Stock Code:2540

JSL CONSTRUCTION & DEVELOPMENT CO., LTD.

Parent Company Only Financial Statements

With Independent Auditors' Report
For the Years Ended December 31, 2022 and 2021

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Independent Auditors' Report

To the Board of Directors of JSL CONSTRUCTION & DEVELOPMENT CO., LTD.:

Opinion

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

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2022 and 2021, 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 Auditing and Attestation of Financial Statements by Certified Public Accountants and 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 Account of Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirement. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis of 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 of the current period. 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. Based on our judgment, the key audit matters that should be disclosed in this report are as follows:

1. Revenue recognition

   Refer to Note 4(n) for the accounting policies on revenue recognition; Note 5 for details on the significant accounting assumptions and judgments, and major sources of the estimation uncertainty on revenue recognition; Note 6(v) "Revenues from contracts with customers" for revenue recognition.

Description of key audit matter:

The principle income of the Company is generated from selling real estate properties, of which has a higher tendency of revenue fluctuation due to impacts of various factors such as overall economic environment, supply and demand and reform of house and land transactions income tax system; to respond to aforementioned changes, the management has set up relevant internal control procedures over income and payment collection. The consolidated service contract income for the year ended December 31, 2022 was amounted to $2,388,259 thousand. The accounting treatment of service contracts involve estimates and judgments; thus, it was continuously considered as significant audit risk for the Company. Consequently, revenue recognition is one of our key audit matters.

How the matter was addressed in our audit:

Our principal audit procedures included the following: Testing the effectiveness of the design and implementing the internal control system of sales revenue; Understanding the effectiveness of the control mechanism for the Company’s real estate sales revenue and collection operations. Also, to spot check the pre-orders forms of on site real estate sales, confirmation on completion of sales contract and site daily report for sales on site, the invoice of marketing planning services, bank transactions records; testing if the accounting treatment adopted for service contract income was in accordance with accounting policies; to sample check on sales transactions for the period before and after the financial reporting date and confirm the related vouchers to assess whether the revenue recognition period is appropriate.

2. Valuation of inventories

Please refer to Note 4(f) and Note 5 for the accounting policy of inventory valuation, as well as the estimation and assumption uncertainty of the valuation of inventory, respectively. Information of estimation of the valuation of inventory are disclosed in Note 6(e) of the financial statements.

Description of key audit matter:

As of December 31, 2022, inventory of the Company (construction industry) was amounted to $17,179,125 thousand, which accounted for 67% of the consolidated total assets, and the inventory amount was presented with lower of cost or net realizable value. The judgment of net realizable value relies on management since the Company focuses on real estate industry, the industry is not only deeply affected by politics, economics, and reform of house and land transactions income tax system, but also an industry that is capital intensive and has long recover period. Consequently, revenue recognition is one of our key audit matters.

How the matter was addressed in our audit:

Our principal audit procedures included the following: understanding the Company’s operating and accounting procedures for inventory valuation.; obtaining the Company management’s data on net realizable value of inventory or individual investment evaluation forms, then sampling these data to review their market prices and comparing with contract prices of recent sales by the Company or the most updated selling prices of nearby properties. Consequently, confirming if the net realizable value of inventory is appropriate.

3. Right-of-use assets -Impairment assessment of superficies

Please refer to notes 4(k) for the accounting policy on recognition and measurement of superficies, notes 5 “Critical accounting judgments and key sources of estimation uncertainty”, for estimation uncertainty of impairment of right-of-use assets -impairment assessment of superficies, and Note 6(i) “Right-of-use assets -Impairment assessment of superficies”, and for the related disclosures, respectively, of the notes to the consolidated financial statements.

Description of key audit matter:

As of December 31, 2022, the right of use assets - superficies held by the Company was amounted to $1,034,993 thousand, representing 4% of the consolidated total assets; its impairment assessment at financial reporting date is important. The assessment process and valuation method depend on management's subjective judgment, which is an accounting estimate with high estimation uncertainty. Therefore, the impairment of right of use assets - superficies is one of the most important evaluation in performing our audit procedures

How the matter was addressed in our audit:

Our principal audit procedures included the following: Understanding the control and accounting treatment of the Company's asset impairment operations; confirming that all assets subject to impairment testing are fully included in management's assessment process; obtaining management's data on assessment assumptions,and determine the reasonableness of the valuation methods adopted to measure recoverable amounts. Then refer to external market data, comparable market transactions and discount rates. Then, to verify the reasonableness of the valuation data and assumptions; verifying whether the Company has properly disclosed its policies and other relevant information on impairment of long-term non-financial assets.

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Regulations Governing the Preparation of Financial Reports by Securities Issuers and IFRSs, IASs, interpretation as well as related guidance endorsed by the Financial Supervisory Commission of the Republic of China, and for such internal control as management determines is necessary to enable the preparation of 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 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 auditor's 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 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 investment in other entities accounted for using the equity method to express an opinion on this 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 of the current period 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 audit resulting in this independent auditors' report are Shu-Ying Chang and Hsin-Ting Huang.

KPMG

Taipei, Taiwan (Republic of China)
March 14, 2023

Notes to Readers

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

The auditors' report and the accompanying parent company only financial statements are the English translation of the Chinese version prepared and used in the Republic of China. If there is any conflict between, or any difference in the interpretation of the English and Chinese language auditors' report and parent company only financial statements, the Chinese version shall prevail.

(English Translation of Parent Company Only Financial Statements and Report Originally Issued in Chinese)

JSL CONSTRUCTION & DEVELOPMENT CO., LTD.

Balance Sheets

December 31, 2022 and 2021

(Expressed in Thousands of New Taiwan Dollars)

	Assets	December 31, 2022 Amount	%	December 31, 2021 Amount	%
1100	Cash and cash equivalents (Note 6(a))	$ 435,794	2	596,263	3
1150	Notes receivable, net (Notes 6(d), (v) and 7)	20,583	-	93,290	-
1160	Notes receivable due from related parties, net (Notes 6(d) and (v))	640	-	-	-
1170	Accounts receivable, net (Notes 6(d) and (v))	1,191,782	5	1,160,719	7
1180	Accounts receivable due from related parties, net (Notes 6(d), (v) and 7)	21,977	-	118,672	1
1200	Other receivables, net	3,371	-	10,006	-
1210	Other receivables due from related parties, net (Note 7)	20,542	-	8,652	-
1320	Inventories (for construction business), net (Notes 6(e), 7 and 8)	17,179,125	67	11,755,413	62
1410	Total prepayments (Note 6(f))	78,921	-	60,501	-
1476	Other current financial assets (Notes 6(k) and 8)	2,077,676	9	1,489,328	8
1479	Other current assets, others	42,437	-	25,411	-
1480	Current assets recognised as incremental costs to obtain contract with customers (Notes 6(k) and 7)	212,490	1	78,075	-
1482	Current assets recognised from costs to fulfil contracts with customers (Note 6(e))	336,010	1	160,162	1
		21,621,348	85	15,556,492	82
	Non-current assets:				
1510	Total non-current financial assets at fair value through profit or loss (Note 6(b))	188,560	1	188,560	1
1517	Total non-current financial assets at fair value through other comprehensive income (Note 6(c))	5,396	-	5,396	-
1550	Investments accounted for using equity method, net (Note 6(g))	550,660	2	633,949	3
1600	Total property, plant and equipment (Notes 6(h) and 8)	848,152	3	860,244	4
1755	Right-of-use assets (Notes 6(i), 7 and 8)	1,059,367	4	1,052,715	5
1760	Investment property, net (Notes 6(j), 7 and 8)	702,443	3	565,969	3
1780	Total intangible assets	354	-	181	-
1840	Deferred tax assets (Note 6(s))	39,387	-	26,760	-
1960	Non-current prepayments for investments	-	-	399	-
1980	Total other non-current financial assets (Notes 6(k) and 8)	539,495	2	451,556	2
1995	Other non-current assets, others	255	-	255	-
		3,934,069	15	3,785,984	18
	Total assets	$ 25,555,417	100	19,342,476	100

	Liabilities and Equity	December 31, 2022 Amount	%	December 31, 2021 Amount	%
	Current liabilities:				
2100	Total short-term borrowings (Note 6(l))	$ 9,217,320	36	6,613,819	34
2110	Total short-term notes and bills payable (Note 6(l))	1,551,324	6	324,232	2
2130	Current contract liabilities (Notes 6(v) and 9)	2,288,086	9	1,241,584	6
2150	Total notes payable (Note 6(o))	7,992	-	66,571	-
2170	Total accounts payable (Note 6(o))	849,968	3	401,837	2
2180	Total accounts payable to related parties (Notes 6(o) and 7)	151,129	1	172,039	1
2200	Total other payables (Note 7)	197,087	1	248,381	1
2220	Other payables to related parties (Note 7)	713,217	3	112,352	1
2230	Current tax liabilities	108,536	-	175,614	1
2251	Current provisions for employee benefits (Note 6(r))	4,801	-	4,841	-
2280	Current lease liabilities (Notes 6(p) and 7)	16,301	-	10,591	-
2305	Other current financial liabilities	8,225	-	4,162	-
2321	Bonds payable, current portion (Notes 6(n) and 7)	400,000	2	500,000	3
2322	Long-term borrowings, current portion (Note 6(m))	781,095	3	700,104	4
2399	Other current liabilities, others	21,241	-	27,403	-
		16,316,322	64	10,603,530	55
	Non-Current liabilities:				
2530	Total bonds payable (Notes 6(n) and 7)	2,000,000	8	1,400,000	7
2540	Total long-term borrowings (Note 6(m))	677,504	3	688,576	4
2570	Total deferred tax liabilities (Note 6(s))	4,756	-	7,281	-
2580	Non-current lease liabilities (Notes 6(p) and 7)	349,851	1	328,738	2
2645	Guarantee deposits received	20,835	-	8,407	-
2670	Other non-current liabilities, others (Note 6(j))	50,000	-	50,000	-
		3,102,946	12	2,483,002	13
	Total liabilities	19,419,268	76	13,086,532	68
	Equity attributable to owners of parent (Note 6(t)):				
3110	Ordinary share	2,660,790	10	1,612,600	8
3210	Total capital surplus, additional paid-in capital	1,293,675	5	1,777,455	9
3220	Capital surplus, treasury share transactions	5,556	-	5,556	-
3300	Total retained earnings	2,176,128	9	2,860,333	15
	Total equity	6,136,149	24	6,255,944	32
	Total liabilities and equity	$ 25,555,417	100	19,342,476	100

See accompanying notes to parent company only financial statements.

(English Translation of Parent Company Only Financial Statements Originally Issued in Chinese)

JSL CONSTRUCTION & DEVELOPMENT CO., LTD.

Statements of Comprehensive Income

For the years ended December 31, 2022 and 2021

(Expressed in Thousands of New Taiwan Dollars , Except for Earnings Per Common Share)

		2022		2021	
		Amount	%	Amount	%
4000	**Operating revenue** (Notes 6(v) and 7)	$ 2,783,221	100	3,437,715	100
5000	**Operating costs** (Notes 6(e) and 7)	1,645,487	59	1,435,909	42
	Gross profit	1,137,734	41	2,001,806	58
	Operating expenses (Notes 6(w) and 7)**:**				
6100	Selling expenses	239,593	9	255,003	7
6200	Administrative expenses	249,279	9	230,724	7
6450	Impairment loss determined in accordance with IFRS (Note 6(d))	15,159	1	2,361	-
		504,031	19	488,088	14
	Net operating income	633,703	22	1,513,718	44
	Non-operating income and expenses:				
7100	Interest income (Notes 6(x) and 7)	2,479	-	1,007	-
7010	Other income (Notes 6(x) and 7)	19,001	1	17,297	1
7020	Other gains and losses (Notes 6(g), (j) and (x))	133,159	5	12,525	-
7050	Finance costs (Notes 6(p), (x) and 7)	(252,830)	(9)	(174,820)	(5)
7070	Share of profit (loss) of subsidiaries, associates, and joint ventures under the equity method	44,789	2	104,199	3
		(53,402)	(1)	(39,792)	(1)
7900	**Profit before tax**	580,301	21	1,473,926	43
7950	Less: Income tax expenses (Note 6(s))	135,686	5	341,861	10
	Profit	444,615	16	1,132,065	33
8300	**Other comprehensive income, net**	-	-	-	-
	Total comprehensive income	**$ 444,615**	**16**	**1,132,065**	**33**
	Earnings per share (NT dollar) (Note 6(u))				
	Basic earnings per share **(in New Taiwan dollars)**	**$ 1.67**		**4.25**	
	Diluted earnings per share **(in New Taiwan dollars)**	**$ 1.67**		**4.25**	

See accompanying notes to parent company only financial statements.

(English Translation of Parent Company Only Financial Statements Originally Issued in Chinese)

JSL CONSTRUCTION & DEVELOPMENT CO., LTD.

Statements of Changes in Equity

For the years ended December 31, 2022 and 2021

(Expressed in Thousands of New Taiwan Dollars)

	Share capital		Retained earnings			
	Ordinary shares	Capital surplus	Legal reserve	Unappropriated retained earnings	Total retained earnings	Total equity
Balance at January 1, 2021	$ 1,466,000	2,076,211	90,360	1,637,908	1,728,268	5,270,479
Total comprehensive income	-	-	-	1,132,065	1,132,065	1,132,065
Earnings appropriation and distribution:						
Legal reserve appropriated	-	-	90,615	(90,615)	-	-
Other changes in capital surplus:						
Stock dividends from capital surplus	146,600	(146,600)	-	-	-	-
Cash dividends from capital surplus	-	(146,600)	-	-	-	(146,600)
Balance at December 31, 2021	1,612,600	1,783,011	180,975	2,679,358	2,860,333	6,255,944
Total comprehensive income	-	-	-	444,615	444,615	444,615
Earnings appropriation and distribution:						
Legal reserve appropriated	-	-	113,206	(113,206)	-	-
Cash dividends of ordinary share	-	-	-	(161,260)	(161,260)	(161,260)
Stock dividends of ordinary share	967,560	-	-	(967,560)	(967,560)	-
Other changes in capital surplus:						
Stock dividends from capital surplus	80,630	(80,630)	-	-	-	-
Cash dividends from capital surplus	-	(403,150)	-	-	-	(403,150)
Balance at December 31, 2022	**$ 2,660,790**	**1,299,231**	**294,181**	**1,881,947**	**2,176,128**	**6,136,149**

See accompanying notes to parent company only financial statements.

(English Translation of Parent Company Only Financial Statements Originally Issued in Chinese)

JSL CONSTRUCTION & DEVELOPMENT CO., LTD.

Statements of Cash Flows

For the years ended December 31, 2022 and 2021

(Expressed in Thousands of New Taiwan Dollars)

	For the years ended December 31	
	2022	2021
Cash flows from (used in) operating activities:		
Profit before tax	$ 580,301	1,473,926
Adjustments:		
Adjustments to reconcile profit (loss):		
Depreciation expense	30,433	42,200
Amortization expense	316	221
Impairment loss determined in accordance with IFRS 9	15,159	2,361
Interest expense	252,830	174,820
Interest income	(2,479)	(1,007)
Share of profit of subsidiaries, associates and joint ventures accounted for using equity method	(44,789)	(104,199)
Gain on disposals of investment property	(18,745)	-
Gain on modification of leases	-	(744)
Loss on disposal of investments accounted for using equitymethoud	742	-
Total adjustments to reconcile profit	233,467	113,652
Changes in operating assets and liabilities:		
Changes in operating assets:		
Decrease in notes accounts receivable, net	72,707	11,480
Increase in notes receivable due from related parties	(640)	-
Increase in accounts receivable	(59,544)	(290,378)
Decrease (increase) in accounts receivable due from related parties	96,695	(79,329)
Decrease in other receivable	6,635	5,663
(Increase) decrease in other receivable due from related parties	(11,957)	43,857
Increase in inventories	(5,383,977)	(2,806,366)
Increase in prepayments	(18,420)	(43,726)
Increase in other current assets	(588,328)	(455,801)
Increase in other current financial assets	(17,026)	(9,289)
Increase in assets recognised as incremental costs to obtain contract with customers	(134,415)	(54,982)
Increase in assets recognised from costs to fulfil contracts with customers	(175,848)	(4,628)
Total changes in operating assets	(6,214,118)	(3,683,499)
Changes in operating liabilities:		
Increase in contract liabilities	1,046,502	562,959
Decrease (increase) in notes payable	(58,579)	57,047
Increase (decrease) in accounts payable	448,131	(58,407)
(Decrease) increase in accounts payable to related parties	(20,910)	156,427
Decrease in other payables	(84,567)	(10,785)
Increase in other payable to related parties	250,865	15,683
(Decrease) increase in provisions for employee benefits	(40)	1,422
Increase in other financial liabilities	4,063	-
Decrease in other current liabilities	(6,163)	(8,012)
Total changes in operating liabilities	1,579,302	716,334
Total changes in operating assets and liabilities	(4,634,816)	(2,967,165)
Total adjustments	(4,401,349)	(2,853,513)
Cash outflow generated from operations	(3,821,048)	(1,379,587)
Interest received	2,459	988
Interest paid	(280,877)	(205,784)
Income taxes paid	(217,916)	(414,120)
Net cash flows generated from operating activities	(4,317,382)	(1,998,503)

(English Translation of Parent Company Only Financial Statements Originally Issued in Chinese)

JSL CONSTRUCTION & DEVELOPMENT CO., LTD.

Statements of Cash Flows (CONT'D)

For the years ended December 31, 2022 and 2021

(Expressed in Thousands of New Taiwan Dollars)

	For the year ended December 31	
	2022	2021
Cash flows from investing activities:		
Acquisition of financial assets designated at fair value through profit or loss	-	(188,560)
Proceeds from disposal of investments accounted for using equity methoud	38	-
Capital reduction	-	62,000
Acquisition of property, plant and equipment	(1,335)	(7,670)
Decrease in other receivables due from related parties	-	30,000
Acquisition of intangible assets	(489)	(156)
Acquisition of investment properties	(148,343)	(50,218)
Proceeds from disposal of investment properties	78,874	-
Increase in other non-current financial assets	(87,939)	(302,609)
Increase in other non-current assets	-	(255)
Dividends received	127,765	8,461
Net cash outflows used in investing activities	(31,429)	(449,007)
Cash flows from financing activities:		
Increase in short-term loans	6,798,761	5,986,341
Dncrease in short-term loans	(4,195,260)	(4,488,508)
Increase in short-term notes and bills payable	6,891,600	1,285,000
Decrease in short-term notes and bills payable	(5,661,100)	(1,130,000)
Proceeds from issuing bonds	1,000,000	1,100,000
Repayments of bonds	(500,000)	-
Proceeds from long-term debt	73,010	94,990
Repayments of long-term debt	(3,091)	(3,096)
Increase in guarantee deposits received	12,428	382
Increase in other payables to related parties	350,000	-
Payment of lease liabilities	(13,596)	(22,947)
Cash dividends paid	(564,410)	(146,600)
Net cash inflows generated from financing activities	4,188,342	2,675,562
Net (decrease) increase in cash and cash equivalents	(160,469)	228,052
Cash and cash equivalents at the beginning of the year	596,263	368,211
Cash and cash equivalents at the end of the year	$ **435,794**	**596,263**

See accompanying notes to parent company only financial statements.

