1, 2022	\$ 1,996,864
Interest amortized	<u>678</u>
Liabilities component at December 31, 2022	<u>\$ 1,997,542</u>
Liabilities component at January 1, 2023	\$ 1,997,542
Interest amortized	<u>678</u>
Liabilities component at December 31, 2023	<u>\$ 1,998,220</u>

20. OTHER LIABILITIES

	December 31	
	2023	2022
<u>Current</u>		
Salaries or bonuses	\$ 254,205	\$ 238,542
Employees' compensation and remuneration of directors	81,715	76,803
Pension	9,993	7,320
Insurance	6,896	10,418
Professional service fees	3,147	4,012
Commission	334	5,356
Others	<u>34,353</u>	<u>43,515</u>
	<u>\$ 390,643</u>	<u>\$ 385,966</u>

21. PROVISIONS

	December 31		
	2023	2022	
<u>Current</u>			
Employee benefits	\$ 16,453		\$ 14,779
Warranties	<u>64,486</u>		<u>73,102</u>
	<u>\$ 80,939</u>		<u>\$ 87,881</u>
	Employee Benefits	Warranties	Total
Balance at January 1, 2023	\$ 14,779	\$ 73,102	\$ 87,881
Amount used	-	(8,616)	(8,616)
Additions	<u>1,674</u>	<u>-</u>	<u>1,674</u>
Balance at December 31, 2023	<u>\$ 16,453</u>	<u>\$ 64,486</u>	<u>\$ 80,939</u>

- a. The provision for employee benefits represents annual leave and vested long service leave entitlements accrued.
- b. The provision for warranty claims represents the present value of management's best estimate of the future outflow of economic benefits that will be required for the Company's obligations for warranties under construction contracts. The provision has been estimated on the basis of historical warranty trends and may be adjusted depending on the owner's requirement or other events that affect product quality.

22. RETIREMENT BENEFIT PLANS

- a. Defined contribution plan

The Company adopted a pension plan under the Labor Pension Act (the LPA), which is a state-managed defined contribution plan. Based on the LPA, the Company makes monthly contributions to the employees' individual pension fund accounts at 6% of monthly salaries and wages. The pension plan is also the defined contribution retirement plan.

- b. Defined benefit plan

The defined benefit plan adopted by the Company in accordance with the Labor Standards Act is operated by the government of the ROC. Pension benefits are calculated on the basis of the length of service and the average monthly salaries of the 6 months before retirement. The Company contributes amounts equal to 2% of total monthly salaries and wages to a pension fund administered by the pension fund monitoring committee. Pension contributions are deposited in the Bank of Taiwan in the committee's name. Before the end of each year, the Company assesses the balance in the pension fund. If the amount of the balance in the pension fund is inadequate to pay retirement benefits for employees who conform to retirement requirements in the next year, the Company is required to fund the difference in one appropriation that should be made before the end of March of the next year. The pension fund is managed by the Bureau of Labor Funds, Ministry of Labor (the Bureau); the Company has no right to influence the investment policy and strategy.

The amounts included in the balance sheets in respect of the Company's defined benefit plans were as follows:

	December 31	
	2023	2022
Present value of defined benefit obligation	\$ 186,871	\$ 176,110
Fair value of plan assets	<u>(154,019)</u>	<u>(157,180)</u>
Deficit	<u>32,852</u>	<u>18,930</u>
Net defined benefit liabilities	<u>\$ 32,852</u>	<u>\$ 18,930</u>

Movements in net defined benefit liabilities were as follows:

	Present Value of the Defined Benefit Obligation	Fair Value of the Plan Assets	Net Defined Benefit Liabilities
Balance at January 1, 2022	<u>\$ 205,283</u>	<u>\$ (164,631)</u>	<u>\$ 40,652</u>
Service cost			
Current service cost	944	-	944
Net interest expense (income)	<u>1,026</u>	<u>(835)</u>	<u>191</u>
Recognized in profit or loss	<u>1,970</u>	<u>(835)</u>	<u>1,135</u>
Remeasurement			
Return on plan assets (excluding amounts included in net interest)	-	(13,106)	(13,106)
Actuarial (gain) loss			
Changes in financial assumptions	(5,150)	-	(5,150)
Experience adjustments	<u>(267)</u>	<u>-</u>	<u>(267)</u>
Recognized in other comprehensive income	<u>(5,417)</u>	<u>(13,106)</u>	<u>(18,523)</u>
Contributions from the employer	(456)	(3,878)	(4,334)
Benefits paid	<u>(25,270)</u>	<u>25,270</u>	<u>-</u>
Balance at December 31, 2022	<u>176,110</u>	<u>(157,180)</u>	<u>18,930</u>
Service cost			
Current service cost	590	-	590
Past service cost	1,867	-	1,867
Net interest expense (income)	<u>2,422</u>	<u>(2,176)</u>	<u>246</u>
Recognized in profit or loss	<u>4,879</u>	<u>(2,176)</u>	<u>2,703</u>
Remeasurement			
Return on plan assets (excluding amounts included in net interest)	-	(1,215)	(1,215)
Actuarial (gain) loss			
Changes in financial assumptions	1,562	-	1,562
Experience adjustments	<u>13,199</u>	<u>-</u>	<u>13,199</u>
Recognized in other comprehensive income	<u>14,761</u>	<u>(1,215)</u>	<u>13,546</u>
Contributions from the employer	-	(2,327)	(2,327)
Benefits paid	<u>(8,879)</u>	<u>8,879</u>	<u>-</u>
Balance at December 31, 2023	<u>\$ 186,871</u>	<u>\$ (154,019)</u>	<u>\$ 32,852</u>

Through the defined benefit plans under the Labor Standards Act, the Company is exposed to the following risks:

- 1) Investment risk: The plan assets are invested in domestic and foreign equity and debt securities, bank deposits, etc. The investment is conducted at the discretion of the Bureau or under the mandated management. However, in accordance with relevant regulations, the return generated by plan assets should not be below the interest rate for a 2-year time deposit with local banks.
- 2) Interest risk: A decrease in the government bond interest rate will increase the present value of the defined benefit obligation; however, this will be partially offset by an increase in the return on the plans' debt investments.
- 3) Salary risk: The present value of the defined benefit obligation is calculated using the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the present value of the defined benefit obligation.

The actuarial valuations of the present value of the defined benefit obligation were carried out by qualified actuaries. The significant assumptions used for the purposes of the actuarial valuations were as follows:

	December 31	
	2023	2022
Discount rate(s)	1.250%	1.375%
Expected rate(s) of salary increase	2.500%	2.500%

If possible reasonable changes in each of the significant actuarial assumptions occur and all other assumptions remain constant, the present value of the defined benefit obligation will increase (decrease) as follows:

	December 31	
	2023	2022
Discount rate(s)		
0.25% increase	\$ (3,105)	\$ (3,191)
0.25% decrease	\$ 3,188	\$ 3,278
Expected rate(s) of salary increase/decrease		
0.25% increase	\$ 3,094	\$ 3,184
0.25% decrease	\$ (3,028)	\$ (3,115)

The above sensitivity analysis may not be representative of the actual change in the present value of the defined benefit obligation as it is unlikely that changes in assumptions will occur in isolation of one another as some of the assumptions may be correlated.

	December 31	
	2023	2022
Expected contributions to the plan for the next year	\$ 7,745	\$ 2,238
Average duration of the defined benefit obligation	7.3 years	7.3 years

23. EQUITY

a. Share capital

Ordinary shares

	December 31	
	2023	2022
Number of shares authorized (in thousands)	350,000	350,000
Shares authorized	<u>\$ 3,500,000</u>	<u>\$ 3,500,000</u>
Number of shares issued and fully paid (in thousands)	270,794	338,492
Shares issued	<u>\$ 2,707,940</u>	<u>\$ 3,384,925</u>

The movements of the ordinary shares were due to the capital reduction.

For the purpose of enhancing the return on equity, profitability per share and proper use of the capital, the capital was reduced through a cash return to shareholders, which was proposed by the Company's board on March 27, 2023 and resolved by the shareholders in the shareholders' meeting on June 21, 2023. The total amount of capital reduction was \$676,985 thousand, which represented 67,698 thousand shares cancelled, and the capital reduction ratio is 20%. The registration of the capital reduction was approved by the Taiwan Stock Exchange on July 25, 2023. The effective date of the capital reduction was August 10, 2023, and the effective date of the replacement of shares due to the capital reduction was October 27, 2023. The legal registration procedures were completed on September 1, 2023.

b. Capital surplus

	Arising from Issuance of Ordinary Shares (Note)	Arising from Conversion of Bonds (Note)	Expiration of Share Warrants (Note)	Arising from Treasury Share Transactions (Note)	Total
Balance at January 1, 2022	\$ 378,122	\$ 976,589	\$ 85,356	\$ 833,493	\$ 2,273,560
Cash dividends paid to subsidiaries	-	-	-	34,069	34,069
Balance at December 31, 2022	<u>\$ 378,122</u>	<u>\$ 976,589</u>	<u>\$ 85,356</u>	<u>\$ 867,562</u>	<u>\$ 2,307,629</u>
Balance at January 1, 2023	\$ 378,122	\$ 976,589	\$ 85,356	\$ 867,562	\$ 2,307,629
Cash dividends paid to subsidiaries	-	-	-	34,069	34,069
Balance at December 31, 2023	<u>\$ 378,122</u>	<u>\$ 976,589</u>	<u>\$ 85,356</u>	<u>\$ 901,631</u>	<u>\$ 2,341,698</u>

Note: Such capital surplus may be used to offset a deficit; in addition, when the Company has no deficit, such capital surplus may be distributed as cash dividends or transferred to share capital (limited to a certain percentage of the Company's capital surplus and to once a year).

c. Retained earnings and dividends policy

Under the dividends policy as set forth in the Articles, where the Company made a profit in a fiscal year, the profit shall be first utilized for paying taxes, offsetting losses of previous years, setting aside as a legal reserve 10% of the remaining profit, setting aside or reversing a special reserve in accordance with the laws and regulations, and then any remaining profit together with any undistributed retained earnings shall be used by the Company's board of directors as the basis for proposing a distribution plan, which should be resolved in the shareholders' meeting for the distribution of share dividends and bonuses to shareholders. The board of directors is authorized to adopt a special resolution to distribute dividends and bonuses in cash and a report of such distribution should be submitted in the shareholders' meeting. For the policies on the distribution of employees' compensation and the remuneration of directors after the amendment, refer to employees' compensation and remuneration of directors in Note 25-g.

