

JSL CONSTRUCTION & DEVELOPMENT CO., LTD.**Parent Company Only Financial Statements****With Independent Auditors' Report
For the Years Ended December 31, 2023 and 2022**

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The independent 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 independent auditors' report and parent company only financial statements, the Chinese version shall prevail.

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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 sheet as of December 31, 2023 and 2022, the statement of comprehensive income, changes in equity and cash flows for the years then ended, and notes to the financial statements, including a summary of material 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, 2023 and 2022, and its financial performance and its cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

Basis for Opinion

We conducted our audits in accordance with the Regulations Governing Financial Statement Audit and Attestation Engagements of Certified Public Accountants and Standards on Auditing of the Republic of China. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with The Norm of Professional Ethics for Certified Public Accountant of the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis 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. Selling real estate properties 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(w) “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, 2023 was amounted to \$4,843,309 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. Revenue recognition of property sales

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; for revenue recognition, please refer to note 6(w) Revenue from Contracts with Customers.

Description of key audit matter:

The real estate industry, in which JSL CONSTRUCTION & DEVELOPMENT CO., LTD. AND SUBSIDIARIES is into, has a higher tendency of revenue fluctuation due to macroeconomics, economic conditions, tax policy reform and real estate demands, therefore the management has set up relevant income and collection procedures to countermeasure the aforementioned environmental changes. The revenue from property sales is \$613,899 thousand, thus, the appropriateness of recognition of revenue from property sales cast significant impacts on financial report. Consequently, revenue recognition is one of our key audit matters.

How the matter was addressed in our audit:

Our principal audit procedures included understanding the sales revenue of property and lands of the Company and control mechanism of collection procedure as well as testing the effectiveness of the design and implementing the internal control system of sales revenue. Inspection of property and land sales contracts, bank account transaction record, collection record and real estate ownership transfer document and delivery list, etc. In addition, testing the samples of sales transaction before and after the end of the year to ensure the correctness of sales revenue.

3. 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, 2023, inventory of the Company (construction industry) was amounted to \$22,742,523 thousand, which accounted for 69% 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.

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 Chih, Shih-Chin and Huang, Hsin-Ting.

KPMG

Taipei, Taiwan (Republic of China)
March 15, 2024

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, 2023 and 2022****(Expressed in Thousands of New Taiwan Dollars)**