(English Translation of Parent Company Only Financial Statements Originally Issued in Chinese)

JSL CONSTRUCTION & DEVELOPMENT CO., LTD.

Notes to the Financial Statements

For the years ended December 31, 2022 and 2021

(Expressed in Thousands of New Taiwan Dollars, Unless Otherwise Specified)

(1) Company history

JSL CONSTRUCTION & DEVELOPMENT CO., LTD. (the "Company") was incorporated on June 1986 as a company limited by shares under the laws of the Republic of China ("R.O.C.") and registered under the Ministry of Economic Affairs, R.O.C. The address of the Company's registered office is 11F-2, NO.166, Section 4, Zhongxiao East Road, Da-an District, Taipei City 106, Taiwan. On June 24, 2013, the resolution of the ordinary shareholders' meeting was passed and approved by the Ministry of Economic Affairs on July 5, 2013 to change the name of the company, formerly known as "Kim Shangchang Development Co., Ltd" to "JSL CONSTRUCTION & DEVELOPMENT CO., LTD." The principal activities of the Company are real estate agents and sellers, to commission construction companies for the construction of national housing, commercial building for rental leases and sales, trading of building materials and operation of interior decoration.

(2) Approval date and procedures of the financial statements:

The parent company only financial statements were authorized for issuance by the Board of Directors on March 14, 2023.

(3) New standards, amendments and interpretations adopted:

(a) The impact of the International Financial Reporting Standards ("IFRSs") endorsed by the Financial Supervisory Commission, R.O.C. which have already been adopted.

The Company has initially adopted the following new amendments, which do not have a significant impact on its financial statements, from January 1, 2022:

- Amendments to IAS 16 "Property, Plant and Equipment－Proceeds before Intended Use"
- Amendments to IAS 37 "Onerous Contracts－Cost of Fulfilling a Contract"
- Annual Improvements to IFRS Standards 2018–2020
- Amendments to IFRS 3 "Reference to the Conceptual Framework"

(b) The impact of IFRS issued by the FSC but not yet effective

The Company assesses that the adoption of the following new amendments, effective for annual period beginning on January 1, 2023, would not have a significant impact on its financial statements:

- Amendments to IAS 1 "Disclosure of Accounting Policies"
- Amendments to IAS 8 "Definition of Accounting Estimates"
- Amendments to IAS 12 "Deferred Tax related to Assets and Liabilities arising from a Single Transaction"

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(c) The impact of IFRS issued by IASB but not yet endorsed by the FSC

The Company does not expect the following new and amended standards, which have yet to be endorsed by the FSC, to have a significant impact on its financial statements:

- Amendments to IFRS 10 and IAS 28 “Sale or Contribution of Assets Between an Investor and Its Associate or Joint Venture”
- IFRS 17 “Insurance Contracts” and amendments to IFRS 17 “Insurance Contracts”
- Amendments to IAS 1 “Classification of Liabilities as Current or Non-current”
- Amendments to IAS 1 “Non-current Liabilities with Covenants”
- Amendments to IFRS 17 “Initial Application of IFRS 17 and IFRS 9 – Comparative Information“
- IFRS16 “Requirements for Sale and Leaseback Transactions”

(4) Summary of significant accounting policies:

The significant accounting policies presented in the financial statements are summarized below. Except for those specifically indicated, the following accounting policies were applied consistently throughout the periods presented in the financial statements.

(a) Statement of compliance

The financial statements have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers (hereinafter referred to as the Regulations) and the International Financial Reporting Standard.

(b) Basis of preparation

(i) Basis of measurement

The financial statements have been prepared on the historical cost basis, except for the following material items in the statement of financial position:

1) Financial instruments at fair value through profit or loss are measured at fair value;

2) Financial assets at fair value through other comprehensive income

(ii) Functional and presentation currency

The functional currency of each Company entity is determined based on the primary economic environment in which the entity operates. The parent company only financial statements are presented in New Taiwan dollars, which is the Company’s functional currency. All financial information presented in NTD has been rounded to the nearest thousand.

(Continued)

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

An asset is classified as current when one of following criteria is met; all other assets are classified as non-current assets.

(i) It is expected to be realized, or intended to be sold or consumed, in the normal operating cycle;

(ii) It is held primarily for the purpose of trading;

(iii) It is expected to be realized within twelve months after the reporting period; or

(iv) The asset is cash or a cash equivalent (as defined in IAS 7) unless the asset is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

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

(i) It is expected to be settled in the normal operating cycle;

(ii) It is held primarily for the purpose of trading;

(iii) It is due to be settled within twelve months after the reporting period; or

(iv) The Company does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting period. Terms of a liability that could, at the option of the counterparty, result in its settlement by issuing equity instruments do not affect its classification.

(d) Cash and cash equivalents

Cash comprises cash on hand and demand deposits. Cash equivalents are shortterm, highly liquid investments that are readily convertible to known amounts of cash and are subject to an insignificant risk of changes in value. Time deposits which meet the above definition and are held for the purpose of meeting shortterm cash commitments rather than for investment or other purposes should be recognized as cash equivalents.

(e) Financial instruments

Accounts receivable and debt securities issued are initially recognized when they are originated. All other financial assets and financial liabilities are initially recognized when the Company becomes a party to the contractual provisions of the instrument. A financial asset (unless it is an account receivable without a significant financing component) or financial liability is initially measured at fair value plus, for an item not at fair value through profit or loss (FVTPL), transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

(Continued)

(i) Financial assets

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

On initial recognition, a financial asset is classified as measured at: amortized cost; Fair value through other comprehensive income (FVOCI) – debt investment; FVOCI – equity investment; or FVTPL. Financial assets are not reclassified subsequent to their initial recognition unless the Company changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

1) Financial assets measured at amortized cost

A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated as at FVTPL:

· it is held within a business model whose objective is to hold assets to collect contractual cash flows; and

· its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A financial asset measured at amortized cost is initially recognized at fair value, plus/minus the cumulative amortization using the effective interest method. The amortized cost is reduced by impairment losses. Interest income, foreign exchange gains and losses, and impairment loss, are recognized in profit or loss. Any gain or loss on derecognition is recognized in profit or loss.

2) Fair value through other comprehensive income (FVOCI)

On initial recognition of an equity investment that is not held for trading, the Company may irrevocably elect to present subsequent changes in the investment’s fair value in other comprehensive income. This election is made on an instrument-by-instrument basis.

Equity investments at FVOCI are subsequently measured at fair value. Dividends are recognized as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognized in other comprehensive income and are never reclassified to profit or loss.

Dividend income derived from equity investments is recognized on the date that the Company’s right to receive payment is established, which in the case of quoted securities is normally the ex-dividend date.

3) Fair value through profit or loss (FVTPL)

All financial assets not classified as measured at amortized cost or at FVOCI described as above are measured at FVTPL, including derivative financial assets. On initial recognition, the Company may irrevocably designates a financial asset, which meets the requirements to be measured at amortized cost or at FVOCI, as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

(Continued)

These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognized in profit or loss.

4) Impairment of financial assets

The Company recognizes loss allowances for expected credit losses (ECL) on financial assets measured at amortized cost (including cash and cash equivalents, amortized costs, notes and accounts receivable, other receivables, guarantee deposit paid and other financial assets).

The Company measures loss allowances at an amount equal to lifetime expected credit loss (“ECL”), except for the following which are measured as 12-month ECL:

· debt securities that are determined to have low credit risk at the reporting date; and

· other debt securities and bank balances for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

Loss allowance for trade receivables and contract assets are always measured at an amount equal to lifetime ECL.

Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument.

12-month ECLs are the portion of ECLs that result from default events that are possible within the 12 month after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months).

The maximum period considered when estimating ECLs is the maximum contractual period over which the Company is exposed to credit risk.

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e the difference between the cash flows due to the Company in accordance with the contract and the cash flows that the Company expects to receive). ECLs are discounted at the effective interest rate of the financial asset.

At each reporting date, the Company assesses whether financial assets carried at amortized cost and debt securities at FVOCI are credit-impaired. A financial asset is ‘credit-impaired’ when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred. Evidence that a financial assets is credit-impaired includes the following observable data:

· significant financial difficulty of the borrower or issuer;

· a breach of contract such as a default or being more than 180 days past due;

· the lender of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession that the lender would not otherwise consider;

(Continued)

- it is probable that the borrower will enter bankruptcy or other financial reorganization; or

- the disappearance of an active market for a security because of financial difficulties.

Loss allowances for financial assets measured at amortized cost are deducted from the gross carrying amount of the assets. For debt securities at FVOCI, the loss allowance is charge to profit or loss and is recognized in other comprehensive income instead of reducing the carrying amount of the asset.

The gross carrying amount of a financial asset is written off either partially or in full to the extent that there is no realistic prospect of recovery. For corporate customers, the Company individually makes an assessment with respect to the timing and amount of write off based on whether there is a reasonable expectation of recovery. The Company expects no significant recovery from the amount written off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Company's procedures for recovery of amounts due.

5) Derecognition of financial assets

The Company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

When the Company enters into transactions whereby it transfers assets but retains either all or substantially all of the risks and rewards of the assets, the transferred assets are not derecognized from statement of balance sheet.

(ii) Financial liabilities and equity instruments

1) Classification of debt or equity

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

2) Equity instrument

An equity instrument is any contract that evidences residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued are recognized as the amount of consideration received, less the direct cost of issuing.

3) Financial liabilities

Financial liabilities are classified as measured at amortized cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognized in profit or loss.

Other financial liabilities are subsequently measured at amortized cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognized in profit or loss. Any gain or loss on derecognition is also recognized in profit or loss.

4) Derecognition of financial liabilities

The Company derecognizes a financial liability when its contractual obligations are discharged or canceled,or expire. The Company also derecognizes a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognized at fair value.

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.

5) Offsetting of financial assets and liabilities

Financial assets and financial liabilities are offset and the net amount presented in the statement of balance sheet when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realize the asset and settle the liability simultaneously.

(f) Inventories

(i) Selling

Contract costs

If the costs incurred in fulfilling a contract with a customer are not within the scope of another Standard (for example, IAS 2 Inventories, IAS 16 Property, Plant and Equipment or IAS 38 Intangible Assets), the Company recognizes an asset from the costs incurred to fulfil a contract only if those costs meet all of the following criteria: the costs relate directly to a contract or to an anticipated contract that the Company can specifically identify; the costs generate or enhance resources of the Company that will be used in satisfying (or in continuing to satisfy) performance obligations in the future; and the costs are expected to be recovered.

General and administrative costs, costs of wasted materials, labor or other resources to fulfill the contract that were not reflected in the price of the contract, costs that relate to satisfied performance obligations (or partially satisfied performance obligations), and costs for which the Company cannot distinguish whether the costs relate to unsatisfied performance obligations or to satisfied performance obligations (or partially satisfied performance obligations), the Company recognizes these costs as expenses when incurred.

(Continued)

(ii) Construction

The cost of inventories shall comprise all costs of purchase and other costs incurred in bring the inventories to their present location and condition. The real estate development costs include construction costs, land costs, borrowing costs, and project costs incurred during the development period. When completion, construction in progress is carried over to buildings and land held for sale. Then, it is amortized over either by income approach or built-up area approach (units of ping). The real estate development costs proportionate to the sale are carried forward to the operating cost. Subsequently, measure the lower of cost and net realizable value. When the cost of inventories is higher than the net realizable value, it should be offset against the cost to net realizable value, and the amount of inventory should be recognized as cost of goods sold in the current period.Net realizable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses. The measurements of net realizable value are as below:

1) Construction Site: Net realizable value is by referring to the estimate made by the competent authorities in accordance with the prevailing market conditions.

2) Construction in progress: Net realizable value is the estimated selling price (based on current market condition) in the ordinary course of business, less the estimated costs of sales, as well as cost and selling expenses for completion of work.

3) Buildings and land held for sale: the net realizable value is the estimated price (based on the market condition), less, the estimated selling expenses during the sales.

(g) Investment in associates

Associates are those entities in which the Company has significant influence, but not control or join control over their financial and operating policies.

Investments in associates are accounted for using the equity method and are recognized initially at cost. The cost of the investment includes transaction costs. The carrying amount of the investment in associates includes goodwill identified on acquisition, net of any accumulated impairment losses.

The financial statements include the Company's share of the profit or loss and other comprehensive income of those associates, after adjustments to align the accounting policies with those of the Company, from the date on which significant influence commences until the date on which significant influence ceases. The Company recognizes any changes of its proportionate share in the investee within capital surplus, when an associate's equity changes due to reasons other than profit and loss or comprehensive income, which did not result in changes in actual controlling power.

Gains and losses resulting from transactions between the Company and an associate are recognized only to the extent of unrelated Company's interests in the associate.

When the Company's share of losses exceeds its interests in an associate, the carrying amount of the investment, including any long term interests that form part thereof, is reduced to zero, and the recognition of further losses is discontinued except to the extent the Company has an obligation or has made payments on behalf of its associates.

(Continued)

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(h) Investment in subsidiaries

The subsidiaries in which the Company holds controlling interest are accounted for under equity method in the parent company only financial statements. Under equity method, the net income, other comprehensive income and equity in the parent company only financial statement are the same as those attributable to the owners of parent in the financial statements.

Changes in the Company's ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

(i) Investment property

Investment property is property held either to earn rental income or for capital appreciation or for both, but not for sale in the ordinary course of business, use in the production or supply of goods or services, or for administrative purposes. Investment property is measured at cost on initial recognition, and subsequently at cost, less accumulated depreciation and accumulated impairment losses. Depreciation expense is calculated based on the depreciation method, useful life, and residual value which are the same as those adopted for property, plant and equipment.

Any gain or loss on disposal of an investment property (calculated as the difference between the net proceeds from disposal and the carrying amount) is recognized in profit or loss.

Rental income from investment property is recognized as other revenue on a straight-line basis over the term of the lease. Lease incentives granted are recognized as an integral part of the total rental income, over the term of the lease.

(j) Property, plant and equipment

(i) Recognition and measurement

Items of property, plant and equipment are measured at cost, which includes capitalized borrowing costs, less accumulated depreciation and any accumulated impairment losses.

If significant parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Any gain or loss on disposal of an item of property, plant and equipment is recognized in profit or loss.

(ii) Subsequent expenditure

Subsequent expenditure is capitalized only if it is probable that the future economic benefits associated with the expenditure will flow to the Company.

(iii) Depreciation

Depreciation is calculated on the cost of an asset less its residual value and is recognized in profit or loss on a straightline basis over the estimated useful lives of each component of an item of property, plant and equipment.

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Land is not depreciated.

The estimated useful lives of property, plant and equipment for current and comparative periods are as follows:

1)	Buildings	3~50 years
2)	Office equipment	3~5 years
3)	Leasehold improvement	3 years
4)	Transportation equipment	5 years

Depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

(k) Leases

At inception of a contract, the Company assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

(i) As a leasee

The Company recognizes a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be reliably determined, the Company's incremental borrowing rate. Generally, the Company uses its incremental borrowing rate as the discount rate.

Lease payments included in the measurement of the lease liability comprise the following:

1) fixed payments, including in-substance fixed payments;

2) variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;

3) amounts expected to be payable under a residual value guarantee; and

4) payments for purchase or termination options that are reasonably certain to be exercised.

(Continued)

The lease liability is measured at amortized cost using the effective interest method. It is remeasured when:

1) there is a change in future lease payments arising from the change in an index or rate; or

2) there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee; or

3) there is a change in the lease term resulting from a change of its assessment on whether it will exercise an option to purchase the underlying asset, or

4) there is a change in the lease term resulting from a change of the Company's assessment on whether it will exercise an extension or termination option; or

5) there is any lease modifications

When the lease liability is remeasured, other than lease modifications, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or in profit and loss if the carrying amount of the right-of-use asset has been reduced to zero.

When the lease liability is remeasured to reflect the partial or full termination of the lease for lease modifications that decrease the scope of the lease, the Company accounts for the remeasurement of the lease liability by decreasing the carrying amount of the right-of-use asset to reflect the partial or full termination of the lease, and recognize in profit or loss any gain or loss relating to the partial or full termination of the lease.

The Company presents right-of-use assets that do not meet the definition of investment and lease liabilities as a separate line item respectively in the balance sheets.

The Company has elected not to recognize right of use assets and lease liabilities for short term leases of office equipment of low value assets, The Company recognizes the lease payments associated with these leases as an expense on a straight line basis over the lease term.

For sale and leaseback transactions, the Company applies the requirements for determining when a performance obligation is satisfied in IFRS15 to determine whether the transfer of an asset is accounted for as a sale of the asset. If the transfer of an asset satisfies the requirement of IFRS15 to be accounted for as a sale of the asset, the Company derecognizes the transferred asset, then measures the right-of-use asset arising from the leaseback at the proportion of the previous carrying amount of the asset that relates to the right of use retained. Accordingly, the Company recognizes only the amount of any gain or loss that relates to the rights transferred to the buyer-lessor. For leaseback transaction, the Company applies the lessee accounting policy. If the transfer of an asset does not satisfy the requirement of IFRS15 to be accounted for as a sale of the asset, the Company continues to recognize the transferred asset and recognizes the financial liability equal to the transfer proceeds.

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(ii) As a leasor

When the Company acts as a lessor, it determines at lease commencement whether each lease is a finance lease or an operating lease. To classify each lease, the Company makes an overall assessment of whether the lease transfers to the lessee substantially all of the risks and rewards of ownership incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then the lease is an operating lease. As part of this assessment, the Company considers certain indicators such as whether the lease is for the major part of the economic life of the asset.

When the Company is an intermediate lessor, it accounts for its interests in the head lease and the sub-lease separately. It assesses the lease classification of a sub-lease with reference to the right-of-use asset arising from the head lease, not with reference to the underlying asset. If a head lease is a short-term lease to which the Company applies the exemption described above, then it classifies the sub-lease as an operating lease.

If an arrangement contains lease and non-lease components, the Company applies IFRS15 to allocate the consideration in the contract.

The Company recognizes a finance lease receivable at an amount equal to its net investment in the lease. Initial direct costs incurred in negotiating and arranging an operating lease is added to the net investment of the leased asset. The interest income is recognized over the lease term based on a pattern reflecting a constant periodic rate of return on the net investment in the lease. The Company recognizes lease payments received under operating leases as income on a straight-line basis over the lease term as part of ‘other income’.

(l) Intangible assets

(i) Recognition and measurement

Other intangible assets, including customer relationships, patents and trademarks, that are acquired by the Company and have finite useful lives are measured at cost less accumulated amortization and any accumulated impairment losses.

(ii) Subsequent expenditure

Subsequent expenditure is capitalized only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on internally generated goodwill and brands, is recognized in profit or loss as incurred.

(iii) Amortization

Amortization is calculated over the cost of the asset, less its residual value, and is recognized in profit or loss on a straight-line basis over the estimated useful lives of intangible assets, other than goodwill, from the date that they are available for use.

(Continued)

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The estimated useful lives for current and comparative periods are as follows:

1) Software 3 years

Amortization methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

(m) Impairment of non financial assets

At each reporting date, the Company reviews the carrying amounts of its non-financial assets (other than inventories, contract assets, deferred tax assets and investment properties and biological assets, measured at fair value, less costs) to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. Goodwill is tested annually for impairment.

For impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGUs. Goodwill arising from a business combination is allocated to CGUs or groups of CGUs that are expected to benefit from the synergies of the combination.

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU.

An impairment loss is recognized if the carrying amount of an asset or CGU exceeds its recoverable amount.

Impairment losses are recognized in profit or loss. They are allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amounts of the other assets in the CGU on a pro rata basis.

An impairment loss in respect of goodwill is not reversed. For other assets, an impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

(n) Revenue from contracts with customers

(i) Revenue from contracts with customers

Revenue is measured based on the consideration to which the Company expects to be entitled in exchange for transferring goods or services to a customer. The Company recognizes revenue when it satisfies a performance obligation by transferring control of a good or a service to a customer. The accounting policies for the Company' s main types of revenue are explained below.

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1) Land development and sale of real estate

The Company develops and sells residential properties and usually sales properties in advance during construction or before construction begins. Revenue is recognized when control over the properties has been transferred to the customer. Therefore, revenue is recognized at a point in time when the legal title has passed to the customer and the transfer of properties to the customer is complete. If the Company only meets one of the two criteria at the reporting date, the revenue is recognized as well.

The revenue is measured at the transaction price agreed under the contract. For sale of readily available house, in most cases, the consideration is due when legal title of a property has been transferred. While deferred payment terms may be agreed in rare circumstances, the deferral never exceeds twelve months. The transaction price is, therefore not adjusted for the effects of a significant financing component. For pre-selling properties, the consideration is usually received by installment during the period from contract inception until the transfer of properties to the customer. If the contract includes a significant financing component, the transaction price will be adjusted for the effects of the time value of money during the period, using the specific borrowing rate of the construction project. Receipt of a prepayment from a customer is recognized as contract liability. Interest expense and contract liability are recognized when adjusting the effects of the time value of money. Accumulated amount of contract liability is recognized as revenue when control over the property has been transferred to the customer.

2) Revenue from service rendered

The Company engaged in real estate sales and brokerage and recognized related revenue during the financial reporting period for the provision of services. Fixed price contracts recognized revenue based on the actual service provided per the contract as of the reporting date. The consideration promised in the contract includes fixed and variable amounts. The customer pays the fixed amount based on a payment schedule. Certain variable considerations are estimated by the most probable amount (such as bonus for higher closing price). The Company recognizes revenue only to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognized will not occur. If the Company has recognized revenue, but not issued a bill, then the entitlement to consideration is recognized as a contract asset. The contract asset is transferred to receivables when the entitlement to payment becomes unconditional.

The customer pays the fixed amount based on a payment schedule. If the services rendered by the Company exceed the payment, a contract asset is recognized. If the payments exceed the services rendered, a contract liability is recognized.

A provision for onerous contracts is recognized when the expected benefits to be derived by the Company from a contract are lower than the unavoidable cost of meeting its obligations under the contract.

Estimates of revenues, costs or extent of progress toward completion are revised if circumstances change. Any resulting increases or decreases in estimated revenues or costs are reflected in profit or loss in the period in which the circumstances that give rise to the revision become known by management.

(Continued)

3) Financing components

The Company does not expect to have any contracts where the period between the transfer of the promised goods or services to the customer and payment by the customer exceeds one year. As a consequence, the Company does not adjust any of the transaction prices for the time value of money.

(ii) Contract costs

1) Incremental costs of obtaining a contract

The Company recognizes as an asset the incremental costs of obtaining a contract with a customer if the Company expects to recover those costs. The incremental costs of obtaining a contract are those costs that the Company incurs to obtain a contract with a customer that it would not have incurred if the contract had not been obtained. Costs to obtain a contract that would have been incurred, regardless of whether the contract was obtained, shall be recognized as an expense when incurred, unless those costs are explicitly chargeable to the customer regardless of whether the contract is obtained.

(o) Employee benefits

(i) Defined contribution plans

Obligations for contributions to the defined contribution plans are expensed as related services are provided.

(ii) Short-term employee benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed during the period in which employees render services.

A liability is recognized for the amount expected to be paid if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

(p) Income taxes

Income taxes comprise current taxes and deferred taxes. Except for expenses related to business combinations or recognized directly in equity or other comprehensive income, all current and deferred taxes are recognized in profit or loss.

Current taxes comprise the expected tax payables or receivables on the taxable profits (losses) for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax payables or receivables are the best estimate of the tax amount expected to be paid or received that reflects uncertainty related to income taxes, if any. It is measured using tax rates enacted or substantively enacted at the reporting date.

(Continued)

Deferred taxes arise due to the temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and their respective tax bases. Deferred taxes are not recognized for the following exceptions:

(i) temporary differences on the initial recognition of assets and liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profits (losses) at the time of the transaction;

(ii) temporary differences related to investments in subsidiaries, associates and joint arrangements to the extent that the Company is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and

(iii) taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax assets are recognized for unused tax losses, tax credits, and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be utilized. Deferred tax assets are reviewed at each reporting date and reduced to the extent that it is no longer probable that the related tax benefit will be realized; such reductions are reversed when the probability of future taxable profits improves.

Deferred taxes are measured at tax rates that are expected to be applied to temporary differences when they reserve, using tax rates enacted or substantively enacted at the reporting date.

Deferred tax assets and liabilities are offset if the following criteria are met:

(i) the Company has a legally enforceable right to set off currenttax assets against current tax liabilities; and

(ii) the deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority on either:

1) the same taxable entity; or

2) different taxable entities which intend to settle current tax assets and liabilities on a net basis, or to realize the assets and liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

(q) Earnings per share

The basic and diluted EPS attributable to shareholders of the Company are disclosed in the financial statements. Basic earnings per share is calculated as the profit attributable to the ordinary shareholders of the Company divided by the weighted average number of ordinary shares outstanding. Diluted earnings per share is calculated as the profit attributable to ordinary shareholders of the Company divided by the weighted average number of ordinary shares outstanding after adjustment for the effects of all potential dilutive ordinary shares. Dilutive potential ordinary shares comprise accrued employee remuneration.

(r) Operating segments

Segment information was disclosed in consolidated financial statements; therefore, it was not disclosed in the parent company only financial statement.

(5) Significant accounting assumptions and judgments, and major sources of estimation uncertainty:

The preparation of the financial statements in conformity with the IFRSs endorsed by the FSC requires management to make judgments, estimates, and assumptions that affect the application of the accounting policies and the reported amount of assets, liabilities, income, and expenses. Actual results may differ from these estimates.

Management continues to monitor the accounting estimations and assumptions. Management recognizes any changes in the accounting estimations during the period in which the estimates are revised and in any future periods affected.

Information about judgments made in applying accounting policies that have the most significant effects on the amounts recognized in the financial statements is as follows:

(a) Classification of investment property

The Company leases vacant shopping malls but recognize the assets as investment property rather than lease assets under property, plant and equipment because of its intention to gain long-term capital appreciation or to earn rent income.

(b) Lease term

The Company determines the lease term as the non-cancellable period of the lease, together with periods covered by an option to extend the lease if the lessee is reasonably certain to exercise that option, and periods covered by an option to terminate the lease if the lessee is reasonably not to exercise that option. In assessing whether a lessee is reasonably to exercise the options, the Company considers all relevant facts and circumstances that create an economic incentive for the lessee. The Company reassesses whether it is reasonably certain to exercise an extension option or not to exercise the option upon the occurrence of either a significant event or a significant change in circumstances that is within the control of the lessee. If there is a change in the lease term, the Company recognizes the amount of the remeasurement of the lease liability as an adjustment to the right-of-use asset. Please refer to Note 6(i).

(c) Identifying a lease

The Company leases superficies, land lot of the construction and housings. The contract involves an identified asset, so the Company has the right to obtain substantially all of the economic benefits from use of the asset throughout the period of use. The Company has the right to direct the use of the identified asset throughout the period of use. Accordingly, the Company recognize the said contract as lease. The Company recognizes a right of use asset and a lease liability at the lease commencement date. For the details, please refer to Note 6(i).

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Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the next financial year is as follows. Those assumptions and estimation have been updated to reflect the impact of COVID-19 pandemic:

(a) The loss allowance of trade receivable

The Company has estimated the loss allowance of trade receivables that is based on the risk of a default occurring and the rate of expected credit loss. The Company has considered historical experience, current economic conditions and forward-looking information at the reporting date to determine the assumptions to be used in calculating the impairments and the selected inputs. The relevant assumptions and input values, please refer to Note 6(d).

(b) Inventory valuation

As inventories are stated at the lower of cost or net realizable value, The Company estimates the net realizable value of inventories for obsolescence and unmarketable items at the end of the reporting period and then writes down the cost of inventories to net realizable value. Due to the rapid industrial transformation, and impacts of politics, economics, and reform of house and land transactions income tax system, there may be significant changes in the net realizable value of inventories, which is estimated on the basis of current market condition. Refer to Note 6(e) for further description of the valuation of inventories.

(c) Right-of-use assets -Impairment assessment

In the process of evaluating the potential impairment of assets, the Company is required to make subjective judgments in determining the independent cash flows, useful lives, expected future income and expenses related to the specific asset groups with the consideration of the usage mode of asset and the nature of industry. Any changes in these estimates based on changed economic conditions or business strategies could result in significant impairment charges or reversal in future years. Please refer to Note 6(i) for the assessment of impairment.

(d) Recognition of deferred tax assets

Deferred tax assets are recognized to the extent that it is probable that future taxable profits will be available against which those deferred tax assets can be utilized. The Company assesses the realization of deferred income tax assets based on assumptions such as expected future revenue growth, profit margin, tax exemption period, available income tax offsets and tax planning. Changes in the economic environment, industry trends, and relevant laws and regulations may result in adjustments to the deferred tax assets. Refer to Note 6(s) for further description of the estimation of deferred tax assets.

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(e) Revenue recognition

Service 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 relative to the estimated total contract costs. The Company estimates the total contract revenue by taking into account each product positioning, pricing strategy and real estate business dynamic. In addition, the Company estimates the cost to fulfill a contract by taking into account such factors as sales method, expected contract items and amounts. If there are changes in situations, the estimates of revenue, cost and percentage of completion should be modified. Changes in aforementioned estimates might cause significant adjustment in the revenue, cost and percentage of completion and related profits from construction contracts. Refer to Note 6(v) for further description of the revenue recognition.

Valuation procedure

The Company evaluates its assets and liabilities using the observable market inputs. The different inputs of levels of fair value hierarchy in determination of fair value are as follows:

(a) Level 1: quoted prices (unadjusted) in active markets for identifiable assets or liabilities.

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

(c) Level 3: inputs for the assets or liability that are not based on observable market data.

The transfer policy between fair value levels.

If there is any movement of financial instruments measured at fair value between Level 1, Level 2, and Level 3, the Company recognizes the movement at the reporting date.

Please refer to Note 6(y) for assumptions used in measuring fair value.

(6) Explanation of significant accounts:

(a) Cash and cash equivalents

		December 31, 2022	December 31, 2021
Cash on hand and petty cash	$	4,701	4,791
Demand deposits		430,673	590,701
Checking account deposits		420	771
Cash and cash equivalents in the statement of cash flows	**$**	**435,794**	**596,263**

Please refer to Note 6(y) for the interest rate risk and sensitivity analysis of the financial assets and liabilities of the Company.

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(b) Financial assets and liabilities at fair value through profit or loss

	December 31, 2022	December 31, 2021
Domestic unlisted common shares - Preference share class A	$ **188,560**	**188,560**

The financial assets mentioned above were not pledged as collateral.

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

	December 31, 2022	December 31, 2021
Equity investments at fair value through other comprehensive income:		
Unlisted common shares	$ **5,396**	**5,396**

(i) Equity investments at fair value through other comprehensive income

The Company designated the investments shown above as equity securities at fair value through other comprehensive income because these equity securities represent those investments that the Companyintends to hold for long-term strategic purposes.

During the years ended December 31, 2022 and 2021, the dividends of both $0 thousand, related to equity investments at FVOCI held were recognized.

(ii) For credit risk (including the impairment of debt investments) and market risk, please refer to Note 6(y).

(iii) The aforementioned financial assets were not pledged as collateral.

(d) Notes and accounts receivables (including related parties)

	December 31, 2022	December 31, 2021
Notes receivable—from operating activities	$ 20,583	93,290
Notes receivable—from related parties-from operating activities	640	-
Accounts receivable—measured at amortized cost	1,216,410	1,170,188
Accounts receivable due from—related parties-measured at amortized cost	21,977	118,672
Less: Loss allowance	(24,628)	(9,469)
	$ **1,234,982**	**1,372,681**

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The Company applies the simplified approach to provide for its expected credit losses, i.e. the use of lifetime expected loss provision for all receivables. To measure the expected credit losses, notes and accounts receivables have been grouped based on shared credit risk characteristics and the days past due, as well as incorporated forward looking information, including macroeconomic and relevant industry information. The loss allowance provisions were determined as follows:

	December 31, 2022		
	Gross carrying amount	Weighted-average loss rate	Loss allowance provision
Current	$ 1,169,703	1.07%	12,525
Less than 30 days past due	56,935	6.76%	3,846
31~60 days past due	24,143	11.34%	2,738
61~90 days past due	2,786	27.35%	762
91~180 days past due	5,148	75.02%	3,862
More than 181 days past due	895	100%	895
	$ 1,259,610		**24,628**

	December 31, 2021		
	Gross carrying amount	Weighted-average loss rate	Loss allowance provision
Current	$ 1,365,295	0.60%	8,131
Less than 30 days past due	12,078	5.51%	666
31~60 days past due	3,439	9.30%	320
61~90 days past due	800	19.48%	156
91~180 days past due	538	36.36%	196
	$ 1,382,150		**9,469**

The movement in the allowance for notes and trade receivables were as follows:

	For the years ended December 31	
	2022	2021
Balance at January 1	$ 9,469	7,108
Impairment losses recognized	15,159	2,361
Balance at December 31	**$ 24,628**	**9,469**

(e) Inventories

	December 31, 2022	December 31, 2021
Selling:		
Costs to fulfill a contract	$ 336,010	160,162
Construction industry:		
Prepayment for land purchases	299,683	232,838
Land held for construction site	8,841,246	6,098,603
Construction in progress	6,856,266	3,965,866
Buildings and land held for sale	1,181,930	1,458,106
Subtotal	17,179,125	11,755,413
Total	**$ 17,515,135**	**11,915,575**

(i) For the years ended December 31, 2022 and 2021, the cost of inventory recognized as the cost of goods sold and expenses amounted to $1,645,487 thousand and $1,435,909, respectively.

(ii) The Company hadn't recognized loss on inventory write down and reversal of inventory write down in 2022 and 2021.

(iii) Please refer to Note 6(x) for the capitalization of interest of construction in progress for the years ended December 31, 2022 and 2021.

(iv) The Company has acquired or disposed of inventory (construction industry) from other related parties, please refer to Note 7 for details.

(v) For the information on inventories pledged as collateral, as of December 31, 2022 and 2021, please refer to Note 8 for details.

(vi) The Company has acquired 9 land in Ganlin section, Xinbei country, 43 land in Baoxiang section, Hsinchu county, but such land are classified as farmland and are registered under the name of another person. A real estate entrust contract are entered and are pledged to the Company with an equivalent amount. Please refer to Note 7 for details.

(f) Prepayments

	December 31, 2022	December 31, 2021
Business tax carry forward	$ 37,668	59
Prepayments (selling)	15,433	15,958
Prepayments (construction)	3,198	24,684
Others	22,622	19,800
	$ 78,921	**60,501**

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(g) Investments accounted for using equity method

A summary of The Company's financial information for investments accounted for using the equity method at the reporting date is as follows:

		December 31, 2022	December 31, 2021
Subsidiaries	$	550,660	631,689
Associates		-	2,260
	$	**550,660**	**633,949**

(i) Subsidiaries

Please refer to the consolidated financial statements for the year ended December 31, 2022.

(ii) Associates

The Company's financial information for investments accounted for using equity method that are individually insignificant was as follows:

		December 31, 2022	December 31, 2021
The carrying amount of the equity interests in all individually insignificant joint ventures	**$**	**-**	**2,260**

		For the years ended December 31	
		2022	**2021**
Shares attributable to the Company are as follows:			
Profit from countinuing operation	$	(1,946)	-
Other comprehensive income (loss)		-	-
Total comprehensive income	**$**	**(1,946)**	**-**

(iii) The Company disposed of all the ordinary shares of its associate, Shengming construction co., ltd.during 2022 at a disposal price amounting to $38 thousand, which is recognized as loss on disposal of investments amounting to $742 thousand, which is accounted for under "Other gains and losses".

(iv) Pledge to secure

As of December 31, 2022 and 2021, the investments accounted for using equity method were not pledged as collateral for long term borrowings and financing facilities.

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(h) Property, plant and equipment

The cost, depreciation, and impairment of the property, plant and equipment of the Company for the years ended December 31, 2022 and 2021 were as follows:

	Land	Buildings and Construction	Office equipment	Leasehold improvements	Transportation equipment	Total
Cost or deemed cost:						
Balance at January 1, 2022	$ 695,942	170,615	4,867	34,656	5,562	911,642
Additions	-	-	1,335	-	-	1,335
Balance at December 31, 2022	**$ 695,942**	**170,615**	**6,202**	**34,656**	**5,562**	**912,977**
Balance at January 1, 2021	$ 695,942	170,615	2,759	34,656	-	903,972
Additions	-	-	2,108	-	5,562	7,670
Balance at December 31, 2021	**$ 695,942**	**170,615**	**4,867**	**34,656**	**5,562**	**911,642**
Depreciation and impairment losses:						
Balance at January 1, 2022	$ -	22,191	2,492	26,561	154	51,398
Depreciation	-	3,368	1,036	8,095	928	13,427
Balance at December 31, 2022	**$ -**	**25,559**	**3,528**	**34,656**	**1,082**	**64,825**
Balance at January 1, 2021	$ -	18,756	1,712	15,767	-	36,235
Depreciation	-	3,435	780	10,794	154	15,163
Balance at December 31, 2021	**$ -**	**22,191**	**2,492**	**26,561**	**154**	**51,398**
Book value:						
Balance at December 31, 2022	**$ 695,942**	**145,056**	**2,674**	**-**	**4,480**	**848,152**
Balance on January 1, 2021	**$ 695,942**	**151,859**	**1,047**	**18,889**	**-**	**867,737**
Balance on December 31, 2021	**$ 695,942**	**148,424**	**2,375**	**8,095**	**5,408**	**860,244**

Please refer to Note 8 for the property, plant and equipment pledged to secure bank loans as of December 31, 2022 and 2021.