Under the Company Act and the Company's Articles of Incorporation, cash dividends should be at least 30% of total dividends declared with further consideration about the financial structure, earnings, and long-term operational planning.

Appropriation of earnings to the legal reserve shall be made until the legal reserve equals the Company's paid-in capital. The legal reserve may be used to offset deficits. If the Company has no deficit and the legal reserve has exceeded 25% of the Company's paid-in capital, the excess may be transferred to capital or distributed in cash.

The appropriations of earnings for cash dividends were resolved by the Company's board of directors on March 7, 2023 and March 8, 2022; the other proposed appropriations were resolved by the shareholders in their meetings on June 21, 2023 and June 10, 2022.

The appropriations of earnings for 2022 and 2021 were as follows:

	Appropriation of Earnings	
	For the Year Ended December 31	
	2022	2021
Legal reserve	\$ 134,212	\$ 122,038
Special reserve	\$ (86,921)	\$ 129
Cash dividends	\$ 846,231	\$ 846,231
Cash dividends per share (NT\$)	\$ 2.5	\$ 2.5

The appropriations of earnings for 2023 which were proposed by the Company's board of directors on March 5, 2024, were as follows:

	For the Year Ended December 31, 2023
Legal reserve	\$ 117,455
Special reserve	\$ (74,724)
Cash dividends	\$ 812,382
Cash dividends per share (NT\$)	\$ 3.0

The above appropriation of earnings as cash dividends has been resolved by the Company's board of directors; the other proposed appropriations will be resolved by the shareholders in their meeting, which will be held on June 12, 2024.

d. Other equity items

1) Exchange differences on translating the financial statements of foreign operations

	2023		2022	
	Exchange Differences on Translating Foreign Operations	Exchange Differences on Translating Branch Offices	Exchange Differences on Translating Foreign Operations	Exchange Differences on Translating Branch Offices
Balance at January 1	\$ (11,615)	\$ 9,939	\$ (86,234)	\$ (9,214)
Recognized for the year				
Exchange differences on translating the financial statements of foreign operations	(27,077)	4,074	93,274	19,153
Related income tax	5,671	-	(18,655)	-
Changes in ownership interests in subsidiaries	<u>(1,280)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Balance at December 31	<u>\$ (34,301)</u>	<u>\$ 14,013</u>	<u>\$ (11,615)</u>	<u>\$ 9,939</u>

2) Unrealized valuation gain (loss) on financial assets at FVTOCI

	For the Year Ended December 31	
	2023	2022
Balance at January 1	\$ (15,258)	\$ (8,407)
Recognized for the year		
Unrealized loss - debt instruments	2,885	(14,249)
Unrealized gain - equity instruments	<u>90,452</u>	<u>146,357</u>
Other comprehensive income recognized for the year	<u>93,337</u>	<u>132,108</u>
Cumulative unrealized loss of equity instruments transferred to retained earnings due to disposal	<u>-</u>	<u>(138,959)</u>
Balance at December 31	<u>\$ 78,079</u>	<u>\$ (15,258)</u>

e. Treasury shares

The Company's shares held by its subsidiaries at the end of the reporting periods were as follows:

Name of Subsidiary	Number of Shares Held (In Thousands of Shares)	Carrying Amount	Market Price
<u>December 31, 2023</u>			
Da Cin Development Co., Ltd.	<u>10,902</u>	<u>\$ 124,076</u>	<u>\$ 480,788</u>
<u>December 31, 2022</u>			
Da Cin Development Co., Ltd.	<u>13,628</u>	<u>\$ 151,331</u>	<u>\$ 410,878</u>

Under the Securities and Exchange Act, the Company shall neither pledge treasury shares nor exercise shareholders' rights on these shares, such as the rights to dividends and to vote. The subsidiaries holding treasury shares, however, retain shareholders' rights, except the rights to participate in any share issuance for cash and to vote.

24. REVENUE

	For the Year Ended December 31	
	2023	2022
Revenue from contracts with customers		
Construction contract revenue	\$ 14,873,521	\$ 16,375,108
Revenue from the sale of land and buildings	108,813	927,115
Revenue from the rendering of services	<u>29,790</u>	<u>33,029</u>
	<u>\$ 15,012,124</u>	<u>\$ 17,335,252</u>

Contract Balances

	December 31	
	2023	2022
Notes receivable and accounts receivable (Note 10)	<u>\$ 1,643,990</u>	<u>\$ 1,631,771</u>
Contract assets - current		
Construction of properties	\$ 1,338,086	\$ 243,563
Retentions receivable	<u>3,059,691</u>	<u>2,314,217</u>
	<u>\$ 4,397,777</u>	<u>\$ 2,557,780</u>
Contract liabilities - current	<u>\$ 1,830,595</u>	<u>\$ 1,429,354</u>

The changes in the balance of contract assets and contract liabilities primarily resulted from the timing difference between the Company's satisfaction of performance obligations and the respective customer's payment.

25. NET INCOME

a. Interest income

	For the Year Ended December 31	
	2023	2022
Bank deposits	\$ 39,095	\$ 21,888
Others	<u>1,345</u>	<u>1,502</u>
	<u>\$ 40,440</u>	<u>\$ 23,390</u>

b. Other income

	For the Year Ended December 31	
	2023	2022
Rental income		
Operating lease rental income		
Investment properties (Note 16)	\$ 6,107	\$ 7,405
Dividends		
Financial assets at FVTPL	17,984	21,440
Investment in equity instruments at FVTOCI	8,940	5,476
	<u>26,924</u>	<u>26,916</u>
Others	<u>10,590</u>	<u>9,095</u>
	<u>\$ 43,621</u>	<u>\$ 43,416</u>

c. Other gains and losses

	For the Year Ended December 31	
	2023	2022
Fair value changes of financial assets and financial liabilities		
Financial assets at FVTPL	\$ 220,853	\$ (280,951)
Net foreign exchange losses	(1,568)	24,312
Loss on disposal of property, plant and equipment	(48)	(30)
Gain (loss) on lease modifications	20	(21)
Others	<u>(2,083)</u>	<u>(2,102)</u>
	<u>\$ 217,174</u>	<u>\$ (258,792)</u>

d. Finance costs

	For the Year Ended December 31	
	2023	2022
Interest on bank loans	\$ 20,271	\$ 9,532
Interest on corporate bonds	12,678	12,678
Interest on lease liabilities	<u>398</u>	<u>449</u>
Total interest expense for financial liabilities not measured at fair value through profit or loss	33,347	22,659
Less: Amounts included in the cost of qualifying assets	<u>(17,370)</u>	<u>(4,822)</u>
	<u>\$ 15,977</u>	<u>\$ 17,837</u>

Information about capitalized interest is as follows:

	For the Year Ended December 31	
	2023	2022
Capitalized interest	\$ 17,370	\$ 4,822
Capitalization rate	1.65%-2.17%	1.40%-1.85%

e. Depreciation and amortization

	For the Year Ended December 31	
	2023	2022
An analysis of depreciation by function		
Operating costs	\$ 31,482	\$ 41,589
Operating expenses	14,863	13,070
Others (recognized as a reduction of other income)	<u>2,082</u>	<u>2,102</u>
	<u>\$ 48,427</u>	<u>\$ 56,761</u>
An analysis of amortization by function		
Operating costs	\$ 749	\$ 796
Operating expenses	<u>2,831</u>	<u>2,531</u>
	<u>\$ 3,580</u>	<u>\$ 3,327</u>

f. Employee benefits expense

	For the Year Ended December 31	
	2023	2022
Post-employment benefits		
Defined contribution plans	\$ 24,277	\$ 26,192
Defined benefit plans (Note 22)	<u>2,703</u>	<u>1,135</u>
	<u>26,980</u>	<u>27,327</u>
Other employee benefits		
Salary	749,369	775,528
Insurance	54,081	57,389
Others	<u>31,530</u>	<u>33,043</u>
	<u>834,980</u>	<u>865,960</u>
Total employee benefits expense	<u>\$ 861,960</u>	<u>\$ 893,287</u>
An analysis of employee benefits expense by function		
Operating costs	\$ 567,010	\$ 608,559
Operating expenses	<u>294,950</u>	<u>284,728</u>
	<u>\$ 861,960</u>	<u>\$ 893,287</u>

g. Employees' compensation and remuneration of directors

According to the Articles of Incorporation of the Company, the Company accrued employees' compensation and the remuneration of directors at rates of 1%-5% and no higher than 5%, respectively, of net profit before income tax, employees' compensation, and remuneration of directors. The employees' compensation and the remuneration of directors for the years ended December 31, 2023 and 2022, which were approved by the Company's board of directors on March 5, 2024 and March 7, 2023, respectively, are as follows:

Accrual rate

	For the Year Ended December 31	
	2023	2022
Employees' compensation	3.2%	3.1%
Remuneration of directors	1.6%	1.5%

Amount

	For the Year Ended December 31			
	2023		2022	
	Cash	Shares	Cash	Shares
Employees' compensation	\$ 50,000	\$ -	\$ 50,000	\$ -
Remuneration of directors	25,000	-	25,000	-

If there is a change in the amounts after the annual financial statements are authorized for issue, the differences are recorded as a change in the accounting estimate.

There is no difference between the actual amounts of employees' compensation and remuneration of directors paid and the amounts recognized in the financial statements for the years ended December 31, 2022 and 2021.