		December 31, 2023		December 31, 2022				December 31, 2023		December 31, 2022	
		Amount	%	Amount	%			Amount	%	Amount	%
Assets						Liabilities and Equity					
Current assets:						Current liabilities:					
1100	Cash and cash equivalents (Note 6(a))	\$ 714,331	2	435,794	2	2100	Total short-term borrowings (Note 6(l))	\$ 11,268,431	34	9,217,320	36
1150	Notes receivable, net (Notes 6(d) and (w))	38,198	-	20,583	-	2110	Total short-term notes and bills payable (Note 6(l))	1,987,702	6	1,551,324	6
1160	Notes receivable due from related parties, net (Notes 6(d), (w) and 7)	-	-	640	-	2130	Current contract liabilities (Notes 6(w) and 9)	3,446,655	10	2,288,086	9
1170	Accounts receivable, net (Notes 6(d) and (w))	1,947,815	6	1,191,782	5	2150	Total notes payable (Note 6(o))	14,432	-	7,992	-
1180	Accounts receivable due from related parties, net (Notes 6(d), (w) and 7)	112,544	-	21,977	-	2170	Total accounts payable (Note 6(o))	1,086,634	3	849,968	3
1200	Other receivables, net	231	-	3,371	-	2180	Total accounts payable to related parties (Notes 6(o) and 7)	510,978	2	151,129	1
1210	Other receivables due from related parties, net (Note 7)	28,876	-	20,542	-	2200	Total other payables	333,200	1	197,087	1
1320	Inventories (for construction business), net (Notes 6(e), 7 and 8)	22,742,523	69	17,179,125	67	2220	Other payables to related parties (Note 7)	954,332	3	713,217	3
1410	Total prepayments (Note 6(f))	95,292	-	78,921	-	2230	Current tax liabilities	313,801	1	108,536	-
1476	Other current financial assets (Notes 6(k), 8 and 9)	2,522,195	8	2,077,676	9	2251	Current provisions for employee benefits (Note 6(r))	4,407	-	4,801	-
1479	Other current assets, others	98,747	-	42,437	-	2280	Current lease liabilities (Notes 6(p) and 7)	28,028	-	16,301	-
1480	Current assets recognised as incremental costs to obtain contract with customers (Notes 6(k) and 7)	401,090	1	212,490	1	2305	Other current financial liabilities	-	-	8,225	-
1482	Current assets recognised from costs to fulfil contracts with customers (Note 6(e))	<u>216,726</u>	<u>1</u>	<u>336,010</u>	<u>1</u>	2321	Bonds payable, current portion (Note 6(n))	640,500	2	400,000	2
		<u>28,918,568</u>	<u>87</u>	<u>21,621,348</u>	<u>85</u>	2322	Long-term borrowings, current portion (Note 6(m))	841,562	3	781,095	3
						2399	Other current liabilities, others	<u>50,774</u>	<u>-</u>	<u>21,241</u>	<u>-</u>
								<u>21,481,436</u>	<u>65</u>	<u>16,316,322</u>	<u>64</u>
Non-current assets:						Non-Current liabilities:					
1510	Total non-current financial assets at fair value through profit or loss (Note 6(b))	399,758	1	188,560	1	2530	Total bonds payable (Notes 6(n) and 7)	1,629,500	5	2,000,000	8
1517	Total non-current financial assets at fair value through other comprehensive income (Note 6(c))	5,396	-	5,396	-	2540	Total long-term borrowings (Note 6(m))	664,419	2	677,504	3
1550	Investments accounted for using equity method, net (Note 6(g))	673,330	2	550,660	2	2570	Total deferred tax liabilities (Note 6(s))	26,414	-	4,756	-
1600	Total property, plant and equipment (Notes 6(h) and 8)	835,800	3	848,152	3	2580	Non-current lease liabilities (Notes 6(p) and 7)	359,365	1	349,851	1
1755	Right-of-use assets (Notes 6(i), 7 and 8)	1,059,586	3	1,059,367	4	2645	Guarantee deposits received	31,369	-	20,835	-
1760	Investment property, net (Notes 6(j), 7 and 8)	859,420	3	702,443	3	2670	Other non-current liabilities, others (Note 6(j))	<u>50,000</u>	<u>-</u>	<u>50,000</u>	<u>-</u>
1780	Total intangible assets	206	-	354	-			<u>2,761,067</u>	<u>8</u>	<u>3,102,946</u>	<u>12</u>
1840	Deferred tax assets (Note 6(s))	53,692	-	39,387	-		Total liabilities	<u>24,242,503</u>	<u>73</u>	<u>19,419,268</u>	<u>76</u>
1980	Total other non-current financial assets (Notes 6(k) and 8)	384,711	1	539,495	2	3110	Equity attributable to owners of parent (Note 6(t)):				
1995	Other non-current assets, others	<u>255</u>	<u>-</u>	<u>255</u>	<u>-</u>	3210	Ordinary share	3,916,067	12	2,660,790	10
		4,272,154	13	3,934,069	15	3220	Total capital surplus, additional paid-in capital	2,208,631	7	1,293,675	5
						3280	Capital surplus, treasury share transactions	5,556	-	5,556	-
						3300	Capital surplus, others	4,406	-	-	-
							Total retained earnings	<u>2,813,559</u>	<u>8</u>	<u>2,176,128</u>	<u>9</u>
							Total equity	<u>8,948,219</u>	<u>27</u>	<u>6,136,149</u>	<u>24</u>
Total assets		<u>\$ 33,190,722</u>	<u>100</u>	<u>25,555,417</u>	<u>100</u>		Total liabilities and equity	<u>\$ 33,190,722</u>	<u>100</u>	<u>25,555,417</u>	<u>100</u>