(i) Right-of-use assets

The Company leases many assets including superficies,land, buildings and vehicles. Information about leases for which the Company as a lessee is presented below:

	Superficies	Land	Buildings and Construction	Transportation equipment	Total
Cost:					
Balance at January 1, 2022	$ 1,112,170	18,826	9,167	3,784	1,143,947
Maturity year	-	(11,787)	-	-	(11,787)
Additions	21,992	14,855	-	3,573	40,420
Balance at December 31, 2022	**$ 1,134,162**	**21,894**	**9,167**	**7,357**	**1,172,580**

(Continued)

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	Superficies	Land	Buildings and Construction	Transportation equipment	Total
Balance at January 1, 2021	$ 1,112,170	39,563	16,206	-	1,167,939
Maturity year	-	(12,469)	(7,039)	-	(19,508)
Additions	-	7,039	-	3,784	10,823
Early termination	-	(15,307)	-	-	(15,307)
Balance at December 31, 2021	**$ 1,112,170**	**18,826**	**9,167**	**3,784**	**1,143,947**
Accumulated depreciation and impairment losses:					
Balance at January 1, 2022	$ 73,950	13,585	2,751	946	91,232
Maturity year	-	(11,787)	-	-	(11,787)
Depreciation for the year	25,219	6,172	916	1,461	33,768
Balance at December 31, 2022	**$ 99,169**	**7,970**	**3,667**	**2,407**	**113,213**
Balance at January 1, 2021	$ 49,256	25,013	6,166	-	80,435
Maturity year	-	(12,469)	(7,039)	-	(19,508)
Depreciation for the year	24,694	14,221	3,624	946	43,485
Early termination	-	(13,180)	-	-	(13,180)
Balance at December 31, 2021	**$ 73,950**	**13,585**	**2,751**	**946**	**91,232**
Book value:					
Balance at December 31, 2022	**$ 1,034,993**	**13,924**	**5,500**	**4,950**	**1,059,367**
Balance at December 31, 2021	**$ 1,038,220**	**5,241**	**6,416**	**2,838**	**1,052,715**
Balance at January 1, 2021	**$ 1,062,914**	**14,550**	**10,040**	**-**	**1,087,504**

As of December 31, 2022 and 2021, he right-of-use asset were pledged as collateral for long term borrowings, please refer to Note 8.

For the aforementioned impairment assessment of superficies, the discount rates adopted for the years ended December 31, 2022 and 2021 were 6.60% and 6.625%, respectively to reflect the specific risks of the relevant cash-generating unit. The value of the financial forecast represents management' s assessment of future operational results, while taking into account of historical information from internal and external sources.

Based on the impairment assessment for the years ended December 31, 2022 and 2021, no impairment losses were recognized as the recoverable amount of the CGU was higher than its carrying value.

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(j) Investment property

Investment property including assets owned by the Company.

The cost and accumulated depreciation of the investment property for the years ended December 31, 2022 and 2021, were as follows:

		Owned property			
		Land and improvements	**Buildings and improvements**	**Construction in progress**	**Total**
Cost or deemed cost:					
Balance at January 1, 2022	$	224,756	42,078	455,402	722,236
Additions		-	-	197,041	197,041
Disposal		(46,157)	(42,078)	-	(88,235)
Balance at December 31, 2022	**$**	**178,599**	**-**	**652,443**	**831,042**
Balance at January 1, 2021	$	224,756	42,078	385,282	652,116
Additions		-	-	93,726	93,726
Disposal		-	-	(23,606)	(23,606)
Balance at December 31, 2021	**$**	**224,756**	**42,078**	**455,402**	**722,236**
Depreciation and impairment losses:					
Balance at January 1, 2022	$	139,243	17,024	-	156,267
Depreciation for the year		-	438	-	438
Disposal		(10,644)	(17,462)	-	(28,106)
Balance at December 31, 2022	**$**	**128,599**	**-**	**-**	**128,599**
Balance at January 1, 2021	$	139,243	16,273	-	155,516
Depreciation for the year		-	751	-	751
Balance at December 31, 2021	**$**	**139,243**	**17,024**	**-**	**156,267**
Carrying amounts:					
Balance at December 31, 2022	**$**	**50,000**	**-**	**652,443**	**702,443**
Balance at December 31, 2021	**$**	**85,513**	**25,054**	**455,402**	**565,969**
Balance at January 1, 2021	**$**	**85,513**	**25,805**	**385,282**	**496,600**
Fair value (note):					
Balance at December 31, 2022					**$ 50,000**
Balance at December 31, 2021					**$ 130,873**
Balance at January 1, 2021					**$ 130,873**

Note: The above fair value does not include the unfinished construction of the superificies in the Changchun Section.

(Continued)

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The Company entered into a real estate contract and acquired land with Huang Jinqiu on July 31, 2000 of approximately 3,106.07 ping in Milan, Tamsui District (Sankong Spring Section). The total contract price was$178,599 thousand and $50,000 thousand of it was paid from mortgage pledged by the land owner, Huang Jinqiu using the land as collateral to CHINA UNITED TRUST & INVESTMENT CORPORATION;then, the debtor' s rights were transferred to the Company. In addition to the paid amount of $128,599 thousand, the remaining $50,000 thousand is part of the debtor's right not yet transferred (equivalent amounts are accounted for under investment property and other non-current liabilities - other). The land ownership was transferred to the Company in May 2001 but it was classified as farm land and registered in the name of another person for the moment. The trust deed was entered and an equivalent amount of land price was pledged as collateral to the Company.

The Company sold the land and buildings in Sanchong District, New Taipei City for the year ended December 31, 2022 and completed the transfer of the property in August of the same year, the gain on disposal of property amounting to $18,745 thousand was recognized and accounted for as other gains and losses. Please refer to Note 6(x) for details.

The fair value of investment property held by the Company is based on a valuation by an independent evaluator who has certified professional qualification and related valuation experience in locations/types of the valuated investment property. Under the valuation techniques for financial instruments measured at fair value, the inputs are categorized at level 3.

Fair value is evaluated using the market value and income approach and the comparative approach. In the absence of a current quoted price from an active market, the evaluation then takes into account the estimated aggregate cash flows expected to be received from the lease of the real estate and is discounted by the rate of return reflecting the inherent specific risks of the net cash flow to determine the value of the property. The range of interest rates for the Years Ended December 31, 2021 was 1.40%.

As of December 31, 2022 and 2021, the investment properties were pledged as collateral for short-term notes and bills payable, please refer to Note 8.

For the years ended December 31, 2022 and 2021, please Note 6(x) for details of the interest capitalization of the unfinished construction of the investment properties (superficies) of the Company.

(k) Other financial assets and incremental costs of obtaining a contracts

	December 31, 2022	December 31, 2021
Other current financial assets	$ 2,077,676	1,489,328
Current incremental costs to obtain contract with customers	212,490	78,075
Other non-current financial assets	539,495	451,556
Total	**$ 2,829,661**	**2,018,959**

(Continued)

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(i) Other financial asset

It mainly consists of time deposit notes, restricted bank deposits, pre-order price trust deposits, co-construction guarantee deposit which are pledged as collateral.

(ii) Current incremental costs to obtaining a contract

The Company expects that incremental commission fees paid to intermediaries, and the bonus for the internal sales department are recoverable. The Company has therefore capitalized them as contract costs. Capitalized commission fees are amortized when the related revenues are recognized. Capitalized commission fees are amortized when the related revenues are recognized. For the years ended December 31, 2022 and 2021, the Company recognized $0 of amortized expense for both period.

(l) Short-term borrowings, notes and bills payable

	December 31, 2022	December 31, 2021
Secured bank loans	$ 7,158,150	5,549,974
Unsecured bank borrowings	2,059,170	1,063,845
Short-term notes payables	1,551,324	324,232
	$ 10,768,644	**6,938,051**
Unused short-term credit lines	**$ 4,935,937**	**5,029,143**
Range of interest rates	**1.951%~3.478%**	**1.75%~2.388%**

(i) Issuance and redemption of loan

The Company borrowed $13,690,361 thousand and $7,271,341 thousand of additional loans for the years ended December 31, 2022 and 2021, respectively. In addition, the Company repaid $9,856,360 thousand and $5,618,508 thousand for the years ended December 31, 2022 and 2021, respectively.

(ii) Pledged assets for bank loans

The Company had pledged assets as collateral for short-term borrowings and short term notes and bills payable, please refer to Note 8.

(m) Long-term borrowings

	December 31, 2022	December 31, 2021
Secured bank loans	$ 1,458,599	1,388,680
Less: current portion	(781,095)	(700,104)
Total	**$ 677,504**	**688,576**
Unused short-term credit lines	**$ 162,000**	**235,010**
Range of interest rates	**2.11%~2.995%**	**1.70%~2.42%**

(Continued)

(i) Issuance and redemption of loan

The Company borrowed $73,010 thousand and $94,990 thousand of additional loans for the years ended December 31, 2022 and 2021, respectively. In addition, the Company repaid $3,091 thousand and $3,096 thousand for the years ended December 31, 2022 and 2021, respectively.

(ii) Pledged assets for bank loans

For the collateral for bank loans, please refer to Note 8.

(n) Bonds payable

		December 31, 2022	December 31, 2021
Secured ordinary corporate bond— noncurrent	$	1,900,000	1,900,000
Unsecured ordinary corporate bond— noncurrent		500,000	-
Less: current portion		(400,000)	(500,000)
	$	**2,000,000**	**1,400,000**

(i) Issuance and redemption of bonds payable

The Company issued secured ordinary corporate bond of $500,000 thousand and unsecured ordinary corporate bond of $500,000 thousand for the years ended December 31, 2022. The coupon rates were 0.65% and 4%, respectively and interests were paid annually. The period of issuance was both three years. For the year ended December 31, 2022, $500,000 was repaid to the secured corporate bond issued in January 2019. The Company issued secured ordinary corporate bond of $1,100,000 thousand for the years ended December 31, 2021. The coupon rates were 0.60%~0.70% and interests were paid annually. The period of issuance was three to five years. For the years ended December 31, 2021, there were no repurchases or repayments of bonds payables.

(ii) Collateral pledged for corporate bonds payable

The Company had pledged assets as collateral for bonds payable, please refer to Note 8.

(o) Notes and accounts payables (including related parties)

		December 31, 2022	December 31, 2021
Construction projects	$	765,288	400,266
Selling projects		242,695	239,436
Others		1,106	745
	$	**1,009,089**	**640,447**

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(p) Lease liabilities

Lease liabilities of the Company for financing were as follows:

	December 31, 2022	December 31, 2021
Current	$ 16,301	10,591
Non-current	$ 349,851	328,738

For the maturity analysis, please refer to Note 6(y).

The amounts recognized in profit or loss were as follows:

	For the years ended December 31	
	2022	2021
Interests on lease liabilities	$ 8,539	8,195
Expenses relating to short-term leases	$ 1,006	122

The amounts of leases recognized in the statement of cash flows for the Company was as follows:

	For the years ended December 31	
	2022	2021
Total cash outflow for leases	$ 23,141	31,264

(i) Real estate leases

As of December 31, 2022 and 2021, the Company leases superficies, land and buildings for its sales office and operation office. The leases typically run for 3 to 50 years.

(ii) Other leases

The Company leases transportation equipment, with lease terms of three years.

(q) Operating lease

The Company leases out its property. The Company has classified these leases as operating leases, because it does not transfer substantially all of the risks and rewards incidental to the ownership of the assets. Please refer to Note 6 (h) and (j).

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A maturity analysis of lease payments, illustrating the undiscounted lease payments to be received after the reporting date, is as follows:

	December 31, 2022	December 31, 2021
Less than one year	$ 17,426	21,267
One to two years	17,077	4,318
Two to three years	17,077	3,662
Three to four years	17,077	3,662
Four to five years	2,846	3,662
More than five years	-	31,372
Total undiscounted lease payments	**$ 71,503**	**67,943**

For the years ended December 31, 2022 and 2021, the rental income from real estates amounted to $19,487 thousand and $18,436 thousand, respectively.

(r) Employee benefits

(i) Defined benefit plans

The Company’s employee benefit liabilities were as follows:

	December 31, 2022	December 31, 2021
Short-term Compensated absences liability	**$ 4,801**	**4,841**

(ii) Defined contribution plans

The Company allocates 6% of each employee’s monthly wages to the labor pension personal account at the Bureau of Labor Insurance in accordance with the provisions of the Labor Pension Act. Under this defined contribution plan, the Company contributes a fixed amount to the Bureau of Labor Insurance without additional legal or constructive obligations.

The cost of the pension contributions to the Bureau of Labor Insurance for the years ended December 31, 2022 and 2021 amounted to $6,168 thousand and $6,162 thousand, respectively.

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(s) Income tax

(i) Income tax expense

The components of income tax in the years 2022 and 2021 were as follows:

		For the years ended December 31	
		2022	**2021**
Current tax expenses			
Current period	$	151,888	283,021
Adjustment for prior years		(1,050)	11,057
Additional tax on undistributed earnings		-	40,777
		150,838	334,855
Deferred tax expense			
Origination and reversal of temporary differences		(15,152)	7,006
Income tax expense from continuing operations	**$**	**135,686**	**341,861**

Reconciliation of income tax and profit before tax for 2022 and 2021 is as follows:

		For the years ended December 31	
		2022	**2021**
Profit before tax	$	580,301	1,473,926
Income tax using the Company's domestic tax rate	$	116,060	294,785
The book-tax difference in taxation of deferred interest expenses		18,121	13,394
Gain on domestic investments accounted for using equity method		(9,051)	(20,840)
Change in provision in prior periods		(1,050)	11,057
Land value increment tax		2,446	155
Additional tax on undistributed earnings		-	40,777
Others		9,160	2,533
	$	**135,686**	**341,861**

(ii) Deferred tax assets and liabilities

Recognized deferred income tax assets and liabilities

Changes in the amount of deferred tax assets and liabilities for 2022 and 2021 were as follows:

		Temporary difference of service costs	Deferred advertisement expense	Impairment loss	Total
Deferred Tax Assets:					
Balance at January 1, 2022	$	-	26,760	-	26,760
Recognized in profit or loss		-	9,884	2,743	12,627
Balance at December 31, 2022	**$**	**-**	**36,644**	**2,743**	**39,387**

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		Temporary difference of service costs	Deferred advertisement expense	Impairment loss	Total
Deferred Tax Assets:					
Balance at January 1, 2021	$	7,802	18,683	-	26,485
Recognized in profit or loss		(7,802)	8,077	-	275
Balance at December 31, 2021	$	**-**	**26,760**	**-**	**26,760**

		Temporary difference of service costs
Deferred tax liabilities:		
Balance at January 1, 2022	$	7,281
Recognized in profit or loss		(2,525)
Balance at December 31, 2022	$	**4,756**
Balance at January 1, 2021	$	-
Recognized in profit or loss		7,281
Balance at December 31, 2021	$	**7,281**

(iii) The Company’ s income tax returns for the years through 2020 have been examined and approved by the R.O.C. income tax authorities.

(t) Capital and other equity

As of December 31, 2022 and 2021, the Company’ s authorized shares of common stock consisted of 500,000 thousand shares and 300,000 thousand shares,respectively,amounting to $5,000,000 thousand and $3,000,000 thousand, respectively. Out of these shares, 266,079 thousand shares and 161,260 thousand shares, respectively, were issued and outstanding. The par value of the Company’s common stock is $10 (dollars) per share.

Reconciliation of shares outstanding for 2022 and 2021 were as follows:

(In thousands of shares)

	Ordinary share	
	2022	**2021**
Balance on January 1	161,260	146,600
Capital increase from capital surplus	8,063	14,660
Capital increase from retained earnings	96,756	-
Balance on December 31	**266,079**	**161,260**

Pursuant to a shareholders’ resolution on June 30, 2022 and August 27, 2021, respectively, the Company distributed stock dividends by capital surplus amounting to $80,630 thousand and $146,600 thousand, respectively, by retained earnings amounting to $967,560 thousand and $0 thousand. The effective date of the capital increase were September 25, 2022 and November 1, 2021, which has already been registered with the government authorities.

(i) Capital surplus

The components of capital surplus were as follows:

		December 31, 2022	December 31, 2021
Additional paid in capital	$	1,293,675	1,777,455
Treasury shares		5,556	5,556
	$	**1,299,231**	**1,783,011**

According to the R.O.C. Company Act amended in January 2012, capital surplus can only be used to offset a deficit, and only the realized capital surplus can be used to increase the common stock or be distributed as cash dividends. The aforementioned realized capital surplus includes capital surplus resulting from premium on issuance of capital stock and earnings from donated assets received. According to the Regulations Governing the Offering and Issuance of Securities by Securities Issuers, capital increases by transferring capital surplus in excess of par value should not exceed 10% of the total common stock outstanding.

As of March 18, 2022, a resolution was approved during the board of directors for the distribution of cash dividends by capital surplus amounting to $403,150 thousand. Pursuant to a shareholders' resolution on June 30, 2022, the Company distributed stock dividends by capital surplus amounting to $80,630 thousand. As of March 26, 2021, a resolution was approved during the board of directors for the distribution of cash dividends by capital surplus amounting to $146,600 thousand. Pursuant to a shareholders' resolution on August 27, 2021, the Company distributed stock dividends by capital surplus amounting to $146,600 thousand.

(ii) Retained earnings

In accordance with the Company's articles, if there are earnings at year end, 10 percent should be set aside as legal reserve (unless the amount in the legal reserve is already equal to or greater than the total paid-in capital) or reverse the special reserve according to the Securities and Exchange Act and the Company's operations after the payment of income tax and offsetting accumulated losses from prior years. The remaining portion will be combined with earnings from prior years, and the Board of directors can propose distribution plan such as issuance of new shares shall be approved by the shareholders' meeting.

The earnings distribution may be distributed by way of cash dividend and/or stock dividend. The distribution ratio for cash dividend should not be less than 10% of the total dividend distribution. If all or part of the aforementioned employees' compensation is distributed in cash, the resolution will be approved by a majority vote at a meeting of Board of Directors attended by two thirds of the total number of directors, and the distribution shall be submitted to the shareholders' meeting.

1) Legal reserve

When a company incurs no loss, it may, pursuant to a resolution by a shareholders' meeting, distribute its legal reserve by issuing new shares or by distributing cash, and only the portion of legal reserve which exceeds 25% of capital may be distributed.

2) Special reserve

In accordance with Rule No. 1010012865 issued by the FSC on April 6, 2012, a portion of current period earnings and undistributed prior period earnings shall be reclassified as special earnings reserve during earnings distribution. The amount to be reclassified should equal the current period total net reduction of other shareholders' equity. Similarly, a portion of unappropriated earnings prior period earnings shall be reclassified as special earnings reserve (and does not qualify for earnings distribution) to account for cumulative changes to other shareholders' equity pertaining to prior periods. The subsequent reversals of the contra accounts in shareholders' equity shall qualify for additional distributions.