Information on the employees' compensation and remuneration of directors resolved by the Company's board of directors is available at the Market Observation Post System website of the Taiwan Stock Exchange.

h. Gains and losses on foreign currency exchange

	For the Year Ended December 31	
	2023	2022
Foreign exchange gains	\$ 22,860	\$ 44,147
Foreign exchange losses	<u>(24,428)</u>	<u>(19,835)</u>
	<u>\$ (1,568)</u>	<u>\$ 24,312</u>

26. INCOME TAXES

a. Income tax recognized in profit or loss

Major components of income tax expense are as follows:

	For the Year Ended December 31	
	2023	2022
Current tax		
In respect of the current year	\$ 276,524	\$ 361,113
Income tax on unappropriated earnings	22,430	12,599
Adjustments for prior years	<u>(3,872)</u>	<u>(5,368)</u>
	295,082	368,344
Deferred tax		
In respect of the current year	<u>(11,079)</u>	<u>(4,766)</u>
Income tax expense recognized in profit or loss	<u>\$ 284,003</u>	<u>\$ 363,578</u>

A reconciliation of accounting profit and income tax expense is as follows:

	For the Year Ended December 31	
	2023	2022
Profit before tax	<u>\$ 1,472,534</u>	<u>\$ 1,551,924</u>
Income tax expense calculated at the statutory rate	\$ 294,507	\$ 310,385
Nondeductible expenses in determining taxable income	23,108	74,852
Tax-exempt income	(52,639)	(39,823)
Income tax on unappropriated earnings	22,430	12,599
Land value increment tax	469	10,933
Adjustments for prior years' tax	<u>(3,872)</u>	<u>(5,368)</u>
Income tax expense recognized in profit or loss	<u>\$ 284,003</u>	<u>\$ 363,578</u>

b. Income tax recognized in other comprehensive income

	For the Year Ended December 31	
	2023	2022
<u>Deferred tax</u>		
In respect of the current period		
Translation of foreign operations	\$ 5,671	\$ (18,655)
Remeasurement of defined benefit plans	<u>2,708</u>	<u>(3,704)</u>
Income tax recognized in other comprehensive income	<u>\$ 8,379</u>	<u>\$ (22,359)</u>

c. Current tax liabilities

	December 31	
	2023	2022
Income tax payable	<u>\$ 121,232</u>	<u>\$ 206,229</u>

d. Deferred tax assets and liabilities

The movements of deferred tax assets and deferred tax liabilities are as follows:

For the year ended December 31, 2023

	Opening Balance	Recognized in Profit or Loss	Recognized in Other Comprehensive Income	Closing Balance
<u>Deferred tax assets</u>				
Defined benefit obligations	\$ 1,672	\$ 78	\$ 2,708	\$ 4,458
Provisions	14,621	(1,724)	-	12,897
Others	<u>7,502</u>	<u>15,221</u>	<u>5,671</u>	<u>28,394</u>
	<u>\$ 23,795</u>	<u>\$ 13,575</u>	<u>\$ 8,379</u>	<u>\$ 45,749</u>

(Continued)

	Opening Balance	Recognized in Profit or Loss	Recognized in Other Comprehensive Income	Closing Balance
<u>Deferred tax liabilities</u>				
Property, plant and equipment	\$ 19,922	\$ -	\$ -	\$ 19,922
Others	<u>2,475</u>	<u>2,496</u>	<u>-</u>	<u>4,971</u>
	<u>\$ 22,397</u>	<u>\$ 2,496</u>	<u>\$ -</u>	<u>\$ 24,893</u> (Concluded)

For the year ended December 31, 2022

	Opening Balance	Recognized in Profit or Loss	Recognized in Other Comprehensive Income	Closing Balance
<u>Deferred tax assets</u>				
Defined benefit obligations	\$ 5,926	\$ (550)	\$ (3,704)	\$ 1,672
Provisions	16,316	(1,695)	-	14,621
Others	<u>24,074</u>	<u>2,083</u>	<u>(18,655)</u>	<u>7,502</u>
	<u>\$ 46,316</u>	<u>\$ (162)</u>	<u>\$ (22,359)</u>	<u>\$ 23,795</u>
<u>Deferred tax liabilities</u>				
Property, plant and equipment	\$ 19,922	\$ -	\$ -	\$ 19,922
Others	<u>7,403</u>	<u>(4,928)</u>	<u>-</u>	<u>2,475</u>
	<u>\$ 27,325</u>	<u>\$ (4,928)</u>	<u>\$ -</u>	<u>\$ 22,397</u>

e. Income tax assessments

The income tax returns through 2021 have been assessed by the tax authorities.

27. EARNINGS PER SHARE

The earnings and weighted average number of ordinary shares outstanding used in the computation of earnings per share are as follows:

Net Profit for the Year

	For the Year Ended December 31	
	2023	2022
Net income	\$ 1,188,531	\$ 1,188,346
Effect of potentially dilutive ordinary shares		
Employees' compensation	<u> -</u>	<u> -</u>
Earnings used in the computation of diluted earnings per share	<u>\$ 1,188,531</u>	<u>\$ 1,188,346</u>

Number of Ordinary Shares

(In Thousands of Shares)

	For the Year Ended December 31	
	2023	2022
Weighted average number of ordinary shares used in the computation of basic earnings per share	315,430	324,865
Effect of potentially dilutive ordinary shares		
Employees' compensation	<u>1,436</u>	<u>1,960</u>
Weighted average number of ordinary shares used in the computation of diluted earnings per share	<u>316,866</u>	<u>326,825</u>

If the Company offered to settle the compensation or bonuses paid to employees in cash or shares, the Company assumed that the entire amount of the compensation or bonuses will be settled in shares, and the resulting potential shares were included in the weighted average number of shares outstanding used in the computation of diluted earnings per share, as the effect is dilutive. Such dilutive effect of the potential shares is included in the computation of diluted earnings per share until the number of shares to be distributed to employees is resolved in the following year.

28. CASH FLOW INFORMATION

Non-cash Transactions

For the years ended December 31, 2023 and 2022, the Company entered into the following non-cash investing and financing activities which were not reflected in the statements of cash flows:

- The Company reclassified long-term borrowings which are due within one year.
- The Company additions of lease arrangements of lease liabilities.

29. CAPITAL MANAGEMENT

The Company manages its capital to ensure that it will be able to continue as a going concern while maximizing the return to stakeholders through the optimization of the debt and equity balance. The Company's overall strategy remains unchanged.

The capital structure of the Company consists of net debt (borrowings offset by cash and cash equivalents) and equity of the Company (comprising issued capital, reserves, retained earnings and other equity).

The Company is not subject to any externally imposed capital requirements.

Key management personnel of the Company review the capital structure on a quarterly basis. As part of this review, the key management personnel consider the cost of capital and the risks associated with each class of capital. Based on recommendations of the key management personnel, in order to balance the overall capital structure, the Company may adjust the amount of dividends paid to shareholders, the number of new shares issued or repurchased, and the amount of new debt issued.

30. FINANCIAL INSTRUMENTS

a. Fair value of financial instruments not measured at fair value

December 31, 2023

	Carrying Amount	Fair Value			
		Level 1	Level 2	Level 3	Total
<u>Financial liabilities</u>					
Financial liabilities measured					
at amortized					
Bonds payable	\$ 1,998,220	\$ 1,954,202	\$ -	\$ -	\$ 1,954,202

December 31, 2022

	Carrying Amount	Fair Value			
		Level 1	Level 2	Level 3	Total
<u>Financial liabilities</u>					
Financial liabilities measured					
at amortized					
Bonds payable	\$ 1,997,542	\$ 1,929,228	\$ -	\$ -	\$ 1,929,228

b. Fair value of financial instruments measured at fair value on a recurring basis

1) Fair value hierarchy

December 31, 2023

	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL				
Listed shares	\$ 658,643	\$ -	\$ -	\$ 658,643
Beneficiary certification	<u>233,378</u>	<u>-</u>	<u>-</u>	<u>233,378</u>
	<u>\$ 892,021</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 892,021</u>

(Continued)

	Level 1	Level 2	Level 3	Total
Financial assets at FVTOCI				
Investments in equity instruments				
Domestic listed shares	\$ 257,197	\$ -	\$ -	\$ 257,197
Domestic unlisted shares	-	-	106,716	106,716
Investment in debt instruments				
Foreign bonds payable	<u>45,598</u>	<u>-</u>	<u>-</u>	<u>45,598</u>
	<u>\$ 302,795</u>	<u>\$ -</u>	<u>\$ 106,716</u>	<u>\$ 409,511</u> (Concluded)

December 31, 2022

	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL				
Listed shares	\$ 792,254	\$ -	\$ -	\$ 792,254
Mutual funds	<u>223,630</u>	<u>-</u>	<u>-</u>	<u>223,630</u>
	<u>\$ 1,015,884</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,015,884</u>

Financial assets at FVTOCI				
Investments in equity instruments				
Domestic listed shares	\$ 150,150	\$ -	\$ -	\$ 150,150
Domestic unlisted shares	-	-	112,863	112,863
Investment in debt instruments				
Foreign bonds payable	<u>43,313</u>	<u>-</u>	<u>-</u>	<u>43,313</u>
	<u>\$ 193,463</u>	<u>\$ -</u>	<u>\$ 112,863</u>	<u>\$ 306,326</u>

There were no transfers between Levels 1 and 2 in the current and prior periods.

2) Reconciliation of Level 3 fair value measurements of financial instruments

For the year ended December 31, 2023

	Financial Assets at FVTOCI Equity Instruments
<u>Financial assets</u>	
Balance at January 1, 2023	\$ 112,863
Recognized in other comprehensive income (included in unrealized loss on financial assets at FVTOCI)	<u>(6,147)</u>
Balance at December 31, 2023	<u>\$ 106,716</u>

For the year ended December 31, 2022

	Financial Assets at FVTOCI
	Equity Instruments
<u>Financial assets</u>	
Balance at January 1, 2022	\$ 112,750
Recognized in other comprehensive income (included in unrealized gain on financial assets at FVTOCI)	<u>113</u>
Balance at December 31, 2022	<u>\$ 112,863</u>

3) Valuation techniques and inputs applied for Level 3 fair value measurement

The fair values of unlisted equity securities - ROC are determined using the market approach. In the market approach, the Company takes as reference the transaction price of shares of companies operating in similar industries, and uses the price multiplier implicit in the share price in determining the fair value of the target company.

c. Categories of financial instruments

	December 31	
	2023	2022
<u>Financial assets</u>		
Financial assets at FVTPL		
Designated as at FVTPL	\$ 658,643	\$ 792,254
Mandatorily classified as at FVTPL	233,378	223,630
Other financial assets	838,983	570,436
Financial assets at amortized cost (1)	5,969,952	10,083,169
Financial assets at FVTOCI		
Equity instruments	363,913	263,013
Debt instruments	45,598	43,313

Financial liabilities

Financial liabilities at amortized cost (2)	7,963,120	7,552,588
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1) The balances include financial assets at amortized cost, which comprise cash and cash equivalents, notes receivable, accounts receivable, other receivables and refundable deposits.