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, 2023 and 2022****(Expressed in Thousands of New Taiwan Dollars , Except for Earnings Per Common Share)**

		2023		2022	
		Amount	%	Amount	%
4000	Operating revenue (Notes 6(w) and 7)	\$ 5,487,239	100	2,783,221	100
5000	Operating costs (Notes 6(e) and 7)	<u>2,480,311</u>	<u>45</u>	<u>1,645,487</u>	<u>59</u>
	Gross profit	<u>3,006,928</u>	<u>55</u>	<u>1,137,734</u>	<u>41</u>
	Operating expenses (Notes 6(u), (x) and 7):				
6100	Selling expenses	350,496	7	239,593	9
6200	Administrative expenses	321,969	6	249,279	9
6450	Impairment loss determined in accordance with IFRS (Note 6(d))	<u>19,625</u>	<u>-</u>	<u>15,159</u>	<u>1</u>
		<u>692,090</u>	<u>13</u>	<u>504,031</u>	<u>19</u>
	Net operating income	<u>2,314,838</u>	<u>42</u>	<u>633,703</u>	<u>22</u>
	Non-operating income and expenses:				
7100	Interest income (Note 6(y))	16,011	-	2,479	-
7010	Other income (Note 6(y))	4,638	-	19,001	1
7020	Other gains and losses (Notes 6(g), (j), (y) and 7)	96,415	2	133,159	5
7050	Finance costs (Notes 6(p), (y) and 7)	(431,344)	(8)	(252,830)	(9)
7070	Share of profit (loss) of subsidiaries, associates, and joint ventures under the equity method	<u>(73,593)</u>	<u>(1)</u>	<u>44,789</u>	<u>2</u>
		<u>(387,873)</u>	<u>(7)</u>	<u>(53,402)</u>	<u>(1)</u>
7900	Profit before tax	1,926,965	35	580,301	21
7950	Less: Income tax expenses (Note 6(s))	<u>419,297</u>	<u>8</u>	<u>135,686</u>	<u>5</u>
	Profit	<u>1,507,668</u>	<u>27</u>	<u>444,615</u>	<u>16</u>
8300	Other comprehensive income, net	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	Total comprehensive income	<u>\$ 1,507,668</u>	<u>27</u>	<u>444,615</u>	<u>16</u>
	Earnings per share (NT dollar) (Note 6(v))				
	Basic earnings per share (in New Taiwan dollars)	<u>\$ 3.91</u>		<u>1.21</u>	
	Diluted earnings per share (in New Taiwan dollars)	<u>\$ 3.90</u>		<u>1.21</u>	

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, 2023 and 2022****(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, 2022	\$ 1,612,600	1,783,011	180,975	2,679,358	2,860,333
Profit (loss)	-	-	-	444,615	444,615
Other comprehensive income	-	-	-	-	-
Total comprehensive income	-	-	-	444,615	444,615
Earnings appropriation and distribution:					
Legal reserve appropriated	-	-	113,206	(113,206)	-
Cash dividends of ordinary share	-	-	-	(161,260)	(161,260)
Stock dividends of ordinary share	967,560	-	-	(967,560)	(967,560)
Other changes in capital surplus:					
Cash dividends from capital surplus	-	(403,150)	-	-	(403,150)
Stock dividends from capital surplus	80,630	(80,630)	-	-	-
Balance at December 31, 2022	2,660,790	1,299,231	294,181	1,881,947	2,176,128
Profit (loss)	-	-	-	1,507,668	1,507,668
Other comprehensive income	-	-	-	-	-
Total comprehensive income	-	-	-	1,507,668	1,507,668
Appropriation and distribution of retained earnings:					
Legal reserve appropriated	-	-	44,462	(44,462)	-
Cash dividends of ordinary share	-	-	-	(145,039)	(145,039)
Stock dividends of ordinary share	725,198	-	-	(725,198)	(725,198)
Other changes in capital surplus:					
Cash dividends from capital surplus	-	(290,079)	-	-	(290,079)
Stock dividends from capital surplus	290,079	(290,079)	-	-	-
Lapsed share options	-	4,406	-	-	4,406
Issue of shares	240,000	1,495,114	-	-	-
Balance at December 31, 2023	\$ 3,916,067	2,218,593	338,643	2,474,916	2,813,559
					8,948,219