3) Earnings distribution

The Company resolved on March 18, 2022 after passing the Board of directors on the cash dividend of earnings distribution for the year ended December 31, 2021. Then the Company resolved on June 30, 2022 after passing the general shareholders' meeting on the stock dividend of the earnings distribution for the year ended December 31, 2021. The Company also resolved by general shareholders' meeting on August 27, 2021 on the earnings distribution for the year ended December 31, 2020. The surplus available for distribution for the years ended December 31, 2020 was used to finance the capital of the construction projects, such as the construction costs and the selling agency. Except for the statutory surplus reserve of $90,615 thousand ,the balance is not allocated for the time being. Information on dividends distributed to owners are as follows:

	For the year ended December 31, 2021	
	Amount per share	**Total amount**
Dividends distributed to ordinary shareholders:		
Cash	$ 1.00	161,260
Shares	6.00	967,560
Total		**$ 1,128,820**

(u) Earnings per share

The Company's basic and diluted earnings per share were calculated as follows:

	For the years ended December 31	
	2022	**2021**
Basic earnings per share		
Profit attributable to ordinary shareholders of the Company	**$ 444,615**	**1,132,065**
Outstanding at January 1 (note)	**266,079**	**266,079**
Weighted-average number of outstanding ordinary shares at December 31 (note)	**266,079**	**266,079**
	$ 1.67	**4.25**

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	For the years ended December 31	
	2022	**2021**
Diluted earnings per share		
Profit attributable to ordinary shareholders of the Company	$ **444,615**	**1,132,065**
Weighted-average number of ordinary shares outstanding (basic)	266,079	266,079
Effect of potentially dilutive ordinary shares		
Effect of employee share bonus	227	497
Weighted average number of ordinary shares outstanding (after adjusting the effect of potentially dilutive ordinary shares)	**266,306**	**266,576**
	$ **1.67**	**4.25**

Note: For the year ended December 31, 2022, the Company increase capital from capital surplus amounting to $8,063 thousand, and increase capital from retained earnings amounting to $96,756 thousand.Thus, for the twelve months ended December 31, 2021, the number of shares outstanding were both 266,079 thousand after retrospective adjustment.

(v) Revenue from contracts with customers

(i) Details of revenue

	For the year ended December 31, 2022			
	Development segment	**Sales segment**	**Other Divisions**	**Total**
Primary geographical markets:				
Asia	$ **391,795**	**2,388,259**	**3,167**	**2,783,221**
Major products/service lines:				
Revenue from property sales	$ 391,795	-	-	391,795
Service revenue	-	2,388,259	-	2,388,259
Rent income	-	-	3,167	3,167
	$ **391,795**	**2,388,259**	**3,167**	**2,783,221**
Timing of revenue recognition:				
Products or services transferred at a point in time	$ **391,795**	**2,388,259**	**3,167**	**2,783,221**

	For the year ended December 31, 2021			
	Development segment	**Sales segment**	**Other Divisions**	**Total**
Primary geographical markets:				
Asia	$ **429,557**	**3,006,620**	**1,538**	**3,437,715**

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	For the year ended December 31, 2021			
	Development segment	Sales segment	Other Divisions	Total
Major products/service lines:				
Revenue from property sales	$ 429,060	-	-	429,060
Service revenue	-	3,006,620	-	3,006,620
Rent income	497	-	1,538	2,035
	$ 429,557	3,006,620	1,538	3,437,715
Timing of revenue recognition:				
Products or services transferred at a point in time	$ 429,557	3,006,620	1,538	3,437,715

(ii) Contract balances

	December 31, 2022	December 31, 2021	January 1, 2021
Notes receivable	$ 20,563	93,290	104,770
Notes receivable due from related parties	640	-	-
Accounts receivable	1,216,410	1,170,188	879,810
Accounts receivable due from related parties	21,977	118,672	39,343
Less: Loss allowance	(24,628)	(9,469)	(7,108)
Total	$ 1,234,962	1,372,681	1,016,815
Contract liabilities - Rendering of Services	$ 146,725	67,124	36,932
Contract liabilities— sales of real estates	2,141,361	1,174,460	641,693
Total	$ 2,288,086	1,241,584	678,625

For the details of accounts receivable and loss allowance, please refer to Note 6(d).

The major change in the balance of accounts receivables and contract liabilities is the difference between the time frame in the performance obligation to be satisfied and the payment to be received. There is no significant changes for the years ended December 31, 2022 and 2021.

(w) Employee compensation and directors' and supervisors' remuneration

The Company’s article of incorporation requires that earnings shall first to be offset against any deficit, then, a minimum of 1% will be distributed as remuneration to its employees and no more than 3% to its directors. However, if the Company has accumulated deficits, the profit should be reserved to offset the deficit. The recipients of shares and cash may include the employees of the Company’s affiliated companies who meet certain conditions.

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The estimated amounts mentioned above are calculated based on the net profit before tax, excluding the remuneration to employees, directors and supervisors of each period, and multiplied by the percentage of remuneration to employees, directors and supervisors as specified in the Company's articles. These remunerations were expensed under operating costs or operating expenses during the reporting period. The Company borrowed $11,904 thousand and $29,701 thousand of additional loans for the years ended December 31, 2022 and 2021, respectively. In addition, the Company estimated renumeration to directors and supervisors amounting to $2,976 thousand and $7,425 thousand for the years ended December 31, 2022 and 2021, respectively. If there is a change in the proposed amounts after the annual financial statements are authorized for issue, the differences are accounted for as a change in accounting estimate and adjusted prospectively to next year's profit or loss.

For the years ended December 31, 2021 and 2020, the remunerations to employees amounted to $29,701 and $26,916, respectively. The remuneration to directors and supervisors amounted to $7,425 thousand and $6,729 thousand. There were under provision amounting to $650 thousand and over provision amounting to $3,099 thousand from the actual distribution, respectively, which were arising from the difference between estimated amounts and appropriation amount that passed the resolution of board of directors. Such differences were deemed as changes in estimates and recognized as profit or loss for the years ended December 31, 2022 and 2021. The information is available on the Market Observation Post System website.

(x) Non-operating income and expenses

(i) Interest income

The details of interest income for 2022 and 2021 were as follows:

	For the years ended December 31	
	2022	**2021**
Interest income from bank deposits	$ 2,459	542
Loan interest	-	446
Deposit interest	20	19
	$ 2,479	**1,007**

(ii) Other income

The details of other income for 2022 and 2021 were as follows:

	For the years ended December 31	
	2022	**2021**
Rent income	**$ 19,001**	**17,297**

(iii) Other gains and losses

The details of other gains and losses were as follows:

	For the years ended December 31	
	2022	2021
Other income	$ 115,156	12,515
Loss on disposal of investments accounted for using equity method	(742)	-
Gains on disposal of non-current assets	18,745	-
Foreign exchange gains	-	10
	$ 133,159	**12,525**

(iv) Finance costs

The details of finance costs for 2022 and 2021 were as follows:

	For the years ended December 31	
	2022	2021
Interest expense		
Bank loan	$ 231,283	147,580
Interest on lease liabilities	8,539	8,195
Interests on Convertible bonds	22,304	8,168
Discounted notes payable	-	1,652
Discounted accounts receivables	13,332	-
Other finance costs	45,336	43,724
Loan interest	3,233	83
Gurantee deposits	37	-
Less: Capitalization of interest	(71,234)	(34,582)
	$ 252,830	**174,820**

(y) Financial instruments

(i) Credit risk exposure

1) Credit risk

The carrying amount of financial assets represents the maximum amount exposed to credit risk.

2) Concentration of credit risk

The majority of the Company's customers are mostly those in the construction industry. In order to reduce accounts receivable credit risk, the Company continuously assesses the financial condition of its customers. If it is necessary, the Company will ask for guarantees or warranties. The Company still regularly assesses the likelihood of collectability of accounts receivable and sets aside allowance for losses (bad debts), based on the result of management’s evaluation of the overall amounts of bad debts. As of December 31, 2022 and 2021, the Company's major customers consisted of four and five customers which accounted for 58% and 52%, respectively, of accounts receivable so that management believes the concentration of credit risk.

3) Credit risk of receivables

For the information regarding credit risk exposure of notes and accounts receivables, please refer to note 6(d). Other financial assets carried at amortized costs included other receivables and overdue receivables.

(ii) Liquidity risk

The following are the contractual maturities of financial liabilities, including the estimated interest payments and excluding the impact of netting agreements.

	Carrying amount	Cash flow	Within a year	1-3 years	Over 3 years
December 31, 2022					
Non derivative financial liabilities					
Floating rate instruments	$ 10,675,919	11,360,667	5,034,989	2,948,478	3,377,200
Fixed rate instrument	4,317,476	4,399,862	1,987,561	1,174,226	1,238,075
Non-interest bearing liabilities	1,998,453	1,998,453	1,998,453	-	-
	$ 16,991,848	**17,758,982**	**9,021,003**	**4,122,704**	**4,615,275**
December 31, 2021					
Non derivative financial liabilities					
Floating rate instruments	$ 8,002,499	8,483,532	3,379,349	884,716	4,219,467
Fixed rate instrument	2,563,561	2,788,464	856,839	845,736	1,085,889
Non-interest bearing liabilities	1,063,749	1,063,749	1,063,749	-	-
	$ 11,629,809	**12,335,745**	**5,299,937**	**1,730,452**	**5,305,356**

The Company does not expect that the cash flows included in the maturity analysis could occur significantly earlier or at significantly different amounts.

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(iii) Interest rate analysis

Please refer to the notes on liquidity risk management and interest rate exposure of the Company's financial assets and liabilities.

The following sensitivity analysis is based on the risk exposure to the interest rates risk of derivative and non-derivative financial instruments on the reporting date. Regarding liabilities with variable interest rates, the analysis is based on the assumption that the amount of liabilities outstanding at the reporting date was outstanding throughout the year. The rate of change is expressed as the interest rate increases or decreases by 0.50% when reporting to management internally, which also represents the Company management's assessment of the reasonably possible interest rate change.

If the interest rate increases or decreases by 0.50%, the Company's net income will decrease /increase by $53,380 thousand and $40,012 thousand for the years ended December 31, 2022 and 2021, respectively, assuming all other variable factors remain constant. This is mainly due to the Company's variable rate bank borrowings.

(iv) Fair value of financial instruments

1) Types and fair value of financial instruments

The fair value of financial assets at fair value through other comprehensive income are measured on a recurring basis. The carrying amount and fair value of the Company's financial assets and liabilities, including the information on fair value hierarchy were as follows; however, except as described in the following paragraphs, for financial instruments not measured at fair value whose carrying amount is reasonably close to the fair value, and lease liabilities, disclosure of fair value information is not required:

	December 31, 2022				
		Fair Value			
	Carrying amounts	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial assets at fair value through profit or loss					
Financial assets at fair value through profit or loss, mandatorily measured at fair value	$ 188,560	-	-	188,560	188,560
Financial assets at fair value through other comprehensive income					
Non-public offer equity instrument measured at fair value	$ 5,396	-	-	5,396	5,396

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	December 31, 2022				
		Fair Value			
	Carrying amounts	Level 1	Level 2	Level 3	Total
Financial assets measured at amortized cost					
Cash and cash equivalents	$ 435,794	-	-	-	-
Notes and accounts receivable (including related parties)	1,234,982	-	-	-	-
Other receivables (including related parties)	23,913	-	-	-	-
Other current financial assets	2,077,676	-	-	-	-
Other non-current financial assets	539,495	-	-	-	-
Subtotal	4,311,860	-	-	-	-
Total	$ 4,505,816	-	-	193,956	193,956
Financial liabilities measured at amortized cost					
Short-term borrowings	$ 9,217,320	-	-	-	-
Short-term notes payables	1,551,324	-	-	-	-
Notes and accounts receivable (including related parties)	1,009,089	-	-	-	-
Other payables (including related parties)	910,304	-	-	-	-
Corporate bonds payable (including current portion)	2,400,000	-	-	-	-
Long-term borrowings (including current portion)	1,458,599	-	-	-	-
Lease liabilities (including current portion)	366,152	-	-	-	-
Other current financial assets	8,225	-	-	-	-
Guarantee deposits	20,835	-	-	-	-
Other non-current liabilities	50,000	-	-	-	-
Total	$ 16,991,848	-	-	-	-

	December 31, 2021				
		Fair Value			
	Carrying amounts	Level 1	Level 2	Level 3	Total
Financial assets at fair value through profit or loss					
Financial assets at fair value through profit or loss, mandatorily measured at fair value	$ 188,560	-	-	188,560	188,560

(Continued)

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	December 31, 2021				
		Fair Value			
	Carrying amounts	Level 1	Level 2	Level 3	Total
Financial assets at fair value through other comprehensive income					
Non-public offer equity instrument measured at fair value	$ 5,396	-	-	5,396	5,396
Financial assets measured at amortized cost					
Cash and cash equivalents	$ 596,263	-	-	-	-
Notes and accounts receivable (including related parties)	1,372,681	-	-	-	-
Other receivables (including related parties)	18,658	-	-	-	-
Other current financial assets	1,489,328	-	-	-	-
Other non-current financial assets	451,556	-	-	-	-
Subtotal	3,928,486	-	-	-	-
Total	**$ 4,122,442**	**-**	**-**	**193,956**	**193,956**
Financial liabilities measured at amortized cost					
Short-term borrowings	$ 6,613,819	-	-	-	-
Short-term notes payables	324,232	-	-	-	-
Notes and accounts receivable (including related parties)	640,447	-	-	-	-
Other payables (including related parties)	360,733	-	-	-	-
Corporate bonds payable (including current portion)	1,900,000	-	-	-	-
Long-term borrowings (including current portion)	1,388,680	-	-	-	-
Lease liabilities (including current portion)	339,329	-	-	-	-
Other current financial assets	4,162	-	-	-	-
Guarantee deposits	8,407	-	-	-	-
Other non-current liabilities	50,000	-	-	-	-
Total	**$ 11,629,809**	**-**	**-**	**-**	**-**

(Continued)

2) Valuation techniques for financial instruments measured at fair value

a) Non-derivative instruments

If a financial instrument has a quoted price in an active market, the quoted price is used as fair value. The quoted price of a financial instrument obtained from main exchanges and on the run bonds from Taipei Exchange was the basis of determining the fair value of the listed companies' equity instrument, and debt instrument that has the quoted price in an active market.

If a quoted price of a financial instrument can be obtained in time and often from exchanges, brokers, underwriters, industrial union, pricing institute, or authorities and such price can reflect those actual trading and frequently happen in the market, then the financial instrument is considered to have a quoted price in an active market. Otherwise, the market is deemed to be inactive. In general, market with low trading volume or high bid ask spreads is an indication of a non active market.

If the financial instruments held by the Company have no active market, the measurements of fair value are categorized as follows:

Equity instruments without quoted price: The fair value is measured at discounted cash flow model. The assumption is discounted investees' expected future cash flows by using the discounting rate which reflects the time value of money and the return of the investment.

Equity instruments without quoted price: The main assumption behind this is that the estimated pretax, pre-depreciation, and pre amortization earnings of the investee company is added to the earnings multiplier derived from the comparable quoted price of the listed company. The estimate of the fair value of equity instruments has been adjusted due to the effect of the discount arising from the lack of market liquidity of the equity security.

3) Reconciliation of Level 3 fair values

	Measured at fair value through profit or loss	**Financial assets at fair value through other comprehensive income**	
	Non derivative financial assets mandatorily measured at fair value through profit or loss (held for trading)	Unquoted equity instruments	**Total**
Balance at January 1, 2022	$ **188,560**	**5,396**	**193,956**
Balance at December 31, 2022	$ **188,560**	**5,396**	**193,956**

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	Measured at fair value through profit or loss	Financial assets at fair value through other comprehensive income	
	Non derivative financial assets mandatorily measured at fair value through profit or loss (held for trading)	Unquoted equity instruments	**Total**
Balance at January 1, 2021	$ -	5,396	5,396
Purchased	188,560	-	188,560
Ending balance, December 31, 2021	**$ 188,560**	**5,396**	**193,956**

The aforementioned total gains or losses were classified as "unrealized losses from financial assets at fair value through other comprehensive income". The information regarding assets held as of December 31, 2022 and 2021 is as follows:

	For the years ended December 31	
	2022	**2021**
Total gains and losses		
Recognized in other comprehensive income (classified as "unrealized losses from financial assets at fair value through other comprehensive income")	**$ -**	**-**

4) Quantified information on significant unobservable inputs (Level 3) used in fair value measurement

The Company's financial instruments that use Level 3 inputs to measure fair value include fair value through other comprehensive income.

Most of the fair value measurements categorized within Level 3 use the single and significant unobservable input. Equity investments without an active market contains multiple significant unobservable inputs. The significant unobservable inputs of equity investments without an active market are individually independent, and there is no correlation between them.

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Quantified information of significant unobservable inputs was as follows:

Item	Valuation technique	Significant unobservable inputs	Interrelationship between significant unobservable inputs and fair value measurement
Financial assets at fair value through profit or loss - Preference share	Discounted cash flow method	·Weighted average cost of capital (12.5392% and 8.0585% as of December 31, 2022 and 2021, respectively)	· The higher the market liquidity discount rate, the lower the fair value
Financial assets at fair value through other comprehensive income equity investments without an active market	Comparable listed companies approach	· P/B ratio (1.64~1.79 and 1.90~2.61 as of December 31, 2022 and 2021, respectively)	· The higher the multiplier and control premium, the higher the fair value.
		·Market liquidity discount rate (as of (December 31, 2022 and 2021, were both at 30%)	· The higher the market liquidity discount rate, the lower the fair value
			· The higher the market liquidity discount rate, the lower the fair value

5) Transfer from one level to another

Stock and fund held by the Company without quoted price in an active market is sorted to Level 3. There is no significant changes for the years ended December 31, 2022 and 2021. Consequently, there is no transfer between levels measured at fair value in 2022 and 2021.

(z) Financial risk management

(i) Overview

The Company have exposures to the following risks from its financial instruments:

1) credit risk

2) liquidity risk

3) market risk

The following likewise discusses the Company’ s exposure information, objectives, policies and processes for measuring and managing the above mentioned risks For more disclosures about the quantitative effects of these risks exposures, please refer to the respective notes in the accompanying financial statements.

(ii) Risk management framework

The Company' s finance management department provides business services for the overall internal department. It sets the objectives, policies and processes for managing the risk and the methods used to measure the risk arising from both the domestic and international financial market operations.

The internal auditors of the Company continue with the review of the amount of the risk exposure in accordance with the Company' s policies and the risk management policies and procedures. The Company has no transactions in financial instruments (including derivative financial instruments) for the purpose of speculation.

(iii) Credit risk

Credit risk means the potential loss of the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers and investments in debt securities.

1) Accounts receivable and other receivables

The policy adopted by the Company to deal only with reputable parties and, where necessary, obtain collateral to mitigate the risk of financial losses arising from default. The Company will rate the major customers using other publicly available financial information and mutual transaction records.

The Company did not have any collateral or other credit enhancements to avoid credit risk of financial assets.

2) Investments

The credit risk exposure in the bank deposits, investments with fixed income and other financial instruments are measured and monitored by the Company's finance department. There is no significant credit risk because the Company used to transact with or deal with counterparty with good credit ratings financial institutions, corporate organizations and government agencies.

3) Guarantees

Pursuant to the Company's policies, the Company only provides financial guarantees to entities that have satisfied conditions. As of December 31, 2022 and 2021, there is no guarantee outstanding for non-subsidiary.

(iv) Liquidity risk

Liquidity risk is the risk that The Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company' s approach to manage liquidity is to ensure, as far as possible, that it always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to The Company' s reputation.

(Continued)

(v) Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates, and equity prices, will affect the Company income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters while optimizing the return.

1) Foreign currency risk

The principal functional currency of the Company' s receivables and payables is NTD and is therefore not materially affected by exchange rate fluctuations.

The interest is denominated in the same currency as borrowings. Borrowings were generally denominated in currencies that match with the cash flows generated by the underlying operations of the Company, primarily TWD.Therefore, hedge accounting is not adopted.

2) Interest rate risk

Interest rate risk is the risk that fluctuations in market interest rates will adversely affect the future cash flow and fair value of financial instruments. The Company's exposures to risk from changes in interest rates arise primarily from the Company' s bank loans with floating interest rates.