2) The balances include financial liabilities at amortized cost, which comprise short-term and long-term loans (including current portion), notes payable, accounts payable, other payables, bonds issued (including current portion) and guarantee deposits.

d. Financial risk management objectives and policies

The Company's major financial instruments include equity and debt investments, accounts receivable, accounts payable, bonds payable, borrowings and lease liabilities. The Company's corporate treasury function provides services to the business, coordinates access to domestic and international financial markets, monitors and manages the financial risks relating to the operations of the Company through internal risk reports which analyze exposures by degree and magnitude of risks. These risks include market risk (including foreign currency risk, interest rate risk and other price risk), credit risk and liquidity risk.

The corporate treasury function reports quarterly to the Company's board of directors that monitors risks and policies implemented to mitigate risk exposures.

1) Market risk

The Company's activities exposed it primarily to the financial risks of changes in foreign currency exchange rates (see (a) below) and interest rates (see (b) below).

There has been no change to the Company's exposure to market risks or the manner in which these risks are managed and measured.

a) Foreign currency risk

The Company had foreign currency-denominated construction businesses, which exposes the Company to foreign currency risk. The Company regularly reviewed the assets and liabilities which were impacted by the exchange rate, and made the appropriate adjustments to control risks arising from fluctuations in foreign currency.

The carrying amounts of the Company's foreign currency-denominated monetary assets and at the end of the reporting period are set out in Note 34.

Sensitivity analysis

The Company is mainly exposed to the USD, RMB and SGD.

The following table details the Company's sensitivity to a 1% increase and decrease in the New Taiwan dollar (i.e., the functional currency) against the relevant foreign currencies. The sensitivity rate used when reporting foreign currency risk internally to key management personnel, which represents management's assessment of the reasonably possible change in foreign exchange rates, is 1%. The sensitivity analysis included only outstanding foreign currency-denominated monetary items and their adjusted translation at the end of the reporting period for a 1% change in foreign currency rates. A positive number below indicates a decrease in pre-tax profit and other equity associated with the New Taiwan dollar strengthening 1% against the relevant currency. For a 1% weakening of the New Taiwan dollar against the relevant currency, there would be an equal and opposite impact on pre-tax profit and other equity, and the balances below would be negative.

	USD Impact		RMB Impact		SGD Impact	
	2023	2022	2023	2022	2023	2022
Profit or loss	\$ 1,906	\$ 1,816	\$ 671	\$ 675	\$ 3	\$ 3

b) Interest rate risk

The Company was exposed to interest rate risk because the Company borrows funds at both fixed and floating interest rates. The risk is managed by the Company by maintaining an appropriate mix of fixed and floating rate borrowings.

The carrying amounts of the Company's financial assets and financial liabilities with exposure to interest rates at the end of the reporting period were as follows:

	December 31	
	2023	2022
Fair value interest rate risk		
Financial assets	\$ 826,076	\$ 1,929,293
Financial liabilities	2,029,847	2,037,150
Cash flow interest rate risk		
Financial assets	3,833,387	6,319,700
Financial liabilities	1,500,000	800,000

Sensitivity analysis

The sensitivity analyses below were determined based on the Company's exposure to interest rates for non-derivative instruments at the end of the reporting period. For floating rate liabilities, the analysis was prepared assuming the amount of each liability outstanding at the end of the reporting period was outstanding for the whole year. 0.5% increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.

If interest rates had been 0.5% higher and all other variables were held constant, the Company's pre-tax profit for the years ended December 31, 2023 and 2022 would decrease by \$11,667 thousand and \$27,599 thousand, respectively, which was mainly a result of floating interest rate borrowings.

c) Other price risk

The Company was exposed to equity price risks through its investments in equity securities, mutual funds and corporate bonds.

Sensitivity analysis

The sensitivity analysis below was determined based on the exposure to equity price risks at the end of the reporting period.

If equity prices had been 5% lower, the pre-tax profit or loss for the years ended December 31, 2023 and 2022 would have decreased by \$44,601 thousand and \$50,794 thousand, as a result of the changes in the fair value of financial assets at FVTPL, and the other comprehensive income for the years ended December 31, 2023 and 2022 would have decreased by \$20,476 thousand and \$15,316 thousand, as a result of the changes in the fair value of financial assets at fair value through other comprehensive income.

2) Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in a financial loss to the Company. As at the end of the reporting period, the Company's maximum exposure to credit risk, which would cause a financial loss to the Company due to the failure of the counterparty to discharge obligation and due to the financial guarantees provided by the Company, could be equal to the total of the following:

- a) The carrying amounts of the respective recognized financial assets as stated in the standalone balance sheets; and
- b) The maximum amount the Company would have to pay if the financial guarantee is called upon, irrespective of the likelihood of the guarantee being exercised.

The Company has adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral, where appropriate, as a means of mitigating the risk of financial loss from defaults. The Company uses publicly available financial information and its own trading records to rate its major customers. The Company's exposure to and the credit ratings of its counterparties are continuously monitored, and the aggregate value of transactions concluded is spread amongst approved counterparties. Credit exposure is controlled by counterparty limits that are reviewed and approved by the risk management committee annually.

The Company's concentration of credit risk was 95% and 73% of total accounts receivable as of December 31, 2023 and 2022, respectively, and this was related to the ten largest customers of the Company.

The debt investments invested by the Company are classified as financial assets at fair value through other comprehensive income.

	December 31	
	2023	2022
Gross carrying amount	\$ 58,465	\$ 59,066
Less: Allowance for impairment loss	<u>-</u>	<u>-</u>
Amortized cost	58,465	59,066
Adjustment to fair value	<u>(12,867)</u>	<u>(15,753)</u>
	<u>\$ 45,598</u>	<u>\$ 43,313</u>

The Company invests only in debt instruments that are rated the equivalent of investment grade or higher and have low credit risk for the purpose of impairment assessment. The credit rating information is supplied by independent rating agencies. The Company's exposure and the external credit ratings are continuously monitored. The Company reviews changes in bond yields and other publicly available information and makes an assessment as to whether there has been a significant increase in credit risk since the last period to the reporting date.

3) Liquidity risk

The board of directors has built an appropriate liquidity risk management framework for the Company's short-, medium- and long-term funding and liquidity management requirements. The Company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, and continuously monitoring forecasted and actual cash flows as well as matching the maturity profiles of financial assets and liabilities.

a) Liquidity and interest rate risk table

The following table details the Company's remaining contractual maturities for its non-derivative financial liabilities with agreed repayment periods. The tables had been drawn up from the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay. The tables included both interest and principal cash flows.

Specifically, bank loans with a repayment on demand clause were included in the earliest time band regardless of the probability of the banks choosing to exercise their rights. The maturity dates for other non-derivative financial liabilities were based on the agreed repayment dates.

For interest cash flows that are based on floating rates, the undiscounted amount was derived from the interest rate curve at the end of the reporting period.

December 31, 2023

	On Demand or Less than 1 Month	1-3 Months	3 Months to 1 Year	1-5 Years	5+ Years
<u>Non-derivative financial liabilities</u>					
Non-interest bearing liabilities	\$ 685,068	\$ 1,092,118	\$ 462,410	\$ 368,588	\$ 1,856,716
Variable interest rate liabilities	700,000	100,000	200,000	500,000	-
Bonds issued	-	-	-	1,998,220	-
Lease liabilities	<u>1,853</u>	<u>3,420</u>	<u>11,120</u>	<u>10,727</u>	<u>-</u>
	<u>\$ 1,386,921</u>	<u>\$ 1,195,538</u>	<u>\$ 673,530</u>	<u>\$ 2,877,535</u>	<u>\$ 1,856,716</u>

Additional information about the maturity analysis for lease liabilities:

	Less than 1 Year	1-5 Years	5-10 Years	10-15 Years	15-20 Years	20+ Years
Lease liabilities	<u>\$ 16,393</u>	<u>\$ 10,727</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

December 31, 2022

	On Demand or Less than 1 Month	1-3 Months	3 Months to 1 Year	1-5 Years	5+ Years
<u>Non-derivative financial liabilities</u>					
Non-interest bearing liabilities	\$ 886,961	\$ 1,318,983	\$ 548,234	\$ 581,804	\$ 1,506,945
Variable interest rate liabilities	100,000	-	-	700,000	-
Bonds issued	-	-	-	1,977,542	-
Lease liabilities	<u>3,093</u>	<u>5,150</u>	<u>16,487</u>	<u>10,019</u>	<u>-</u>
	<u>\$ 990,054</u>	<u>\$ 1,324,133</u>	<u>\$ 564,721</u>	<u>\$ 3,269,365</u>	<u>\$ 1,506,945</u>

Additional information about the maturity analysis for lease liabilities:

	Less than 1 Year	1-5 Years	5-10 Years	10-15 Years	15-20 Years	20+ Years
Lease liabilities	<u>\$ 24,730</u>	<u>\$ 10,019</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

The amounts included above for variable interest rate instruments for non-derivative financial liabilities is subject to change if changes in variable interest rates differ from those estimates of interest rates determined at the end of the reporting period.

b) Financing facilities

	December 31	
	2023	2022
Unsecured loans		
Amount used	\$ 1,500,000	\$ 800,000
Amount unused	<u>2,527,121</u>	<u>3,126,799</u>
	<u>\$ 4,027,121</u>	<u>\$ 3,926,799</u>

31. TRANSACTIONS WITH RELATED PARTIES

Besides information disclosed elsewhere in the other notes, details of transactions between the Company and other related parties are disclosed below.