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, 2023 and 2022****(Expressed in Thousands of New Taiwan Dollars)**

	For the years ended December 31	
	2023	2022
Cash flows from (used in) operating activities:		
Profit before tax	\$ 1,926,965	580,301
Adjustments:		
Adjustments to reconcile profit (loss):		
Depreciation expense	39,751	30,433
Amortization expense	322	316
Provision (reversal of provision) for bad debt expense	19,625	15,159
Net gain on financial assets or liabilities at fair value through profit or loss	(11,476)	-
Interest expense	431,344	252,830
Interest income	(16,011)	(2,479)
Share of profit of subsidiaries, associates and joint ventures accounted for using equity method	73,593	(44,789)
Losses on disposal of property, plant and equipment	106	-
Gain on disposals of investment property	-	(18,745)
Loss on disposal of investments accounted for using equity method	-	742
Dividend Revenue	(16)	-
Share-based payment transactions	5,112	-
Total adjustments to reconcile profit	542,350	233,467
Changes in operating assets and liabilities:		
Changes in operating assets:		
(Increase) decrease in notes accounts receivable, net	(17,615)	72,707
Decrease (increase) in notes receivable due from related parties	640	(640)
Increase in accounts receivable	(770,657)	(59,544)
(Increase) decrease in accounts receivable due from related parties	(90,567)	96,695
Decrease in other receivable	3,140	6,635
Increase in other receivable due from related parties	(8,334)	(11,957)
Increase in inventories	(5,461,904)	(5,383,977)
Increase in prepayments	(16,371)	(18,420)
Increase in other current assets	(444,432)	(588,328)
Increase in other current financial assets	(56,310)	(17,026)
Increase in assets recognised as incremental costs to obtain contract with customers	(188,600)	(134,415)
Decrease (increase) in assets recognised from costs to fulfil contracts with customers	119,284	(175,848)
Total changes in operating assets	(6,931,726)	(6,214,118)
Changes in operating liabilities:		
Increase in contract liabilities	1,158,569	1,046,502
Increase (decrease) in notes payable	6,440	(58,579)
Increase in accounts payable	236,666	448,131
Increase (decrease) in accounts payable to related parties	359,849	(20,910)
Increase (decrease) in other payables	137,405	(84,567)
(Decrease) increase in other payable to related parties	(298,885)	250,865
Decrease in provisions for employee benefits	(394)	(40)
(Decrease) increase in other financial liabilities	(8,225)	4,063
Increase (decrease) in other current liabilities	29,533	(6,163)
Total changes in operating liabilities	1,620,958	1,579,302
Total changes in operating assets and liabilities	(5,310,768)	(4,634,816)
Total adjustments	(4,768,418)	(4,401,349)
Cash outflow generated from operations	(2,841,453)	(3,821,048)
Interest received	10,923	2,459
Interest paid	(594,836)	(280,877)
Income taxes paid	(206,679)	(217,916)
Net cash flows generated from operating activities	(3,632,045)	(4,317,382)

(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, 2023 and 2022****(Expressed in Thousands of New Taiwan Dollars)**