The Company manages the interest rates risk by maintaining an adequate combination of fixed and variable interest rates. The Company has no cash flow risk of material interest rate movements.

3) Credit risk

Credit risk means the potential loss of the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's operation activities (mainly accounts and notes receivable) and financial activities (mainly bank deposits and various financial instruments).

(aa) Capital management

The Company sets its objectives for managing capital to safeguard the capacity to continue to operate, to continue to provide a return to stockholders, to safeguard the interest of related parties, and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Company may adjust the dividend payment and reduce the capital for redistribution to its shareholders. The Company also issues new shares or sell assets to settle any liabilities.

The Company and other entities in the same industry use the debt-to-equity ratio to manage its capital. This ratio is using the total net debt divided by the total capital. The net debt from the balance sheet is the total liabilities less cash and cash equivalents. The total capital and equity include share capital, capital surplus, retained earnings, and other equity.

(Continued)

JSL CONSTRUCTION & DEVELOPMENT CO., LTD.
Notes to the Financial Statements

The capital management strategy for the years ended December 31, 2022 and 2021 are the same for the Company.the Company' s debt-to-equity ratios at the end of the reporting periods were as follows:

	December 31, 2022	December 31, 2021
Total liabilities	$ 19,419,268	13,086,532
Less: cash and cash equivalents	(435,794)	(596,263)
Net debt	**$ 18,983,474**	**12,490,269**
Total equity	6,136,149	6,255,944
Less: hedging reserve	-	-
Adjusted equity	**$ 6,136,149**	**6,255,944**
Debt-to-equity ratio	**309.37%**	**199.65%**

The debt-to-equity ratio was increased on December 31, 2022, due to the net decrease in liabilities caused by the proceeds from issuing secured bonds amounting to $500,000 thousand and unsecured bonds amounting to $500,000 thousand and borrowing short-term and long-term loans.

(7) Related-party transactions

(a) Names and relationship with related parties

The following are subsidiaries and the entities that have had transactions with the Company during the periods covered in the financial statements.

Name of related party	Relationship with the Company
JSL CONSTRUCTION Co., Ltd.	The chairman of the entity is the Company chairman's spouse
JAYSANLYN REAL ESTATE & ADVERTSING Co., Ltd.	The chairman of the entity is the Company chairman's spouse
JAYSHELYN CONSTRUCTION Co., Ltd.	The director of this entity is the director of the Company
Mogen interior design Co., Ltd.	The chairman of the entity is the Company chairman's spouse
Zangfu Industrial Co., Ltd.	The director of this entity is the director of the Company
Shangjing Industrial Co., Ltd.	The chairman of this entity is the director of the Company
Hongdadi Construction Co., Ltd.	The director of this entity is the director of the Company
Zhuanzhu Advertising Co., Ltd.	The director of this entity is the director of the Company
Wangma Advertising Co., Ltd.	The director of this entity is the director of the Company

JSL CONSTRUCTION & DEVELOPMENT CO., LTD.
Notes to the Financial Statements

Name of related party	Relationship with the Company
Guangtaiji Construction Co., Ltd.	The chairman of this entity is the chairman of the Company
JAYSANLYN REAL ESTATE Co., Ltd.	The entity’s chairman is the blood relatives within the second degree of kinship of the chairman of the Company
CHU YUAN INDUSTRIAL Co., Ltd.	Same Chairman with the Company
Dalin development Co., Ltd.	Same Chairman with the Company
Fengyun Advertising Co., Ltd.	The entity’s chairman is the blood relatives within the second degree of kinship of the chairman of the Company
Uyi Investment Co., Ltd.	The entity’s chairman is the blood relatives within the second degree of kinship of the chairman of the Company
JSL Entertainment Co., Ltd	Subsidiary of the Company
Water Cube International Development Co., Ltd.	Subsidiary of the Company
Shigang Construction and Development Co., Ltd.	Subsidiary of the Company
JSL Food Art Creation Co., Ltd.	Subsidiary of the Company
JSL International Development Co., Ltd.	Subsidiary of the Company
CHUWANG DEVELOPMENT Co., Ltd.	Subsidiary.
Huajiang International Development Co., Ltd.	An associate of the Company
Chinese Taipei Archery Association	Same Chairman with the Company
Shengming construction Co., Ltd.	Investee under equity method (Sold on November,2022)
Chairman: Wen Yu Chu	Key management personnel
Zhang Yingzhu	The Company chairman’s spouse
Zhu yi	The entity’s chairman is the blood relatives within the second degree of kinship of the chairman of the Company
Wu You	The entity’s chairman is the blood relatives within the second degree of kinship of the chairman of the Company
YuyanJinxiang Space Design Co., Ltd.	Substantial related party
Chuangyu Space Design Co., Ltd.	Substantial related party
Li Junping Space Design Co., Ltd.	Substantial related party
Yuchang interior design	Substantial related party

(Continued)

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(b) Significant transactions with related parties

(i) Sale revenue

The amounts of significant sales transactions between the Company and related parties were as follows:

Item	Relationship	For the years ended December 31 2022	2021
Revenue from service rendered per contract	Other related parties:		
	JSL CONSTRUCTION Co., Ltd.	$ 34,057	62,403
	JAYSHELYN CONSTRUCTION Co., Ltd.	1,531	15,240
	JSL Entertainment Co., Ltd.	11,890	95,304
	Hongdadi Construction Property Management Co., Ltd.	25,747	64,794
	Other related parties	(460)	2,387
		$ 72,765	240,128

1) There were no significant differences in the purchasing prices and trading terms between related parties and other vendors on the service contract provided by the Company. The collection terms are also comparable to those of other companies.

2) The details of the individual marketing planning contracts signed by the Company and other related parties are as follows:

Name of project	The signing date of selling agreement	Sales period
Selling project-273	2018.10.01	From October 1, 2018 to three months after obtaining a license
Selling project-275	2013.08.01	Six months after the date of obtaining a license (extended to December 31, 2023)
Selling project-307	2020.06	From the contract date to December 31, 2023
Selling project-356	2019.01.01	From January 1, 2019 to three months after the date of obtaining the license

3) The Company sold land to other related parties in May 2021, including 104 and 340, section 4, Baoqing Section, Songshan District, Taipei City, with a disposal price of $2,293 thousand, which was fully collected as of December 31, 2021 and the relevant procedures for transfer of ownership were completed.

(Continued)

JSL CONSTRUCTION & DEVELOPMENT CO., LTD.
Notes to the Financial Statements

(ii) Purchases

Selling:

The amounts of significant purchases by the Company from related parties were as follows:

Relationship	For the years ended December 31 2022	2021
Other related parties	$ 197,683	40,597

The terms and pricing of purchases with related parties were not significantly different from those offered by other vendors. The payment terms ranged from one to two months, which were no different from the payment terms given by other vendors.

Construction industry:

1) The amounts of significant purchase by The Company from associates were as follows:

Relationship	For the years ended December 31 2022	2021
Other related parties	$ 28,524	9,661

2) Construction contracts

The Company will commission the new construction projects at Longjiang Road, River Palace No.2, River Palace No.3, River Palace No.5,The Grand Palace, Garden Palace, Baoxiang section at Hsinchu county, Shizhengguandi No.1 and ShizhengAiyue to the related parties - CHUWANG DEVELOPMENT Co., Ltd, The contract amount (before tax) is as follows:

Account	For the years ended December 31, 2022	Name of project	Total contract price (untaxed)	The amount of the current period (untaxed)	Accumulated amount (untaxed)
Investment property	Other related parties:				
	CHUWANG DEVELOPMENT Co., Ltd.	Longjiang Road	$ 458,802	140,864	333,221
Inventories	Inventories				
	CHUWANG DEVELOPMENT Co., Ltd.	River Palace No. 2	912,702	132,342	282,938
	〃	River Palace No. 3	343,952	98,886	208,951
	〃	River Palace No. 5	886,751	261,591	540,917
	〃	The Grand Palace	1,328,276	132,828	265,655
	〃	Garden Palace	2,046,876	597,006	719,819
	〃	Baoxiang Section at Hsinchu county	285,845	144,727	221,716
	〃	Shizhengguandi No.1	503,497	100,699	100,699
	〃	ShizhengAiyue	303,004	-	-
			$ 7,069,705	1,608,943	2,673,916

JSL CONSTRUCTION & DEVELOPMENT CO., LTD.
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Account	For the years ended December 31, 2021	Name of project	Total contract price (untaxed)	The amount of the current period (untaxed)	Accumulated amount (untaxed)
Investment property	Other related parties:				
	CHUWANG DEVELOPMENT Co., Ltd.	Longjiang Road	$ 380,469	46,912	192,357
Inventories	Inventories				
	CHUWANG DEVELOPMENT Co., Ltd.	River Palace No. 2	912,702	150,596	150,596
	〃	River Palace No. 3	343,952	110,065	110,065
	〃	River Palace No. 5	886,751	279,326	279,326
	〃	The Grand Palace	1,328,276	132,827	132,827
	〃	Garden Palace	2,046,876	122,813	122,813
	〃	Baoxiang Section at Hsinchu county	285,845	76,989	76,989
			$ 6,184,871	919,528	1,064,973

(iii) Receivables from related parties

The payables to related parties were as follows:

Account	Relationship	December 31, 2022	December 31, 2021
Notes receivable	Other related parties:		
	Fengyun Advertising Co., Ltd.	$ 640	-
Accounts receivable	Subsidiary:		
	JSL Entertainment Co., Ltd.	11,890	95,304
	Other related parties:		
	JSL CONSTRUCTION Co., Ltd.	10,087	14,244
	Hongdadi Construction Property Management Co., Ltd.	-	4,718
	JAYSHELYN CONSTRUCTION Co., Ltd.	-	4,406
		$ 22,617	118,672
Other receivables	Other related parties:		
	JAYSANLYN REAL ESTATE & ADVERTSING Co., Ltd.	$ 6,836	237
	Fengyun Advertising Co., Ltd.	8,152	4,965
	Other related parties	4,062	287
	Associate of the Company	-	67
Other receivables	Subsidiary:		
	JSL Entertainment Co., Ltd.	1,351	2,591
	Water Cube International Development Co., Ltd	141	439
	JSL International Development Co., Ltd.	-	33
	JSL Food Art Creation Co., Ltd.	-	33
		$ 20,542	8,652

(Continued)

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Notes to the Financial Statements

(iv) Payables to related parties

The payables to related parties were as follows:

Account	Relationship	December 31, 2022	December 31, 2021
Accounts payable	Subsidiary:		
	CHUWANG DEVELOPMENT Co., Ltd.	$ 90,961	162,598
	JSL Food Art Creation Co., Ltd.	5,538	7,347
	JSL International Development Co., Ltd.	1,520	823
	Water Cube International Development Co., Ltd	46,959	-
	Other related parties	6,151	1,271
		$ 151,129	**172,039**
Other payables	Subsidiary:		
	Water Cube International Development Co., Ltd	$ 91,685	56,000
	CHUWANG DEVELOPMENT Co., Ltd.	5,447	580
	JAYSANLYN REAL ESTATE & ADVERTSING Co., Ltd.	16,570	50,298
	Others	1,380	964
	Fengyun Advertising Co., Ltd.	33,174	-
	Other related parties	3,521	4,510
	Key management personnel (Note)	211,440	-
		$ 363,217	**112,352**

Note: Payment on behalf of others for land purchases.

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(v) Loans to Related Parties

The loans to related parties by the Company in 2022 and 2021 are recognized under other receivables- related parties, the details were as follows:

Account	Relationship	Highest balance of financing to other parties 2022	Highest balance of financing to other parties 2021	Ending balance 2022	Ending balance 2021	Interests receivable (Other receivables due from related parties) December 31, 2022	Interests receivable (Other receivables due from related parties) December 31, 2021
		For the years ended December 31					
Other receivables due from related parties	Subsidiary:						
〃	JSL Entertainment Co., Ltd.	$ -	70,000	-	-	-	-
〃	JSL International Development Co., Ltd.	-	10,000	-	-	-	-
〃	JSL Food Art Creation Co., Ltd.	-	10,000	-	-	-	-
	CHUWANG DEVELOPMENT Co., Ltd.	200,000	200,000	-	-	-	-
		$ 200,000	290,000	-	-	-	-

For the loans to related parties from the Company, the interest rate is determined based on the average rate of the borrowings entered into with financial institutions during the year. All the loans issued are unsecured. The interest expenses for the year ended December 31, 2022 and 2021 amounted to $0 thousand and $446 thousand.

(vi) Loans to related parties

The Company financing from its related parties in 2022 and 2021, and accounted for under the other accounts payable related parties as follows:

Name of related party	Highest balance of financing to other parties	Ending balance	Interest rate	Interest expense	Interest payables
	For the year ended December 31, 2022				
CHUWANG DEVELOPMENT Co., Ltd.	$ 700,000	350,000	0.21%~ 2.188%	3,233	-

Name of related party	Highest balance of financing to other parties	Ending balance	Interest rate	Interest expense	Interest payables
	For the year ended December 31, 2021				
CHUWANG DEVELOPMENT Co., Ltd.	$ 120,000	-	0.11%	83	-

(Continued)

(vii) Services

The related party and the Company have entered into contract of appointment for sales planning, and accounted for under the incremental costs to obtaining a contract - current,the details are as follows:

Name of related party	Name of project	Sales period	Accumulated price December 31, 2022	Accumulated price December 31, 2021
Other related parties:				
JAYSANLYN REAL ESTATE & ADVERTSING Co., Ltd.	The Gallery Mansion	From December 2019 to three months after the date of obtaining the license.	$ 27,777	27,777
〃	Garden Palace	2021.08.10 to 2023.07.31	151,540	50,298
Fengyun Advertising Co., Ltd.	Shizhengguandi No.1	From April 1,2022 to one month after the date of obtaining the license.	23,754	-
〃	ShizhengAiyue	From June 1,2022 to one month after the date of obtaining the license.	9,419	-
			$ 212,490	78,075

(viii) Lease

The related information of the Company leased buildings and offices from other related parties was as follows:

Name of related party	Contract term	Right-of-use assets December 31, 2022	Interest expense For the year ended December 31, 2022	Lease liabilities December 31, 2022
Other related parties:				
Other related parties	2016.06.01 ~2028.12.31	**$ 5,501**	**146**	**5,759**

Name of related party	Contract term	Right-of-use assets December 31, 2021	Interest expense For the year ended December 31, 2021	Lease liabilities December 31, 2021
Other related parties:				
Other related parties	2016.06.01 ~2028.12.31	**$ 6,417**	**166**	**6,642**
〃	2019.09.15 ~2021.06.14	**$ -**	**12**	**-**

(ix) Guarantee

1) The Company applied for the issuance of the secured corporate bonds with the subsidiary acting as the joint guarantor and providing the construction land as collateral. The amount of the endorsement guarantee as of December 31, 2022 and 2021 was both $302,565 thousand. The handling fees paid to subsidiary' s amounting to both $286 thousand, which is accounted for under the finance cost.

2) The management of the Company will provide land as collateral for the application to issue secured corporate bond.

3) The Company apply for the short-term secured bank loan to be pledged by the time deposit slip from related party, Dalin development Co., Ltd. as collateral.

(x) Others

1) The Company acquired 15 pieces of land including the Baoxiang section,Hsinchu county and Ganlin section, Xinbei country , acquired 43 pieces of land including the Baoxiang section,Hsinchu county in 2015 and the Milan (Sankong Spring Section) in Tamsui District in 2001, respectively.However, they are classified as farm land and are temporarily registered under the name of the key management of the Company. Also,a real estate entrust contract are entered and are pledged to the Company with an equivalent amount.

2) The Company commissioned manpower support from its subsidiaries for the years ended December 31, 2022 and 2021 and paid a service fee of 17,590 thousand and 3,313 thousand, which is accounted for under“administrative expenses"

3) The Company entered into a contract with its subsidiaries to entrust the subsidiaries with the responsibility for the planning and advertising design of all the sales projects and the sales support for some of the sales projects. Payments to subsidiaries amounted to $198,303 thousand and $94,587 thousand for the years ended December 31, 2022 and 2021 respectively. They are accounted for as operating costs of $157,438 thousand and $60,258 thousand, respectively and operating expenses of $40,865 thousand and $34,329 thousand, respectively.

4) For the years ended December 31, 2022 and 2021, the sales administration services rendered to other related parties amounted to $634 thousand and $2,410 thousand, respectively, and are recognized under selling expenses.

5) The Company contributed and sponsored to other related parties in the years ended December 31, 2022 and 2021 are $4,000 thousand and $7,300 thousand respectively.

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6) The Company provided support services to its subsidiaries and other related parties received service income was as follow (credited to other income) for the years ended December 31, 2022 and 2021.

	For the years ended December 31	
	2022	**2021**
Subsidiary	$ 14,043	8,097
Other related parties	100,399	-
	$ 114,442	**8,097**

7) The Company entered into a joint investment and construction agreement with the related party, Guangtaiji Construction Co., Ltd. in the“ Land No. 48 and 544 of Sanchong Section” development project for the years ended December 31, 2020, with an investment ratio of 30%.

8) The Company entered into a joint investment and construction agreement with the related party, Shangjing Industrial Co., Ltd. in the Wuguwang section, Sanchong District, New Taipei City for the years ended December 31, 2022, the related party accounted for an investment ratio of 11.57%.

(c) Key management personnel transactions

Key management personnel compensation:

	For the years ended December 31	
	2022	**2021**
Short-term employee benefits	$ 101,483	86,019
Post-employment benefits	1,099	887
	$ 102,582	**86,906**

(8) Pledged assets:

The carrying values of pledged assets were as follows:

Pledged assets	Pledged to secure	**December 31, 2022**	**December 31, 2021**
Other financial assets (current and non current)	Bonds payable, pre-order price trust deposits and performance bond	$ 1,217,737	1,389,186
Inventory-construction	Bank borrowings, short-term notes payables	13,988,183	10,009,214
Investment property, net	Short-term notes payables	-	60,566
Property, plant and equipment	Bonds Payable and non-current portion of non-current borrowings	840,998	844,366
Right-of-use assets	long-term borrowings	1,034,992	1,038,220
		$ 17,081,910	**13,341,552**

(Continued)

(9) Significant contingent liabilities and unrecognized commitments:

(a) Significant unrecognized commitments

(i) The Company's unrecognized contractual commitments for Property, Plant and Equipment purchase and inventory purchase were as follows:

	December 31, 2022	December 31, 2021
Inventory purchased - (construction)	$ 1,505,152	838,119

(ii) The Company's selling price outlined in pre-sale housing contract is as follows:

	December 31, 2022	December 31, 2021
Price outlined in signed sales contracts (tax included)	$ 16,297,993	11,109,492
Amount collected as per the contract (untaxed)	$ 2,141,361	1,174,460

(iii) As of December 31, 2022 and 2021, the refundable deposits paid, through cooperation with the landowners, amounted to $1,345,190 thousand and $500,450 thousand, respectively.