a. Related party and category

Related Party Name	Related Party Category
Pin Cin Investment Co., Ltd.	Other related party (the Company's corporate director)
Cheng Cin Investment Co., Ltd.	Other related party (the chairman is the Company's chairman)
Feng Li To Investment Co., Ltd.	Other related party (the supervisor is the Company's director)
Ju Cin Investment Co., Ltd.	Other related party (the supervisor is the Company's director)
Da Cin Development Co., Ltd. (Da Cin Development)	Subsidiary (investee accounted for using the equity method)
Dacin Integration Technology Co., Ltd. (Dacin Integration)	Subsidiary (investee accounted for using the equity method)
Dacin Asia Holdings Ltd. (Asia)	Subsidiary (investee accounted for using the equity method)
Dacin Vietnam Tan Tao Company Limited (Vietnam)	Subsidiary (investee of Dacin Holdings (PTE) Ltd. accounted for using the equity method)
Phuoc Dien Investment Company Limited	Subsidiary (investee of Dacin Holdings (PTE) Ltd. accounted for using the equity method starting from December 27, 2022)

b. Contracted bidding

Owner	Construction Code	Total Contract Price	Construction Revenue Recognized for the Year	Cumulative Construction Revenue Recognized	Advance Construction Receipts
For the year ended <u>December 31, 2023</u>					
Subsidiary (Da Cin Development)	11904	\$ 423,412	\$ 163,360	\$ 339,686	\$ 245,579
	11802	571,769	217	16,102	9,919
	12102	166,033	66,836	146,550	144,449
	12201	<u>741,412</u>	<u>305,375</u>	<u>305,375</u>	<u>318,807</u>
		<u>\$ 1,902,626</u>	<u>\$ 535,788</u>	<u>\$ 807,713</u>	<u>\$ 718,754</u>

(Continued)

Owner	Construction Code	Total Contract Price	Construction Revenue Recognized for the Year	Cumulative Construction Revenue Recognized	Advance Construction Receipts
For the year ended <u>December 31, 2022</u>					
Subsidiary (Da Cin Development)	11904	\$ 423,412	\$ 108,584	\$ 176,326	\$ 165,131
	11802	571,769	1,272	15,885	9,919
	12102	<u>166,033</u>	<u>66,116</u>	<u>79,714</u>	<u>86,337</u>
		<u>\$ 1,161,214</u>	<u>\$ 175,972</u>	<u>\$ 271,925</u>	<u>\$ 261,387</u> (Concluded)

The terms of the contracted bidding and amounts received from related parties were similar to those for transactions with third parties.

c. Contracted construction projects

Owner	Construction Code	Total Contract Price	Construction Revenue Recognized for the Year	Cumulative Construction Revenue Recognized
For the year ended <u>December 31, 2023</u>				
Subsidiary (Dacin Integration)	11902	<u>\$ 28,000</u>	<u>\$ 4,480</u>	<u>\$ 25,760</u>
For the year ended <u>December 31, 2022</u>				
Subsidiary (Dacin Integration)	11902	<u>\$ 28,000</u>	<u>\$ -</u>	<u>\$ 21,280</u>

The terms of the contracted construction projects and amounts paid to related parties were similar to those for transactions with third parties.

d. Contract assets

Related Party Category/Name	December 31	
	2023	2022
Subsidiaries	<u>\$ 1,042</u>	<u>\$ 1,042</u>

For the years ended December 31, 2023 and 2022, no impairment loss was recognized for contract asset from related parties.

e. Receivables from related parties (excluding loans to related parties)

Line Item	Related Party Category	December 31	
		2023	2022
Accounts receivable	Subsidiaries	\$ 28,285	\$ 21,035
Other receivables	Subsidiaries (Vietnam)	\$ 59	\$ 59

The outstanding receivables from related parties are unsecured. For the years ended December 31, 2023 and 2022, no impairment loss was recognized for receivables from related parties.

f. Payables to related parties

Line Item	Related Party Category	December 31	
		2023	2022
Other payables	Subsidiaries	\$ 2,152	\$ 3,293

The outstanding payables to related parties are unsecured.

g. Others

Line Item	Related Party Category	For the Year Ended December 31	
		2023	2022
Service cost (listed as construction in progress)	Subsidiaries (Dacin Integration)	\$ 36,389	\$ 40,517
Rental revenue	Subsidiaries (Da Cin Development)	\$ 2,767	\$ 2,767
	Subsidiaries (Dacin Integration)	1,318	1,318
	Others	86	86
		<u>\$ 4,171</u>	<u>\$ 4,171</u>
Other revenue	Subsidiaries	\$ 166	\$ 570
Service expenses	Subsidiaries	\$ 804	\$ 3,515
Others	Subsidiaries	\$ 1,920	\$ 1,920

All the terms and conditions of the rental contracts above conform to normal business practices.

h. Other transactions with related parties

The Company performed certain administrative services for its subsidiaries. For the years ended December 31, 2023 and 2022, management fees of \$7,147 thousand and \$7,470 thousand, respectively, were charged and paid, as an appropriate allocation of costs incurred by relevant administrative departments.

i. Remuneration of key management personnel

	For the Year Ended December 31	
	2023	2022
Short-term employee benefits	\$ 84,362	\$ 86,306
Post-employment benefits	<u>3,015</u>	<u>7,945</u>
	<u>\$ 87,377</u>	<u>\$ 94,251</u>

The remuneration of directors and key executives was determined by the remuneration committee based on the performance of individuals and market trends.

32. ASSETS PLEDGED AS COLLATERAL OR FOR SECURITY

The following assets were provided as collateral for bank borrowings, refundable deposits and construction contracts:

	December 31	
	2023	2022
Pledged bank balance (included in other financial assets - current)	\$ 803,257	\$ 533,980
Pledged deposits (included in other financial assets - non-current)	35,726	36,456
Investment property	<u>189,047</u>	<u>190,329</u>
	<u>\$ 1,028,030</u>	<u>\$ 760,765</u>

33. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNIZED COMMITMENTS

In addition to those disclosed in other notes, significant commitments and contingencies of the Company as of December 31, 2023 and 2022 were as follows:

- As of December 31, 2023 and 2022, guarantee notes for construction fulfillment amounted to approximately \$7,364,632 thousand and \$6,614,750 thousand, respectively.
- For some jointly contracted projects, both parties have joint performance obligations in accordance with the contract regulations after winning the bid.
- The Company entered into a joint project, the "Sinotech Engineering" of Taipei Metro Rapid Transit System CG590C, with Iwata Chizaki Corporation. Iwata Chizaki Corporation filed a lawsuit against the Company in June and July 2019 due to objections regarding the increase in some of the construction costs, derivative costs of the extended construction period and the amount of raw material price adjustments and requested compensation of \$114,966 thousand from the Company. As of December 31, 2023, the claim of Iwata Chizaki Corporation was unsuccessful and is currently under appeal. The lawsuit will not have a material impact on the Company's finances.

34. OTHER

Significant Assets and Liabilities Denominated in Foreign Currencies

The significant financial assets and liabilities of the Company and its branch companies denominated in foreign currencies aggregated by the foreign currencies other than functional currencies and the related exchange rates between the foreign currencies and the respective functional currencies were as follows:

December 31, 2023

	Foreign Currency	Exchange Rate	Carrying Amount
<u>Financial assets</u>			
Monetary items			
USD	\$ 6,209	30.69 (USD:NTD)	\$ 190,559
RMB	15,576	4.305 (RMB:NTD)	67,054
SGD	11	23.30 (SGD:NTD)	<u>264</u>
			<u>\$ 257,877</u>
Non-monetary items			
Financial assets at fair value through other comprehensive income			
USD	1,486	30.69 (USD:NTD)	<u>\$ 45,598</u>
Investments accounted for using the equity method			
USD	31,471	30.69 (USD:NTD)	<u>\$ 965,837</u>

December 31, 2022

	Foreign Currency	Exchange Rate	Carrying Amount
<u>Financial assets</u>			
Monetary items			
USD	\$ 5,910	30.72 (USD:NTD)	\$ 181,555
RMB	15,372	4.393 (RMB:NTD)	67,530
SGD	11	22.79 (SGD:NTD)	<u>258</u>
			<u>\$ 249,343</u>
Non-monetary items			
Financial assets at fair value through other comprehensive income			
USD	1,410	30.72 (USD:NTD)	<u>\$ 43,313</u>
Investments accounted for using the equity method			
USD	33,076	30.72 (USD:NTD)	<u>\$ 1,016,082</u>

The following information was aggregated by the functional currency of the Company, and the exchange rate between the respective functional currency and the presentation currency was disclosed. The significant realized and unrealized foreign exchange gains (losses) were as follows:

	For the Year Ended December 31			
	2023		2022	
Functional Currency	Exchange Rate (Functional Currency: Presentation Currency)	Net Foreign Exchange Gains (Losses)	Exchange Rate (Functional Currency: Presentation Currency)	Net Foreign Exchange Gains (Losses)
NTD	1 (NTD:NTD)	\$ (1,568)	1 (NTD:NTD)	\$ 24,312

Maturity Analysis of Assets and Liabilities

The Company classified the assets and liabilities related to the construction business as current and non-current in accordance with the length of the operating cycle of these construction projects. The amounts that are expected to be recovered or settled within one year and more than one year from the balance sheet date are listed as follows:

	For the Year Ended December 31, 2023		
	Within 1 Year	More Than 1 Year	Total
<u>Assets</u>			
Notes receivable	\$ 67,320	\$ 373,500	\$ 440,820
Accounts receivable	1,158,995	35,546	1,194,541
Contract assets	1,338,086	3,059,691	4,397,777
Land and buildings held for sale	-	47,788	47,788
Construction in progress - land and buildings	-	3,390,347	3,390,347
Other current assets	61,936	-	61,936
Refundable deposits on construction contracts	124,240	252,336	376,576
Other financial assets - current	803,257	-	803,257
<u>Liabilities</u>			
Notes payable	7,888	-	7,888
Accounts payable	1,841,064	2,220,798	4,061,862
Contract liabilities	1,830,595	-	1,830,595
Other current liabilities	-	10,400	10,400
Provisions	-	80,939	80,939

For the Year Ended December 31, 2022			
	Within 1 Year	More Than 1 Year	Total
<u>Assets</u>			
Notes receivable	\$ 122,636	\$ 373,500	\$ 496,136
Accounts receivable	1,115,880	11,126	1,127,006
Contract assets	243,563	2,314,217	2,557,780
Land and buildings held for sale	-	220,353	220,353
Construction in progress - land and buildings	-	689,559	689,559
Other current assets	110,890	-	110,890
Refundable deposits on construction contracts	6,297	530,963	537,260
Other financial assets - current	533,980	-	533,980
<u>Liabilities</u>			
Notes payable	36,720	-	36,720
Accounts payable	2,331,493	1,996,008	4,327,501
Contract liabilities	1,429,354	-	1,429,354
Other current liabilities	-	10,400	10,400
Provisions	-	87,881	87,881