	For the year ended December 31	
	2023	2022
Cash flows from investing activities:		
Acquisition of financial assets designated at fair value through profit or loss	(207,340)	-
Proceeds from disposal of financial assets designated at fair value through profit or loss	7,618	-
Acquisition of investments accounted for using equity method	(250,000)	-
Proceeds from disposal of investments accounted for using equity method	-	38
Acquisition of property, plant and equipment	(3,037)	(1,335)
Proceeds from disposal of property, plant and equipment	60	-
Acquisition of intangible assets	(174)	(489)
Acquisition of investment properties	(129,548)	(148,343)
Proceeds from disposal of investment properties	-	78,874
(Decrease) increase in other non-current financial assets	154,784	(87,939)
Dividends received	60,161	127,765
Net cash outflows used in investing activities	(367,476)	(31,429)
Cash flows from financing activities:		
Increase in short-term loans	9,775,388	6,798,761
Decrease in short-term loans	(7,673,306)	(4,195,260)
Increase in short-term notes and bills payable	9,149,200	6,891,600
Decrease in short-term notes and bills payable	(8,706,900)	(5,661,100)
Proceeds from issuing bonds	270,000	1,000,000
Repayments of bonds	(400,000)	(500,000)
Proceeds from long-term debt	58,460	73,010
Repayments of long-term debt	(11,078)	(3,091)
Increase in guarantee deposits received	10,534	12,428
Increase in other payables to related parties	540,000	350,000
Payment of lease liabilities	(27,122)	(13,596)
Cash dividends paid	(435,118)	(564,410)
Proceeds from issuing shares	1,728,000	-
Net cash inflows generated from financing activities	4,278,058	4,188,342
Net Increase (decrease) in cash and cash equivalents	278,537	(160,469)
Cash and cash equivalents at the beginning of the year	435,794	596,263
Cash and cash equivalents at the end of the year	\$ 714,331	435,794

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, 2023 and 2022

(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 15, 2024.

(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, 2023:

- 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”

The Company has initially adopted the new amendment, which do not have a significant impact on its financial statements, from May 23, 2023:

- Amendments to IAS 12 “International Tax Reform—Pillar Two Model Rules”

- (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, 2024, would not have a significant impact on its financial statements:

- Amendments to IAS 1 “Classification of Liabilities as Current or Non-current”
- Amendments to IAS 1 “Non-current Liabilities with Covenants”

(Continued)

JSL CONSTRUCTION & DEVELOPMENT CO., LTD.

Notes to the Financial Statements

- Amendments to IAS 7 and IFRS 7 “Supplier Finance Arrangements”
- Amendments to IFRS 16 “Lease Liability in a Sale and Leaseback”

- (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 IFRS 17 “Initial Application of IFRS 17 and IFRS 9 – Comparative Information”
- Amendments to IAS21 “Lack of Exchangeability”

(4) Summary of material 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)

JSL CONSTRUCTION & DEVELOPMENT CO., LTD.

Notes to the Financial Statements

(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)

JSL CONSTRUCTION & DEVELOPMENT CO., LTD.

Notes to the Financial Statements

(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)

JSL CONSTRUCTION & DEVELOPMENT CO., LTD.

Notes to the Financial Statements

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)

JSL CONSTRUCTION & DEVELOPMENT CO., LTD.

Notes to the Financial Statements

- 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.

(Continued)

JSL CONSTRUCTION & DEVELOPMENT CO., LTD.

Notes to the Financial Statements

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)

JSL CONSTRUCTION & DEVELOPMENT CO., LTD.

Notes to the Financial Statements

(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 joint 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)

JSL CONSTRUCTION & DEVELOPMENT CO., LTD.

Notes to the Financial Statements

(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.

(Continued)

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

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 lessee

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)

JSL CONSTRUCTION & DEVELOPMENT CO., LTD.

Notes to the Financial Statements

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.

(Continued)

JSL CONSTRUCTION & DEVELOPMENT CO., LTD.

Notes to the Financial Statements

(ii) As a lessor

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.