(iv) The Company have entered into contract of appointment for marketing planning as of December 31, 2022, the details are as follows:

Name of project	The signing date of selling agreement	Sales period
Selling project-273	2018.10.01	From October 1, 2018 to three months after obtaining a license
Selling project-275	2013.08.01	Six months after the date of obtaining a license (extended to December 31, 2023)
Selling project-307	2020.06.01	From the contract date to December 31, 2023
Selling project-353	2018.07.02	Commencement of sale after the date of obtaining the license (to September 30, 2023)
Selling project-356	2019.01.01	From January 1, 2019 to three months after the date of obtaining the license
Selling project-362	2020	On sale for a year after the date of obtaining the license (extended to Octorber 31, 2023)
Selling project-367	2020.03.01	Up to one month after the date of obtaining the license
Selling project-369	2019.09.14	Up to eighteen months after the date of obtaining the license
Selling project-370	2019.11.01	From the date of obtaining a license to use (subject to extension)

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Name of project	The signing date of selling agreement	Sales period
Selling project-3720	2019.10.01	Up to one month after the date of obtaining the license (subject to extension)
Selling project-3723	2019.10.01	Up to one month after the date of obtaining the license (subject to extension)
Selling project-3724	2019.10.01	Up to one month after the date of obtaining the license (subject to extension)
Selling project-3820	2020.06	From June 01, 2020 and ended one month after the date of obtaining the license (subject to extension)
Selling project-3823	2020.06	From June 01, 2020 and ended one month after the date of obtaining the license (subject to extension)
Selling project-398	2021.03.15	From 2021.01.01 to sold out
Selling project-401	2021.03.16	2021.03.16 to 2023.03.31 (subject to further extension)
Selling project-403	2021.05.16	From May 16, 2022 and ended six months after the date of obtaining the license
Selling project-404	2021.05.01	2021.05.01 to 2023.12.31 (subject to further extension)
Selling project-405	2021.04	From April 01, 2021 and ended six months after the date of obtaining the license (subject to extension)
Selling project-406	2021.11	Sales start after the building license has been obtained and the sales period is one year (subject to extension)
Selling project-407	2021.04.30	Sales commenced on after the issue of the building license, for the period until November 30, 2024 (subject to extension)
Selling project-409	2021.04	2021.05.01～2023.04.30
Selling project-410	2021.10.15	2021.10.15 to 2023.07.31 (subject to further extension)
Selling project-414	2021.09.15	Sales start after the building license has been obtained until December 31, 2023 (subject to extension)
Selling project-415	2021.04.01	2022.04.01～2023.03.31
Selling project-418	2021.12	Sales start after the building license has been obtained and the sales period is two years (subject to extension)
Selling project-420	2021.11.24	Sales start after the building license has been obtained and the sales period is one years (subject to extension)
Selling project-421	2022.02	2022.02.16~2024.02.16(subject to extension)
Selling project-423	2022.05.01	2022.05.01~2024.05.01(subject to extension)
Selling project-424	2022.12.16	From December 16, 2022 and ended one months after the date of obtaining the license (subject to extension)

(Continued)

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Notes to the Financial Statements

Name of project	The signing date of selling agreement	Sales period
Selling project-425	2022.06.15	From June 15, 2022 and ended twelve months after the date of obtaining the license (subject to extension)
Selling project-426	2022.07.01	From July 1, 2022 and ended six months after the date of obtaining the license (subject to extension)
Selling project-427	2022.12.16	Sales start after the building license has been obtained and the sales period is two years (subject to extension)
Selling project-429	2022.09.15	2022.09.15~2023.12.31(subject to extension)
Selling project-430	2022.10.20	Sales start after the building license has been obtained and the sales period is ten mounths (subject to extension)
Selling project-431	2022.08.16	Sales start after the building license has been obtained and the sales period is one year (subject to extension)

(10) Losses Due to Major Disasters:None

(11) Subsequent Events:

The Company has issued new shares for cash capital increase with a total of 24,000 thousand shares with a par value of $10 per share on December 9, 2022 pursuant to a resolution of the Board of Directors. The said cash capital increase has been approved by FSC and is in effect on January 30, 2023. The new shares are issued at $72 per share on February 9, 2023 pursuant to a resolution of the Board of Directors. The Company adopted February 22, 2023 as base day for cash capital increase.

(12) Other:

(a) A summary of current-period employee benefits, depreciation, and amortization, by function, is as follows:

	For the years ended December 31					
	2022			**2021**		
By funtion **By item**	**Cost of good sold**	**Operating expense**	**Total**	**Cost of good sold**	**Operating expense**	**Total**
Employee benefits						
Salary	74,335	205,186	279,521	74,737	264,949	339,686
Labor and health insurance	3,045	10,730	13,775	2,955	12,611	15,566
Pension	2,056	4,112	6,168	1,485	4,677	6,162
Remuneration of directors	-	2,976	2,976	-	7,425	7,425
Others	1,144	5,802	6,946	1,134	7,447	8,581
Depreciation	7,590	22,843	30,433	17,965	24,235	42,200
Depletion	-	-	-	-	-	-
Amortization	-	316	316	-	221	221

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Notes to the Financial Statements

For the years ended 2022 and 2021, the average numbers of Company employees were as follows:

	2022	2021
Number of employees	101	123
Number of directors who are not concurrently employed	3	3
Average employee benefit expense	$ 3,127	3,083
Average employee salary expense	$ 2,852	2,831
Salary	0.74 %	(28.15)%
Remuneration for supervisors	$ -	-

The Company's salary and remuneration policy (including directors, supervisors, managers and employees) is as follows:

(i) Remuneration to Directors:

The renumeration to Board of directors of the Company are based on the Company's overall operation performance, industry trend as well as the personal contribution toward the Company and individual performance achievements and the salary level of the same industry. The remuneration of the independent Directors shall be agreed on with fixed payment by the Board of directors in accordance with the foregoing principles and shall not involve the distribution of directors' remuneration and all other bonuses. The Company's article of incorporation requires a minimum of 3% will be distributed as remuneration to its employees. However, if the Company has accumulated deficits, the profit should be reserved to offset the deficit.

The performance of the Directors is determined on the basis of the performance evaluation method of the Board of Directors of the Company, which covers the board as a whole, the functional committees and individual members of the Directors. The evaluation methods include self evaluation, peer-to-peer assessment, entrusting external agency experts, or other appropriate means. The remuneration performance policy, performance evaluation, and the content and amount of remuneration of the directors of the Company have been established, reviewed and resolved by the Remuneration Committee and the Board of director and reported to the Shareholders' Meeting.

(Continued)

JSL CONSTRUCTION & DEVELOPMENT CO., LTD.
Notes to the Financial Statements

(ii) Managers and employees:

The renumeration to manager and employee includes salary, bonus and employee compensation: Monthly salaries are determined by reference to the salary trends on the market, company operations and organizational structure, and by function and responsibility to balance the optimization between external competition and internal justice. The bonus and remuneration are approved in accordance with the relevant performance management measures. The relationship between individual performance and the Company' s operating performance are assessed and then providing reasonable remuneration. The Company's article of incorporation requires a minimum of 1% will be distributed as remuneration to its employees. However, if the Company has accumulated deficits, the profit should be reserved to offset the deficit. The remuneration to the employees of the Company is reported to the shareholders' meetings after being reviewed and passing the resolutions of the Remuneration Committee and the Board of directors. The remuneration system is reviewed timely in the light of the actual operating conditions and changes in the relevant regulation.

(b) The Company was searched by the prosecution unit on September 20, 2012 for suspected breach of Securities and Exchange Act. The case was investigated and closed on January 21, 2013 by the Taiwan Taipei District Prosecutors Office. Chen Qicang, the former general manager of the Company, Dong CuiHua, former head of the Finance segment of the Company (both had resigned in February 2013) and Lin Hongming were charged with alleged breaches of the Securities and Exchange Act.

The Company is not a defendant in the litigation referred to in the preceding paragraph and thus it has not been provided with bill of indictment. It was to the understanding of the Company that the loan amounting to $1,855,000 thousand were borrowed from CHINA UNITED TRUST & INVESTMENT CORPORATION by pledging land in Milan section and Shuixian section,Tamsui district as collateral.Subsequently, the Company met financial difficulties and was unable to repay the interests and principal on the loan, CHINA UNITED TRUST & INVESTMENT CORPORATION then sell the said mortgage as bad debt. The aforesaid bad debt was acquired by Qiyang Asset Management Co., Ltd. in 2005. The Company then entered into a debt settlement agreement with the creditor, Qiyang Asset Management Co., Ltd.in May 2006. By transferring the Company's collateral pledged for the loan, the land lot at Shuixian section and building license to the creditors, the Company is exempted from repaying the principal of the said loan,its deferred interest and breach penalty. Also, an additional amount of $355,000 thousand may be obtained by the Company; As for the loan borrowed by pledging the land at Milan section, the Company has entered into a sales contract in May 2002 to the land at Milan section. Consequently in 2005,the Company entered into a tripartite agreement with the land purchaser and creditor, Qiyang Asset Management Co., Ltd. to eliminate the Company' s debts and the land purchaser of Milan section should bear the debts. The above transactions were investigated by the prosecution unit and found to be in violation of the Securities and Exchange Act and The Banking Act of The Republic of China.

However, it has been verified that the transactions relating to the above-mentioned land in the Milan and Shuixian sections were engaged between 2002 and 2006, and such transactions have been completed as of the reporting deadline. The transfer and payment of debt to the land title and related transactions have been completed. The terms of the transaction, the process and the related transaction amount, the amount of profit and loss effect have been outlined and accounted for in the notes to each financial statements for the years accordingly.

On August 22, 2013, the Company filed a criminal suit with civil action against Lin Hongming and others at the Criminal court of Taiwan Taipei District Court for damages compensation of $1,471,534 thousand. On July 25, 2014, the Criminal Court of Taiwan Taipei District Court ruled that the case should be referred to the Civil Court of Taiwan Taipei District Court for proceeding with a civil action.

This case was ruled by the Taiwan Taipei District Court on June 23, 2017, rejecting the Company's claim for damages. the Company appealed the civil judgment to Taiwan High Court on July 21, 2017 and the Taiwan High Court ruled on December 4, 2019 that Lin Hongming and others were liable to pay damages of $754,462 thousand to the Company. However, the appellee, Lin Hongming and others refused the judgment and appealed to the Supreme Court. The Supreme Court then ruled on March 31, 2021 to send the case back to Taiwan High Court for hearing.

This case was ruled by Supreme Court on February 23, 2022 that criminal proceedings gained by Lin Hongming and others amounting to $446,330 thousand shall be confiscated, excluding the amount returned to victims or being requested for damages claims. Then, Lin Hongming appealed against the criminal ruling by Taiwan High Court, which was disclosed previously. The Supreme Court dismissed such appeal on July 21, 2022, so the above-mentioned criminal ruling by Taiwan High Court has been confirmed. If the criminal proceeds are actually withheld by prosecutor and the prosecutor has granted the claim by the Company, then the Company may be eligible for the return of the criminal proceeds within the criminal proceeds amount as described above. For the civil proceedings between Lin Hongming, other party and the Company, it has been agreed that the litigation will be suspended and that the settlement is being negotiated.

The management of the Company has assessed that the said litigation will not have any effect of increase on loss or contingent loss on the consolidated financial statements of the Company for the twelve month period ended December 31, 2022. Accordingly, the litigation case should have no other effect on the disclosure in notes to the consolidated financial statements as of December 31, 2022.

(Continued)

JSL CONSTRUCTION & DEVELOPMENT CO., LTD.
Notes to the Financial Statements

(13) Other disclosures:

(a) Information on significant transactions:

The following is the information on significant transactions required by the "Regulations Governing the Preparation of Financial Reports by Securities Issuers" for the Company for the year ended December 31, 2022:

(i) Loans to other parties:

(In Thousands of New Taiwan Dollars)

Number	Name of lender	Name of borrower	Account name	Related party	Highest balance of financing to other parties during the period	Ending balance	Actual usage amount during the period	Range of interest rates during the period	Purposes of fund financing for the borrower	Transaction amount for business between two parties	Reasons for short-term financing	Allowance for bad debt	Collateral		Individual funding loan limits	Maximum limit of fund financing
													Item	Value		
0	JSL CONSTRUCTION & DEVELOPMENT CO., LTD.	CHUWANG DEVELOPMENT CO., LTD.	Other receivables due from related parties	Yes	200,000	-	-	2.30	2	-	Operating capital	-	-	-	2,454,460	1,227,230
1	CHUWANG DEVELOPMENT CO., LTD.	JSL CONSTRUCTION & DEVELOPMENT CO., LTD.	Other receivables due from related parties	Yes	200,000	200,000	200,000	0.21	1	6,184,871	-	-	-	-	7,069,706	7,069,706
1	CHUWANG DEVELOPMENT CO., LTD.	JSL CONSTRUCTION & DEVELOPMENT CO., LTD.	Other receivables due from related parties	Yes	500,000	500,000	150,000	2.188	1	6,184,871	-	-	-	-	7,069,706	7,069,706

Note 1: Pursuant to "Procedure of Loans to Other Parties" of the Company, capital shall be loaned to entities that required short term financing, and the aggregate amount shall not exceed 40% of the Company's net value disclosed in its latest financial statements. For a single debtor, the amount of loans shall not exceed 20% of the Company's net value disclosed in its latest financial statements.
Maximum amount of loans to other parties: NT$ 6,136,149thousand × 40% ＝ NT$ 2,454,460 thousand
Maximum amount of loans to other parties: NT$6,136,149 thousand × 20% ＝ NT$ 1,277,230 thousand

Note 2: Pursuant to "Procedure of Loans to Other Parties"of CHUWANG DEVELOPMENT CO., LTD., capital shall only be loaned to trading counterparties,the maximum amount of loan to a trading counterparties shall be the actual amount of inventory purchased or sold by the parties, and the amount of valid purchase contracts or sales contract. The limit on loans to a single party shall be the actual amount of inventory purchased or sold by the parties, and the amount of valid purchase contracts or sales contract.

Note 3: Financing purposes:
(1) Those with business contact, please fill in 1.
(2) Those necessary for short term financing, please fill in 2.

(ii) Guarantees and endorsements for other parties:

(In Thousands of New Taiwan Dollars)

No.	Name of guarantor	Counter-party of guarantee and endorsement		Limitation on amount of guarantees and endorsements for a specific enterprise	Highest balance for guarantees and endorsements during the period	Balance of guarantees and endorsements as of reporting date	Actual usage amount during the period	Property pledged for guarantees and endorsements (Amount)	Ratio of accumulated amounts of guarantees and endorsements to net worth of the latest financial statements	Maximum amount for guarantees and endorsements	Parent company endorsements/ guarantees to third parties on behalf of subsidiary	Subsidiary endorsements/ guarantees to third parties on behalf of parent company	Endorsements/ guarantees to third parties on behalf of companies in Mainland China
		Name	Relationship with the Company										
1	CHUWANG DEVELOPMENT CO., LTD.	JSL CONSTRUCTION CO., LTD.	7	2,001,941	655,294	-	-	-	- %	4,003,882	N	N	N
2	Shigang Construction and Development Co., Ltd.	JSL CONSTRUCTION & DEVELOPMENT CO., LTD.	3	563,287	302,565	302,565	302,565	302,565	1,074.30 %	563,287	N	Y	N

JSL CONSTRUCTION & DEVELOPMENT CO., LTD.
Notes to the Financial Statements

Note 1: There are seven conditions in which the Company may have guarantees or endorsements for other parties:
(1) Trading counterparty
(2) the Company holds more than 50% of the voting shares in the entity, directly and indirectly.
(3) The entity holds more than 50% of voting shares in the Company, directly and indirectly.
(4) the Company holds more than 90% of voting shares in the entity, directly and indirectly.
(5) An entity in the construction industry mutually guaranteed pursuant to a project contract.
(6) The stockholders of the Company provide guarantees or endorsements for the entity in proportion to percentage of ownership for joint investment.
(7) The companies in the same industry provide among themselves joint and several securities for a performance guarantee of a sales contract for preconstruction homes pursuant to the Consumer Protection Act for each other.

Note 2: Shigang Construction and Development Co., Ltd. endorsed the operation method for the total amount of guarantee s and the limit for endorsement of a single enterprise; Details are as follows:
(1) The total amount of external endorsements and/or guarantees by Shigang Construction and Development Co., Ltd.shall be limited to the amount of paid in capital of the Company.
(2) The guarantee amount for a single enterprise endorsement shall not exceed 200% of the current net value of the Company.
(3) An entity holding 100% of the voting rights directly and indirectly of the Company, its total guarantee amount cannot exceed 20 times of the net value of such entity. The guarantee for a single enterprise is limited to 20 times of the net value of such entity.
(4) Provided to other companies, the total guarantee amount of joint and several securities for a performance guarantee of a sales contract for pre-construction homes or guarantee on each parties according to contract terms between co-constructors pursuant to the Consumer Protection Act or for undertaking construction, shall not exceed tenfold of the company's net value and not more than five times of the Company's net value of the guarantee for a single enterprise.
(5) The stockholders of the Company provide the guarantees or endorsements for the entity in proportion to percentage. The total endorsement and the provisions of point No.3 shall apply to the guarantee limit of a single investee company.
(6) The amount of the cumulative endorsement and guarantee for an enterprise as a result of *<108>*a business relationship shall not exceed the amount of the business transaction between such entity and the company. The business transaction amount is the higher of the purchase or sales contract between both parties or payment in recent years (business cycle).

Note 3: The Company endorsed the operation method for the total amount of guarantees and the limit for endorsement of a single enterprise:
(1) The total amount of guarantee for external endorsement shall not exceed 200% of the net value of the Company.
(2) he guarantee amount for a single enterprise endorsement shall not exceed 100% of the current net value of the Company.

Note 4: "Procedure of Loans to Other Parties" of CHUWANG DEVELOPMENT CO., LTD., outlines the total amount of guarantees and the limit for endorsement of a single enterprise details are as follows: Details are as follows:
(1) The total amount of external endorsements and/or guarantees by CHUWANG DEVELOPMENT CO., LTD.shall not be more than ten times of the Company's net value.
(2) The guarantee amount for a single enterprise endorsement shall not be more than five times of the Company's net value.
(3) An entity holding 100% of the voting rights directly and indirectly of the Company, its total guarantee amount cannot exceed 20 times of the net value of such entity. The guarantee for a single enterprise is limited to 20 times of the net value of such entity.
(4) Provided to other companies, the total guarantee amount of joint and several securities for a performance guarantee of a sales contract for pre-construction homes or guarantee on each parties according to contract terms between co-constructors pursuant to the Consumer Protection Act or for undertaking construction, shall not exceed twentyfold of the company's net value. The total guarantee amount for a single enterprise shall not exceed tenfold of the company's net value.
(5) The stockholders of the Company provide the guarantees or endorsements for the entity in proportion to percentage. The total endorsement and the guarantee limit of a single investee company, the provisions of point No.3 shall apply.
(6) The amount of the cumulative endorsement and guarantee for an enterprise as a result of a business relationship shall not exceed the amount of the business transaction between such entity and the Company. The business transaction amount is the higher of the purchase or sales contract between both parties or payment in recent years (business cycle).