35. SEPARATELY DISCLOSED ITEMS

a. Information about significant transactions and investees:

- 1) Financing provided to others. (Table 1)
- 2) Endorsements/guarantees provided. (None)
- 3) Marketable securities held (excluding investments in subsidiaries and associates). (Table 2)
- 4) Marketable securities acquired or disposed of at costs or prices of at least NT\$300 million or 20% of the paid-in capital. (None)
- 5) Acquisition of individual real estate at costs of at least NT\$300 million or 20% of the paid-in capital. (Table 3)
- 6) Disposal of individual real estate at prices of at least NT\$300 million or 20% of the paid-in capital. (None)
- 7) Total purchases from or sales to related parties amounting to at least NT\$100 million or 20% of the paid-in capital. (Table 4)
- 8) Receivables from related parties amounting to at least NT\$100 million or 20% of the paid-in capital. (Table 5)
- 9) Trading in derivative instruments. (None)

b. Information on investees (Table 6)

c. Information on investments in mainland China

- 1) Information on any investee company in mainland China, showing the name, principal business activities, paid-in capital, method of investment, inward and outward remittance of funds, ownership percentage, net income of investees, investment income or loss, carrying amount of the investment at the end of the year, repatriations of investment income, and limit on the amount of investment in the mainland China area. (None)
- 2) Any of the following significant transactions with investee companies in mainland China, either directly or indirectly through a third party, and their prices, payment terms, and unrealized gains or losses (None):
 - a) The amount and percentage of purchases and the balance and percentage of the related payables at the end of the period.
 - b) The amount and percentage of sales and the balance and percentage of the related receivables at the end of the period.
 - c) The amount of property transactions and the amount of the resultant gains or losses.
 - d) The balance of negotiable instrument endorsements or guarantees or pledges of collateral at the end of the period and the purposes.
 - e) The highest balance, the end of year balance, the interest rate range, and total current period interest with respect to financing of funds.
 - f) Other transactions that have a material effect on the profit or loss for the year or on the financial position, such as the rendering or receipt of services.
- d. Information of major shareholders: List all shareholders with ownership of 5% or greater showing the name of the shareholder, the number of shares owned, and percentage of ownership of each shareholder (Table 7)

TABLE 1

DA-CIN CONSTRUCTION CO., LTD. AND INVESTEES

**FINANCING PROVIDED TO OTHERS
FOR THE YEAR ENDED DECEMBER 31, 2023
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)**

No.	Lender	Borrower	Financial Statement Account	Related Party	Highest Balance for the Year	Ending Balance	Actual Amount Borrowed	Interest Rate	Nature of Financing	Business Transaction Amount	Reasons for Short-term Financing	Allowance for Impairment Loss	Collateral		Financing Limit for Each Borrower	Aggregate Financing Limit
													Item	Value		
1	Dacin Asia Holdings Ltd.	Dacin Holdings (Pte) Ltd.	Accounts receivable - related parties	Y	\$ 376,720 (US\$ 12,275 thousand)	\$ 192,580 (US\$ 6,275 thousand)	\$ 192,580 (US\$ 6,275 thousand)	4.5%-7.32%	Short-term financing needs	\$ -	(Note D)	\$ -	-	\$ -	\$ 386,326 (US\$ 12,588 thousand (Note A))	\$ 386,326 (US\$ 12,588 thousand (Note A))
		Dacin International Holdings Ltd.	Accounts receivable - related parties	Y	7,673 (US\$ 250 thousand)	7,673 (US\$ 250 thousand)	7,673 (US\$ 250 thousand)	4.5%	Short-term financing needs	-	(Note D)	-	-	-	386,326 (US\$ 12,588 thousand (Note A))	386,326 (US\$ 12,588 thousand (Note A))
		Dacin Vietnam Tan Tao Company Limited	Accounts receivable - related parties	Y	282,348 (US\$ 9,200 thousand)	122,760 (US\$ 4,000 thousand)	122,760 (US\$ 4,000 thousand)	3.15%-7.58%	Short-term financing needs	-	(Note D)	-	-	-	386,326 (US\$ 12,588 thousand (Note A))	386,326 (US\$ 12,588 thousand (Note A))
2	Dacin International Holdings Ltd.	Dacin Holdings (Pte) Ltd.	Accounts receivable - related parties	Y	12,276 (US\$ 400 thousand)	12,276 (US\$ 400 thousand)	12,276 (US\$ 400 thousand)	4.5%	Short-term financing needs	-	(Note D)	-	-	-	51,222 (US\$ 1,669 thousand (Note B))	76,817 (US\$ 2,503 thousand (Note B))
3	Dacin Holdings (Pte) Ltd.	Dacin Vietnam Tan Tao Company Limited	Accounts receivable - related parties	Y	460,657 (US\$ 15,010 thousand)	193,347 (US\$ 6,300 thousand)	193,347 (US\$ 6,300 thousand)	3.15%-7.58%	Short-term financing needs	-	(Note D)	-	-	-	255,648 (US\$ 8,330 thousand (Note C))	255,648 (US\$ 8,330 thousand (Note C))

Note A: The limit on the aggregate financing amount and individual financing amount for financing provided by Dacin Asia Holdings Ltd. to companies with short-term financing needs should not exceed 40% of the net worth of Dacin Asia Holdings Ltd., as shown in the Company’s and Dacin Asia Holdings Ltd.’s latest audited/reviewed financial statements.

Note B: The limit on the aggregate financing amount provided by Dacin International Holdings Ltd. to companies with short-term financing needs should not exceed 15% of the net worth of Dacin International Holdings Ltd., as shown in Dacin International Holdings Ltd.’s latest audited/reviewed financial statements, while the limit on individual financing amounts provided to companies with short-term financing needs should not exceed 10% of the net worth of Dacin International Holdings Ltd., as shown in their latest audited/reviewed financial statements.

Note C: The limit on the aggregate financing amount provided by Dacin Holdings (Pte) Ltd. to companies with short-term financing needs should not exceed 40% of the net worth of Dacin Holdings (Pte) Ltd., as shown in Dacin Holdings (Pte) Ltd.’s latest audited/reviewed financial statements, while the limit on individual financing amounts provided to companies with short-term financing needs should not exceed 40% of the net worth of Dacin Holdings (Pte) Ltd., as shown in their latest audited/reviewed financial statements.

Note D: A subsidiary or associate of which more than 50% of its ordinary shares are directly owned by the lender, with short-term financing needs but no available credit facilities from banks; after assessment, the subsidiary or associate is deemed to be in good financial condition to repay the loan.

TABLE 2

DA-CIN CONSTRUCTION CO., LTD. AND INVESTEEES

MARKETABLE SECURITIES HELD

DECEMBER 31, 2023

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

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	December 31, 2023				Note
				Number of Shares	Carrying Amount	Percentage of Ownership (%)	Fair Value	
Da-Cin Construction Co., Ltd.	<u>Shares</u>							
	Mondarina Crown Hotel Company Ltd.	-	Financial assets at fair value through other comprehensive income - non-current	1,125,000	\$ 67,359	2.73	\$ 67,359	
	Caesar Park Hotel Kenting Corp.	-	Financial assets at fair value through other comprehensive income - non-current	1,756,182	39,357	3.00	39,357	
	Da-Feng Industrial Co., Ltd.	-	Financial assets at fair value through other comprehensive income - non-current	400,000	-	19.05	-	
	JSL Construction & Development Co., Ltd.	-	Financial assets at fair value through other comprehensive income - non-current	2,980,269	257,197	0.76	257,197	
	Taiwan Semiconductor Manufacturing Company	-	Financial assets at fair value through profit or loss - current	1,089,000	645,777	-	645,777	
	Cathay Financial Holdings Co., Ltd.	-	Financial assets at fair value through profit or loss - current	281,220	12,866	-	12,866	
	<u>Mutual funds</u>							
	Hua Nan Phoenix Money Market	-	Financial assets at fair value through profit or loss - current	4,983,303.60	83,344	-	83,344	
	Mega Diamond Money Market	-	Financial assets at fair value through profit or loss - current	4,041,645.11	52,135	-	52,135	
	Cathay Taiwan Money Market	-	Financial assets at fair value through profit or loss - current	5,686,526.20	72,576	-	72,576	
	Financial and Conventional Industries Featured Dividend Fund	-	Financial assets at fair value through profit or loss - current	300,000.00	2,970	-	2,970	
	Yuanta 0-2 Year Investment Grade Corporate Bond Fund-TWD (A)	-	Financial assets at fair value through profit or loss - current	50,000.00	15,988	-	15,988	
	Mega Global Bond ETF Strategic Income Fund of Funds USD Acc	-	Financial assets at fair value through profit or loss - current	20,000.00	6,365	-	6,365	
	<u>Bonds</u>							
	Nasdaq Inc.	-	Financial assets at fair value through other comprehensive income - non-current	1,050	22,543	-	22,543	
	Verizon Communication Inc.	-	Financial assets at fair value through other comprehensive income - non-current	770	23,055	-	23,055	
Da-Cin Development Co., Ltd.	<u>Shares</u>							
	Da-Cin Construction Co., Ltd.	Parent company	Financial assets at fair value through other comprehensive income - non-current	10,902,228	480,788	4.03	480,788	All shares held by subsidiaries were regarded as treasury shares.

(Continued)

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	December 31, 2023				Note
				Number of Shares	Carrying Amount	Percentage of Ownership (%)	Fair Value	
Dacin Asia Holdings Ltd.	<u>Share certificates</u> Clementi Development Pte. Ltd.	-	Financial assets at fair value through profit or loss - non-current		SGD 384 thousand	5.00	SGD 384 thousand	

Note A: Market values of domestic listed shares are based on the closing prices as of December 31, 2023. The financial assets measured at cost without listed prices were measured by the net worth of investees or their respective carrying amounts. The market values of mutual funds were calculated at their net asset values as of December 31, 2023.

Note B: The carrying amounts of financial assets at fair value through profit or loss - current (non-current) and financial assets at fair value through other comprehensive income - non-current were equal to their fair values as of December 31, 2023.

Note C: For related information of investees, refer to Table 6.

Note D: The registration of Da-Feng Industrial Co., Ltd. was annulled by the competent authority on August 24, 2022.