(iii) Securities held as of December 31, 2022 (excluding investment in subsidiaries, associates and joint ventures):

(In Thousands of New Taiwan Dollars)

Name of holder	Category and name of security	Relationship with company	Account title	Ending balance				Note
				Shares/Units (thousands)	Carrying value	Percentage of ownership (%)	Fair value	
The Company	Preferred Shares A Judo Company	-	Financial assets at fair value through profit or loss-non current	18,856	188,560	-%	191,393	
The Company	Shares UNI AIRWAYS CORPORATION	-	Noncurrent financial assets at fair value through other comprehensive income	41	401	0.01%	1,001	Note
The Company	Share Hung Shun Hing Real Estate Co., Ltd.	-	Noncurrent financial assets at fair value through other comprehensive income	500	4,995	3.33%	4,545	

Note: Such preference shares may not be converted into ordinary shares.

(iv) Individual securities acquired or disposed of with accumulated amount exceeding the lower of NT$300 million or 20% of the capital stock:None

(Continued)

JSL CONSTRUCTION & DEVELOPMENT CO., LTD.
Notes to the Financial Statements

(v) Acquisition of individual real estate with amount exceeding the lower of NT$300 million or 20% of the capital stock:

(In Thousands of New Taiwan Dollars)

Name of company	Name of property	Transaction date	Transaction amount	Status of payment	Counter-party	Relationship with the Company	If the counter-party is a related party, disclose the previous transfer information				References for determining price	Purpose of acquisition and current condition	Others
							Owner	Relationship with the Company	Date of transfer	Amount			
The Company	13 pieces of land, including the land No.428-2 of Daitianfu section of Keelung City	2022.03.09	1,222,866 thousand	$183,430 thousand was paid at the end of December 31 2022	DAI SHEN DEVELOPMENT Co., Ltd.	Non-related party	-	-	-	-	Appraisal	Developed to increases business revenue and profitability	None
The Company	3 pieces of land of land No.172 of Wuguwang section, Sanchong District, New Taipei City	2022.02.25, 2022.04.26 and 2022.05.27	605,315 thousand	The amount was all paid	Futang Advisor Consulting Co., Ltd. , National Property Administration, Ministry of finance and 5 natural persons	Non-related party	-	-	-	-	Appraisal	Developed to increases business revenue and profitability	None
The Company	2 pieces of land, including the land No.20、21 of Jinhua section, Nuannuan District, Keelung City	2022.05.20	1,050,000 thousand	$590,625 thousand was paid at the end of December 31 2022	7 natural persons	Non-related party	-	-	-	-	Appraisal	Developed to increases business revenue and profitability	None
The Company	5 pieces of land of land No.272 of Wuguwang section, Sanchong District, New Taipei City	2022.03.24, 2022.05.06, 2022.08.22	369,731 thousand	The amount was all paid	National Property Administration, Ministry of finance and 4 natural persons	Non-related party	-	-	-	-	Appraisal	Developed to increases business revenue and profitability	None
The Company	19 pieces of land of Ganlin section, Tucheng District, New Taipei City	2022.08.31, 2022.09.12	325,719 thousand	$114,279 thousand was paid at the end of December 31 2022	4 natural person	Non-related party	-	-	-	-	Appraisal	Developed to increases business revenue and profitability	None
The Company	50 pieces of land of Jianguo section, Qionglin section, Xinzhuang District, Haishantou section, Taishan section, Taishan destrict, New Taipei City	2021.10.08, 2021.11.18, 2021.12.07, 2022.01.26, 2022.02.23, 2022.03.25, 2022.04.18, 2022.12.10 and 2022.12.29	433,418 thousand	$269,169 thousand was paid at the end of December 31 2022	13 natural person	Non-related party	-	-	-	-	Appraisal	Developed to increases business revenue and profitability	None

(vi) Disposal of individual real estate with amount exceeding the lower of NT$300 million or 20% of the capital stock:None

(vii) Related-party transactions for purchases and sales with amounts exceeding the lower of NT$300 million or 20% of the capital stock:

(In Thousands of New Taiwan Dollars)

Name of company	Related party	Nature of relationship	Transaction details				Transactions with terms different from others		Notes/Accounts receivable (payable)		Note
			Purchase/Sale	Amount	Percentage of total purchases/sales	Payment terms	Unit price	Payment terms	Ending balance	Percentage of total notes/accounts receivable (payable)	
The Company	CHUWANG DEVELOPMENT Co., Ltd.	Subsidiary	Contractor project	1,608,943	18.47%	Periodical collection per contract	-	Same as regular transaction	(90,961)	7.45%	
CHUWANG DEVELOPMENT Co., Ltd.	The Company	Parent company	Selling	(1,656,445)	(49.38)%	Periodical collection per contract	-	Same as regular transaction	89,552	49.10%	Note
CHUWANG DEVELOPMENT Co., Ltd.	JSL CONSTRUCTION Co., Ltd.	The chairman of the entity is the Company chairman's spouse	Contractor project	(615,649)	(18.35)%	Periodical collection per contract	-	Same as regular transaction	21,356	11.71%	Note
CHUWANG DEVELOPMENT Co., Ltd.	JAYSHELYN CONSTRUCTION Co., Ltd.	The director of the Company is the director of the ultimate parent entity.	Contractor project	(233,136)	(6.95)%	Periodical collection per contract	-	Same as regular transaction	-	-%	Note
CHUWANG DEVELOPMENT Co., Ltd.	CHU YUAN INDUSTRIAL Co., Ltd.	Same Chairman with the Group	Contractor project	(181,169)	(5.40)%	Periodical collection per contract	-	Same as regular transaction	19,183	10.52%	Note

Note: The Company recognized its construction contract income using the percentage of completion method.

JSL CONSTRUCTION & DEVELOPMENT CO., LTD.
Notes to the Financial Statements

(viii) Receivables from related parties with amounts exceeding the lower of NT$100 million or 20% of the capital stock:None

(ix) Trading in derivative instruments:None

(b) Information on investees:

The following is the information on investees for the years ended December 31, 2022 (excluding information on investees in Mainland China):

(In Thousands of New Taiwan Dollars)

Name of investor	Name of investee	Location	Main businesses and products	Original investment amount		Balance as of December 31, 2022			Net income (losses) of investee	Share of profits/losses of investee	Note
				December 31, 2022	December 31, 2021	Shares (thousands)	Percentage of wnership	Carrying value			
The Company	JSL Entertainment Co., Ltd.	Taiwan	Residential and commercial building development and leasing, real estate trading, real estate leasing, real estate commissioning, real estate selling, IT software services and third-party payment services.	34,350	34,350	3,600	100.00 %	82,961	34,142	34,142	
The Company	Water Cube International Development Co., Ltd	Taiwan	Real estate agency and seller, international trade, rental and leasing and agency services	50,000	50,000	5,000	100.00 %	71,707	40,804	40,804	
The Company	Shigang Construction and Development Co., Ltd.	Taiwan	To commission construction company to build public residential housings for rentals and sales, land developments, interior decoration design and contractor services, construction equipment,building materials, construction machinery trading and real estate operation and investments.	245,000	245,000	30	100.00 %	243,604	4	4	
The Company	Shengming construction co., ltd.	Taiwan	Interior decoration, residential and commercial building rental and sale, industrial plant rental and sale, specific areas development, Investment in public construction, new towns, new community development, agency of sector collection and rezoning of the city, Urban renewal and reconstruction, real estate trading, real estate rentals, rental industry	-	2,260	-	- %	-	(3,262)	(1,946)	Associates
The Company	JSL Food Art Creation Co., Ltd.	Taiwan	Baked food manufacturer, wholesaler of food and beverage and food and beverage retailer.	3,000	3,000	300	100.00 %	13,766	9,292	9,292	
The Company	JSL International Development Co., Ltd.	Taiwan	commercial building rentals and leasing, investment in public construction, real estate trading and real estate rental	3,000	3,000	300	100.00 %	5,595	2,095	2,095	
The Company	CHUWANG DEVELOPMENT Co., Ltd.	Taiwan	Integrated constructions, residential and commercial building rentals and leasing, investment in public construction, real estate trading and real estate rentals	207,350	207,350	410	100.00 %	133,027	1,673	(39,602)	

(c) Information on investment in mainland China:None

(d) Major shareholders:None

Shareholding / Shareholder's Name	Shares	Percentage
Chairman: Wen Yu Chu	63,523,000	23.87 %
CHU YUAN INDUSTRIAL Co., Ltd.	51,833,426	19.48 %
Fengyun Advertising Co., Ltd.	38,005,100	14.28 %
Yangshanlin Advertising Co., Ltd.	23,287,130	8.75 %
JAYSANLYN REAL ESTATE & ADVERTSING Co., Ltd.	22,013,768	8.27 %

(14) Segment information:

Please refer to the consolidated financial statement for the year ended December 31, 2022.

JSL CONSTRUCTION & DEVELOPMENT CO., LTD.

Statement of accounts receivables

December 31, 2022

(Expressed in thousands of New Taiwan Dollars)

Customer	Description	Amount	Note
Supplier A	The receivables of selling agreements	$ 198,911	Selling project-418
Supplier B	〃	157,046	Selling project-398
Supplier C	〃	144,039	Selling project-418
Supplier D	〃	138,960	Selling project-405, Selling project-426
Supplier E	〃	92,343	Selling project-403
Supplier F	〃	68,048	Selling project-409
Supplier G	〃	64,665	Selling project-370
Supplier H	〃	59,679	Selling project-352
Others	〃	268,091	Customers under 5%
		$ 1,191,782	

JSL CONSTRUCTION & DEVELOPMENT CO., LTD.

Statement of inventories

December 31, 2022

(Expressed in thousands of New Taiwan Dollars)

Item	Description	Amount
Prepayment for land purchases	Baoxiang Section at Hsinchu country	$ 4,011
	Daitianfu section of Jilong City	183,430
	Urban renewal at Chengde Road	1,000
	Wen zi zhen	59,482
	Xiangyang section of Pingtung City	50,000
	Others	1,760
Subtotal		299,683
Land held for construction site	Haitian Section, Tamsui District, New Taipei City	227,794
	Jinhua section of Jilong City	1,050,061
	Ganlin section of New Taipei City	328,911
	Baoxiang Section at Hsinchu country	3,050,923
	Wen zi zhen	212,471
	Bancui section of New Taipei City	388,486
	Wuguwang section of New Taipei City	3,570,103
	Others	12,497
Subtotal		8,841,246
Construction in progress	Urban renewal at Chengde Road	2,043,959
	Baoxiang Section at Hsinchu country	479,896
	Jiangcui section of New Taipei City	925,521
	Bancui section of New Taipei City	662,978
	Xindu Section, New Taipei City	437,265
	Wuguwang section,New Taipei City	391,759
	Nangang project for Taiwan Fertilizer	315,916
	Xiangyang section of Pingtung City	1,373,981
	Shanjie section of Taoyuan City	87,692
	Jinhua section of Jilong City	61,593
	Others	75,706
Subtotal		6,856,266
Buildings and land held for sale	Ocean Palace	1,085,970
	Blooming city	95,960
Subtotal		1,181,930
Total		**$ 17,179,125**

JSL CONSTRUCTION & DEVELOPMENT CO., LTD.

Statement of other current financial assets

December 31, 2022

(Expressed in thousands of New Taiwan Dollars)

Item	Amount	Note
Restricted time deposits	$ 695,894	pre-order price trust deposits and deposit of corporate bond
Co-construction guarantee deposit	1,345,190	
Others	36,592	
	$ 2,077,676	

JSL CONSTRUCTION & DEVELOPMENT CO., LTD.

Statement of short-term borrowings

December 31, 2022

(Expressed in thousands of New Taiwan Dollars)

Type of loan	Note	Balance at December 31	Contract Period	Range of interest rates	Collateral or pledge	Note
Mortgage loans	Financial institutions	$ 801,980	2014.06.21~2025.12.31	2.350%	Construction in progress	
〃	Financial institutions	204,210	2018.12.05~2025.12.31	2.50%	Land held for construction site	
〃	Financial institutions	55,100	2020.11.10~2025.07.07	2.40%	Construction in progress	
〃	Financial institutions	139,000	2022.12.28~2023.12.28	2.451%	Land held for construction site	
〃	Financial institutions	184,772	2022.12.28~2023.12.28	2.801%	Land held for construction site	
〃	Financial institutions	165,700	2022.04.20~2024.08.09	2.501%	Land held for construction site	
〃	Financial institutions	422,629	2022.07.26~2023.07.26	3.005%	Land held for construction site	
〃	Financial institutions	177,870	2021.11.23~2026.03.09	2.450%	Construction in progress	
〃	Financial institutions	116,790	2021.09.28~2025.08.17	2.60%	Construction in progress	
〃	Financial institutions	309,980	2021.10.05~2025.12.04	2.450%	Construction in progress	
〃	Financial institutions	52,980	2022.05.20~2026.04.22	2.450%	Construction in progress	
〃	Financial institutions	377,000	2020.04.17~2023.12.31	2.589%	Land held for construction site	
〃	Financial institutions	350,000	2020.04.17~2023.12.31	2.350%	Time deposit	Note
〃	Financial institutions	197,284	2021.06.29~2025.06.29	2.28%~3.15%	Construction in progress	
〃	Financial institutions	260,860	2021.10.22~2026.04.22	2.455%	Land held for construction site	
〃	Financial institutions	436,316	2020.03.30~2023.03.30	2.37%~2.78%	Buildings and land held for sale	
〃	Financial institutions	445,640	2022.01.21~2024.01.21	2.300%	Land held for construction site	
〃	Financial institutions	37,039	2022.07.21~2023.07.21	2.42%	Buildings and land held for sale	
〃	Financial institutions	2,243,000	2021.02.05~2026.02.05	2.568%	Land held for construction site	
〃	Property Management Co., Ltd.	180,000	2019.11.25~2023.02.24	3.125%	Construction in progress	
		7,158,150				
Credit loans	Financial institutions	51,998	2022.06.14~2023.06.14	2.515%	None	
〃	Financial institutions	75,000	2022.09.16~2023.06.27	2.548%	〃	
〃	Financial institutions	71,041	2022.04.28~2023.04.28	2.875%	〃	
	Financial institutions	287,930	2022.09.30~2023.06.30	2.80%~2.83%	〃	
〃	Financial institutions	405,713	2022.05.30~2023.06.29	2.469%~2.657%	〃	
〃	Financial institutions	200,000	2022.11.26~2023.05.25	3.175%	〃	
〃	Financial institutions	150,000	2022.11.08~2023.06.27	2.885%	〃	
〃	Financial institutions	47,738	2022.09.08~2023.03.08	2.49%	〃	
〃	Financial institutions	479,750	2022.10.19~2023.10.19	1.951%	〃	
〃	Financial institutions	50,000	2022.10.18~2025.04.18	3.15%	〃	
〃	Financial institutions	240,000	2022.10.03~2024.10.03	2.450%	〃	
		2,059,170				
		$ **9,217,320**				

Note: Provided by related parties.

JSL CONSTRUCTION & DEVELOPMENT CO., LTD.

Statement of short-term bills payable

December 31, 2022

(Expressed in thousands of New Taiwan Dollars)

				Balance at December 31			
Item	Guarantee or acceptance institution	Contract Period	Range of interest rates	Amount	Unamortized discount on commercial papers payable	Amount	Note
Short-term notes payable	Financial institutions	2022.12.09~2023.02.10	2.838%~ 3.138%	$ 1,255,000	(3,854)	1,251,146	-
〃	〃	2022.12.02~2023.01.03	2.538%	85,000	(18)	84,982	-
〃	〃	2022.12.13~2023.02.10	2.588%	65,500	(190)	65,310	-
〃	〃	2022.11.29~2023.01.17	3.478%	150,000	(114)	149,886	-
				$ 1,555,500	(4,176)	1,551,324	

Statement of contract liabilities - current

Please refer to Note 6(v), for details.

JSL CONSTRUCTION & DEVELOPMENT CO., LTD.

Statement of bonds payable

December 31, 2022

(Expressed in thousands of New Taiwan Dollars)

Name of boad	Trustee	Issuance date	Interest payment date	Total amount	Amount paid	Balance at December 31	Less: current portion	Carrying amounts	Repayment	Collateral
Secured ordinary corporate bond	Financial institutions	2020.09	Annual payment	300,000	-	300,000	(300,000)	-	One time payment at maturity	bank guarantee and construction site (provided by subsidiaries)
〃	Financial institutions	2021.07	〃	500,000	-	500,000	-	500,000	One time payment at maturity	bank guarantee and construction site (provided by anagement personnel)
〃	Financial institutions	2021.11	〃	600,000	-	600,000	-	600,000	One time payment at maturity	bank guarantee
〃	Financial institutions	2022.11	〃	500,000	-	500,000	(100,000)	400,000	One fifth of the total amount is repaid after one year, one fifth of the total amount is repaid after two years, and three fifths of the total amount is repaid after three years for the paydown on maturity date.	bank guarantee
Unsecured ordinary corporate bond	Financial institutions	2022.07	〃	500,000	-	500,000	-	500,000	One time payment at maturity	None
				$ 2,400,000		**2,400,000**	**(400,000)**	**2,000,000**		

JSL CONSTRUCTION & DEVELOPMENT CO., LTD.

Statement of long-term borrowings

December 31, 2022

(Expressed in thousands of New Taiwan Dollars)

Type of loan	Note	Balance at December 31	Contract Period	Range of interest rates	Collateral or pledge	Note
Mortgage loans	Financial institutions	$ 670,830	2015.12.16~2035.12.15	2.201%	Property, plant and equipment	
〃	Financial institutions	770,000	2014.05.16~2023.12.31	2.895%~2.995%	Right of use assets (superficies and unfinished works)	
〃	Financial institutions	17,769	2017.01.26~2037.01.25	2.11%	Property, plant and equipment	
	Subtotal	1,458,599				
	Less: current portion	(781,095)				
	Total	**$ 677,504**				

Statement of operating revenue

For the year ended December 31, 2022

Please refer to Note 6(v), for details.

JSL CONSTRUCTION & DEVELOPMENT CO., LTD.

Statement of operating costs

For the year ended December 31, 2022

(Expressed in thousands of New Taiwan Dollars)

Item	Description	Amount	Note
Cost of services contracts	Selling projects	$ 1,358,511	
Construction cost	Construction projects	286,538	
Cost of rental sales	Depreciation of investment property	438	
		$ 1,645,487	

Statement of selling expenses

Item	Description	Amount	Note
Salary		$ 117,127	
Insurance expense		3,035	
Pension		2,313	
Professional service fees		3,139	
Advertisement expense		57,160	
Depreciation		8,162	
Other expenses		48,657	
		$ 239,593	

JSL CONSTRUCTION & DEVELOPMENT CO., LTD.

Statement of administrative expenses

For the year ended December 31, 2022

(Expressed in thousands of New Taiwan Dollars)

Item	Description	Amount	Note
Wages and salaries		$ 91,035	
Stationery and printing		1,958	
Pension		1,799	
Insurance expense		7,923	
Entertainment expense		11,980	
Donation		27,690	
Taxes		34,574	
Depreciation		14,681	
Employee benefits		4,156	
Professional service fees		15,782	
Miscellaneous expenses		14,873	
Other expenses		22,828	
		$ 249,279	

JSL CONSTRUCTION & DEVELOPMENT CO., LTD.

Statement of other revenues

For the year ended December 31, 2022

(Expressed in thousands of New Taiwan Dollars)

Please refer to Note 6(x), for details.

Statement of other gains and losses, net

Please refer to Note 6(x), for details.

Statement of finance costs

Please refer to Note 6(x), for details.