(Concluded)

TABLE 3

DA-CIN CONSTRUCTION CO., LTD. AND INVESTEES

ACQUISITION OF INDIVIDUAL REAL ESTATE AT COSTS OF AT LEAST \$300 MILLION OR 20% OF THE PAID-IN CAPITAL
FOR THE YEAR ENDED DECEMBER 31, 2023
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Buyer	Property	Event Date	Transaction Amount	Payment Status	Counterparty	Relationship	Information on Previous Title Transfer If Counterparty Is A Related Party				Pricing Reference	Purpose of Acquisition	Other Terms
							Property Owner	Relationship	Transaction Date	Amount			
Da-Cin Construction Co., Ltd.	Construction in progress - 1 st Subsection, Changan Section., Zhongshan District	Start from March 7, 2023	\$ 2,622,992	Paid all	Yong Zhenji Co., Ltd., Yuanta Construction and Development Co., Ltd., Yuanta International Investment Co., Ltd., Yongtong Investment Co., Ltd.	-	-	-	-	\$ -	According to the valuation reports from Zhanxin Real Estate Valuation Firm and Zhan-Mao Real Estate Appraisers Firm, the estimated price less the land value increment tax is 2,629,469 thousand and 2,642,422 thousand, respectively.	Self-built on one's own property	-
Da-Cin Development Co., Ltd.	Prepayments for Land and Buildings - 2 nd Subsection, Tianmu Section., Shilin District	Start from April 15, 2023	648,579	Paid \$24,656 thousand	Natural person	-	-	-	-	-	According to fair market value	Self-built on one's own property	By April 30, 2024 (it can be extended for half a year after the expiration), if the contract ratio with the property owners in the same block does not reach more than 90%, the contract will be unconditionally terminated.

TABLE 4

DA-CIN CONSTRUCTION CO., LTD. AND INVESTEEES

**TOTAL PURCHASES FROM OR SALES TO RELATED PARTIES AMOUNTING TO AT LEAST NT\$100 MILLION OR 20% OF THE PAID-IN CAPITAL
FOR THE YEAR ENDED DECEMBER 31, 2023
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)**

Buyer	Related Party	Relationship	Transaction Details				Abnormal Transaction		Notes/Accounts/ Trade Receivable (Payables)		Note
			Purchase/Sale	Amount	% to Total	Payment Terms	Unit Price	Payment Terms	Ending Balance	% to Total	
Da-Cin Construction Co., Ltd.	Da-Cin Development Co., Ltd.	Subsidiary	Construction contract revenue	\$535,788	3.60	In accordance with the terms of the contract	In accordance with the terms of the contract	In accordance with the terms of the contract	\$ 21,095	1.28	Note

Note: The amount was eliminated upon consolidation.

TABLE 5

DA-CIN CONSTRUCTION CO., LTD. AND INVESTEEES

**RECEIVABLES FROM RELATED PARTIES AMOUNTING TO AT LEAST NT\$100 MILLION OR 20% OF THE PAID-IN CAPITAL
DECEMBER 31, 2023
(In Thousands of New Taiwan Dollars)**

Company Name	Related Party	Relationship	Ending Balance	Turnover Rate	Overdue		Amounts Received in Subsequent Period	Allowance for Impairment Loss
					Amount	Action Taken		
Dacin Asia Holdings Ltd.	Dacin Holdings (Pte) Ltd. DACIN VIETNAM TAN TAO COMPANY LIMITED	Parent company	\$ 192,580	-	\$ -	-	\$ 36,828	-
		Affiliated company	122,760	-	-	-	30,690	-
Dacin Holdings (Pte) Ltd.	DACIN VIETNAM TAN TAO COMPANY LIMITED	Parent company	193,347	-	-	-	55,242	-

Note: The amount was eliminated upon consolidation.

TABLE 6

DA-CIN CONSTRUCTION CO., LTD. AND INVESTEEES

INFORMATION ON INVESTEEES
FOR THE YEAR ENDED DECEMBER 31, 2023
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Investor Company	Investee Company	Location	Main Businesses and Products	Original Investment Amount		As of December 31, 2023			Net Income (Loss) of the Investee	Share of Profit (Loss)	Note
				December 31, 2023	December 31, 2022	Number of Shares	%	Carrying Amount			
Da-Cin Construction Co., Ltd.	Da Cin Development Co., Ltd.	Taipei	Delegating to contractors the construction of buildings for lease and sale	\$ 972,588	\$ 972,588	130,300,000	100.00	\$ 959,810	\$ (44,390)	\$ (78,459)	Notes A and B
	Dacin Integration Technology Co., Ltd.	Taipei	Engaged in construction information and technology	50,000	50,000	5,000,000	100.00	-	4,648	(5,989)	Notes A and B
	Dacin Asia Holdings Ltd.	Cayman Islands	Managing investments in manufacturing and certain industries	US\$ 30,384 thousand	US\$ 30,384 thousand	-	100.00	965,837	(18,745)	(18,745)	Notes A and B
Dacin Asia Holdings Ltd.	Dacin International Holdings Ltd.	Cayman Islands	Managing investments in manufacturing and certain industries	US\$ 17,062 thousand	US\$ 13,142 thousand	-	64.08	US\$ 10,692 Thousand	US\$ (1,558) Thousand	-	Notes A and B
	Dacin Holdings (Pte) Ltd.	Singapore	Managing investments in manufacturing and certain industries	US\$ 4,966 thousand	US\$ 3,916 thousand	-	15.00	US\$ 3,124 Thousand	US\$ (1,938) Thousand	-	Notes A and B
	Dacin Malaysia Sdn Bhd	Malaysia	Engaged in construction management - related business	MYR 1,000 thousand	MYR 1,000 thousand	-	100.00	MYR 3,938 Thousand	MYR 90 Thousand	-	Notes A and B
Dacin International Holdings Ltd.	Dacin Holdings (Pte) Ltd.	Singapore	Managing investments in manufacturing and certain industries	US\$ 26,488 thousand	US\$ 20,888 thousand	-	80.00	US\$ 16,660 Thousand	US\$ (1,938) Thousand	-	Notes A and B
Dacin Holdings (Pte) Ltd.	Dacin Vietnam Tan Tao Company Limited	Vietnam	Engaged in real estate construction and infrastructure - related business	US\$ 14,062 thousand	US\$ 14,062 thousand	-	90.00	US\$ 4,750 Thousand	US\$ (1,903) thousand	-	Notes A and B
	Phuoc Dien Investment Company Limited	Vietnam	Engaged in real estate construction and infrastructure - related business	US\$ 9,006 thousand	US\$ 9,006 thousand	-	100.00	US\$ 7,467 thousand	US\$ (248) Thousand	-	Notes A and B
Dacin Malaysia Sdn Bhd	Mayang Dacin Development Sdn Bhd	Malaysia	Engaged in real estate construction and infrastructure - related business	MYR 125 thousand	MYR 125 thousand	-	50.00	MYR - thousand	MYR (94) thousand	-	Notes B and C

Note A: Subsidiary.

Note B: The calculation was based on the audited financial statements of the Company as of December 31, 2023.

Note C: Investee of the Company accounted for using the equity method.

TABLE 7**DA-CIN CONSTRUCTION CO., LTD. AND INVESTEEES****INFORMATION OF MAJOR SHAREHOLDERS
DECEMBER 31, 2023**

Name of Major Shareholder	Shares	
	Number of Shares	Percentage of Ownership (%)
Wang, Jen-Jeng	24,213,027	8.94
GOOD FINANCE SECURITIES CO., LTD.	18,520,000	6.83

Note: The information of major shareholders presented in this table is provided by the Taiwan Depository & Clearing Corporation based on the number of ordinary shares and preferred shares held by shareholders with ownership of 5% or greater, that have been issued without physical registration (including treasury shares) by the Company as of the last business day for the current quarter. The share capital in the consolidated financial statements may differ from the actual number of shares that have been issued without physical registration because of different preparation basis.

DA-CIN CONSTRUCTION CO., LTD.

THE CONTENTS OF STATEMENTS OF MAJOR ACCOUNTING ITEMS

Item	Statement Index
Major Accounting Items in Assets, Liabilities and Equity	
Statement of cash and cash equivalents	1
Statement of financial assets at fair value through profit or loss - current	Note 2
Statement of changes in financial assets at amortized cost - current	Note 9
Statement of accounts receivable	2
Statement of land and buildings held for sale and construction in progress - land and buildings	3
Statement of changes in financial assets at fair value through other comprehensive income - non-current	Note 2
Statement of changes in investments accounted for using the equity method	4
Statement of changes in property, plant and equipment	Note 14
Statement of changes in right-of-use assets	Note 15
Statement of changes in investment properties	Note 16
Statement of deferred income tax assets	Note 26
Statement of short-term borrowings	5
Statement of accounts payable	6
Statement of other payables	Note 20
Statement of bonds payable	Note 19
Statement of long-term borrowings	7
Statement of lease liabilities	8
Statement of deferred income tax liabilities	Note 26
Major Accounting Items in Profit or Loss	
Statement of operating revenue and cost	9
Statement of operating expenses	10
Statement of employee benefits expense, depreciation expense and amortization expense	11

DA-CIN CONSTRUCTION CO., LTD.**STATEMENT OF CASH AND CASH EQUIVALENTS****DECEMBER 31, 2023****(In Thousands of New Taiwan Dollars)**

Item	Description	Amount
Cash on hand (Note A)		\$ 3,591
Checking accounts		494,443
Time deposit (Note B)		160,922
Demand deposit (Note C)		<u>3,030,130</u>
		<u>\$ 3,689,086</u>

Note A: Including SGD20 thousand, converted at the exchange rate SGD1:NT\$23.3.

Note B: Including RMB5,300 thousand and US\$4,500 thousand, which are converted at the exchange rate RMB1:NT\$4.305 and US\$1:NT\$30.69, respectively.

Note C: Including US\$1,709 thousand, RMB1,977 thousand and SGD11 thousand, respectively, at the exchange rate of US\$1:NT\$30.69, RMB1:NT\$4.305 and SGD1:NT\$23.3.

DA-CIN CONSTRUCTION CO., LTD.**STATEMENT OF ACCOUNTS RECEIVABLE****DECEMBER 31, 2023****(In Thousands of New Taiwan Dollars)**

Client Code	Amount
126164	\$ 922,164
165705	113,421
344664	60,665
Others (Note)	<u>106,920</u>
	1,203,170
Less: Loss allowance of accounts receivable	<u>8,629</u>
Net amount	<u>\$ 1,194,541</u>

Note: The amount of individual client included in others does not exceed 5% of the account balance.

DA-CIN CONSTRUCTION CO., LTD.**STATEMENT OF LAND AND BUILDINGS HELD FOR SALE AND CONSTRUCTION IN
PROGRESS - LAND AND BUILDINGS****DECEMBER 31, 2023****(In Thousands of New Taiwan Dollars)**

Item	Amount	
	Cost	Net Realizable Value (Note)
Land and buildings held for sale	\$ 47,788	\$ 78,695
Construction in progress - land and buildings	<u>3,390,347</u>	<u>6,084,545</u>
	<u>\$ 3,438,135</u>	<u>\$ 6,163,240</u>

Note: The market price is determined based on the net realizable value.

DA-CIN CONSTRUCTION CO., LTD.

STATEMENT OF CHANGES IN INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD
FOR THE YEAR ENDED DECEMBER 31, 2023
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Name	Balance, January 1, 2023		Decrease in Investment (Note A)		Treasury Shares	Share of Profit or Loss of Subsidiaries and Associates	Cash Dividends to Subsidiaries - Deemed as Treasury Shares (In Thousands)	Recognize the Exchange Differences on Translating the Financial Statement of Foreign Operations	Other	Balance, December 31, 2023			Market Value or Net Asset Value Total Amount
	Shares (In Thousands)	Fair Value	Shares (In Thousands)	Amount						Shares (In Thousands)	%	Amount	
Accounted for using the equity method - Unlisted company													
Da Cin Development Co., Ltd.	130,300	\$ 1,014,450	-	\$ (37,505)	\$ 27,255	\$ (78,459)	\$ 34,069	\$ -	\$ -	130,300	100	\$ 959,810	\$ 1,016,351
Dacin Integration Technology Co., Ltd.	5,000	16,825	-	(25,000)	-	(5,989)	-	-	14,164	5,000	100	-	62,355
Dacin Asia Holdings Ltd.	-	<u>1,016,082</u>	-	<u>-</u>	<u>-</u>	<u>(18,745)</u>	<u>-</u>	<u>(28,357)</u>	<u>(3,143)</u>	-	100	<u>965,837</u>	<u>965,837</u>
		<u>\$ 2,047,357</u>		<u>\$ (62,505)</u>	<u>\$ 27,255</u>	<u>\$ (103,193)</u>	<u>\$ 34,069</u>	<u>\$ (28,357)</u>	<u>\$ 11,021</u>			<u>\$ 1,925,647</u>	<u>\$ 2,044,543</u>

Note A: The decrease this year is the unrealized gross profit of downstream transactions of \$37,505 thousand, and the company issued a cash dividend of \$25,000 thousand.

Note B: There is no pledge of the above-mentioned equity investment.

DA-CIN CONSTRUCTION CO., LTD.**STATEMENT OF SHORT-TERM BORROWINGS****DECEMBER 31, 2023****(In Thousands of New Taiwan Dollars)**

Bank Name	Period	Interest Rate (%)	Amount	Collateral
Credit loan				
Bank of Taiwan - Da-An Branch	2023.07.14- 2024.01.10	2.03	\$ 100,000	None
Land Bank of Taiwan - Chang-An Branch	2023.12.21- 2024.01.19	1.91	200,000	None
Taiwan Cooperative Bank - Neihu Branch	2023.11.21- 2024.02.21	1.93	100,000	None
Mega International Commercial Bank - Chunghsiao Branch	2023.12.27- 2024.03.26	1.95	100,000	None
Taiwan Business Bank - Da-An Branch	2023.10.27- 2024.04.25	1.92	100,000	None
Far Eastern International Commercial Bank - Business Division	2023.10.18- 2024.01.16	1.85	100,000	None
Far Eastern International Commercial Bank - Business Division	2023.11.21- 2024.01.16	1.85	<u>100,000</u>	None
			<u>\$ 800,000</u>	

DA-CIN CONSTRUCTION CO., LTD.**STATEMENT OF ACCOUNTS PAYABLE****DECEMBER 31, 2023****(In Thousands of New Taiwan Dollars)**

Vendor Code	Amount
336553	\$ 200,219
109121	172,787
104885	157,756
105124	105,822
103279	93,502
104820	91,841
102688	51,893
125571	50,737
Others (Note)	<u>3,137,305</u>
	<u>\$ 4,061,862</u>

Note: The amount of individual vendor included in others does not exceed \$50,000 thousand.

DA-CIN CONSTRUCTION CO., LTD.

STATEMENT OF LONG-TERM BORROWINGS
DECEMBER 31, 2023
(In Thousands of New Taiwan Dollars)

Bank Name	Period	Repayment Method	Interest Rate (%)	Amount			Collateral	Note
				Due Within One Year	Due After One Year	Total		
Secured loan								
The Export - Import Bank of Republic of China	2021.04.27-2024.04.29	Monthly interest payment; principal repayment at maturity	2.15	\$ 200,000	\$ -	\$ 200,000	None	-
The Export - Import Bank of Republic of China	2022.06.14-2025.06.13	Monthly interest payment; principal repayment at maturity	2.15	-	500,000	500,000	None	-
				\$ 200,000	\$ 500,000	\$ 700,000		

DA-CIN CONSTRUCTION CO., LTD.**STATEMENT OF LEASE LIABILITIES****DECEMBER 31, 2023****(In Thousands of New Taiwan Dollars)**

Item	Leasing Period	Discount Rate	Ending Balance
Land	2022.11.01-2024.10.31	0.76%-2.02%	\$ 612
Buildings	2021.05.24-2025.12.31	0.76%-3.66%	17,560
Machinery equipment	2019.09.20-2024.09.19	1.24%-3.66%	7,853
Transportation equipment	2019.06.22-2026.09.30	1.19%-2.17%	299
Furniture and fixtures	2010.04.23-2026.11.15	1.19%-2.13%	<u>796</u>
			<u>\$ 27,120</u>

Note: Lease liability that will mature within one year, which is \$16,393 thousand, has been transferred to the lease liability-current.

DA-CIN CONSTRUCTION CO., LTD.**STATEMENT OF OPERATING REVENUE AND COST
FOR THE YEAR ENDED DECEMBER 31, 2023
(In Thousands of New Taiwan Dollars)**

Item	Operating Revenue	Operating Cost	Gross Profit
Plants and others	\$ 8,829,080	\$ 7,288,845	\$ 1,540,235
Public constructions	3,236,045	3,236,045	-
Commercial buildings	1,804,265	1,639,305	164,960
Housing projects	<u>1,142,734</u>	<u>1,098,796</u>	<u>43,938</u>
	<u>\$ 15,012,124</u>	<u>\$ 13,262,991</u>	<u>\$ 1,749,133</u>

DA-CIN CONSTRUCTION CO., LTD.

**STATEMENT OF OPERATING EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2023
(In Thousands of New Taiwan Dollars)**

Item	Amount
Salary and bonus expense	\$ 270,924
Service fee	37,767
Depreciation expense	14,863
Insurance expense	11,472
Others (Note)	<u>86,133</u>
	<u>\$ 421,159</u>

Note: The amount of each item in others does not exceed \$10,000 thousand.

DA-CIN CONSTRUCTION CO., LTD.

STATEMENT OF EMPLOYEE BENEFITS EXPENSE, DEPRECIATION EXPENSE AND AMORTIZATION EXPENSE

FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022

(In Thousands of New Taiwan Dollars)

	2023			2022		
	Operating Cost	Operating Expense	Total	Operating Cost	Operating Expense	Total
Employee benefits expense						
Salary expense	\$ 478,445	\$ 242,024	\$ 720,469	\$ 515,641	\$ 231,287	\$ 746,928
Insurance expense	42,788	11,293	54,081	46,281	11,108	57,389
Remuneration of directors and supervisors	-	28,900	28,900	-	28,600	28,600
Pension expense	20,815	6,165	26,980	21,892	5,435	27,327
Others	<u>24,962</u>	<u>6,568</u>	<u>31,530</u>	<u>24,745</u>	<u>8,298</u>	<u>33,043</u>
	<u>\$ 567,010</u>	<u>\$ 294,950</u>	<u>\$ 861,960</u>	<u>\$ 608,559</u>	<u>\$ 284,728</u>	<u>\$ 893,287</u>
Depreciation expense	\$ 31,482	\$ 14,863	\$ 46,345	\$ 41,589	\$ 13,070	\$ 54,659
Amortization expense	\$ 749	\$ 2,831	\$ 3,580	\$ 796	\$ 2,531	\$ 3,327

- a. The average number of employees for 2023 and 2022 was 539 and 605, respectively, of which 5 directors were not employees.
- b. The average employee benefits expense for 2023 and 2022 was \$1,560 thousand and \$1,441 thousand, respectively; the average employee salary expense for 2023 and 2022 was \$1,349 thousand and \$1,245 thousand; the change in the average employee salary expense rate was 8.4%.
- c. Supervisor's remuneration for 2023 and 2022: The Company has no supervisor.
- d. The Company has established salary assessment methods, salary assessment standards for supervisors including those above nine levels, assessment and promotion procedures, year-end bonus procedures, and performance evaluation methods for the board of directors and functional committees.
 - 1) The title and position of new recruits shall be signed and approved at the time of entry, and their basic salary shall be stated in accordance with the corresponding approved position of the staff based on their academic experience.
 - 2) The level adjustment of current employees will be adjusted according to the factors such as construction industry prosperity, labor market and operation after the assessment.
 - 3) Personnel at level 9 or above shall be approved with reference to the salary standard of supervisors at level 9 and above.
 - 4) Year-end bonuses are differentiated based on the Company's operating status and personal work performance.
 - 5) The remuneration of managers and directors is regularly reviewed every year, and the remuneration changes must be approved by the remuneration committee and reported to the board of directors for approval before adjustment.
 - 6) The Company adopts remuneration policy that is in the same level as others in the industry, and reviews the remuneration system based on operating conditions and relevant laws and regulations at any time, in order to seek a balance between sustainable operation and risk control of the Company.