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

- | | |
|-------------|---------|
| 1) Software | 3 years |
|-------------|---------|

(Continued)

JSL CONSTRUCTION & DEVELOPMENT CO., LTD.

Notes to the Financial Statements

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.

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.

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JSL CONSTRUCTION & DEVELOPMENT CO., LTD.

Notes to the Financial Statements

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.

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.

(Continued)

JSL CONSTRUCTION & DEVELOPMENT CO., LTD.

Notes to the Financial Statements

(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) Share-based payment

The Company's proceeds from issuing shares shall, in accordance with the requirements, retain the shares subscribed by the Company and the Company's affiliated companies and shall measure the fair value of the equity instruments given at the grant date.

The share-based payment date of the Company's is the date on which the enterprise confirms the number of shares subscribed by its employees, and the payment of such share base is immediately vested. The Company shall recognize the salary expense on the grant date and estimate the fair value of the share option using option pricing model.

(q) 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)

JSL CONSTRUCTION & DEVELOPMENT CO., LTD.

Notes to the Financial Statements

Deferred taxes arise due to the temporary differences between the carrying amounts of assets and liabilities for 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 at the time of the transaction (i) affects neither accounting nor taxable profits (losses) and (ii) does not give rise to equal taxable and deductible temporary differences;
- (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 reverse, 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 current tax 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.
- (r) 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.

(Continued)

JSL CONSTRUCTION & DEVELOPMENT CO., LTD.

Notes to the Financial Statements

(s) 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, stores and offices 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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JSL CONSTRUCTION & DEVELOPMENT CO., LTD.

Notes to the Financial Statements

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:

(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.

(Continued)

JSL CONSTRUCTION & DEVELOPMENT CO., LTD.

Notes to the Financial Statements

(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(w) 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(z) for assumptions used in measuring fair value.

(6) Explanation of significant accounts:

(a) Cash and cash equivalents

	December 31, 2023	December 31, 2022
Cash on hand and petty cash	\$ 4,830	4,701
Demand deposits	709,182	430,673
Checking account deposits	319	420
Cash and cash equivalents in the statement of cash flows	\$ 714,331	435,794

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

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JSL CONSTRUCTION & DEVELOPMENT CO., LTD.

Notes to the Financial Statements

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

	December 31, 2023	December 31, 2022
Domestic unlisted common shares - Preference share class A	\$ 197,219	188,560
Domestic unlisted common shares - Preference share class B	202,539	-
	<u>\$ 399,758</u>	<u>188,560</u>

The financial assets mentioned above were not pledged as collateral.

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

	December 31, 2023	December 31, 2022
Equity investments at fair value through other comprehensive income:		
Unlisted common shares	<u>\$ 5,396</u>	<u>5,396</u>

- (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 Company intends to hold for long-term strategic purposes.

During the years ended December 31, 2023 and 2022, the dividends were \$16 thousand and \$0, 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(z).

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

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

	December 31, 2023	December 31, 2022
Notes receivable—from operating activities	\$ 38,198	20,583
Notes receivable—from related parties—from operating activities	-	640
Accounts receivable—measured at amortized cost	1,992,068	1,216,410
Accounts receivable due from—related parties—measured at amortized cost	112,544	21,977
Less: Loss allowance	<u>(44,253)</u>	<u>(24,628)</u>
	<u>\$ 2,098,557</u>	<u>1,234,982</u>

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JSL CONSTRUCTION & DEVELOPMENT CO., LTD.

Notes to the Financial Statements

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, 2023			
	Gross carrying amount	Weighted- average loss rate	Loss allowance provision
Current	\$ 2,034,139	0.52%	10,551
Less than 30 days past due	42,875	13.63%	5,844
31~60 days past due	14,514	22.74%	3,301
61~90 days past due	32,972	40.53%	13,364
91~180 days past due	12,495	43.04%	5,378
More than 181 days past due	5,815	100%	5,815
	\$ 2,142,810		44,253

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

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

	For the years ended December 31	
	2023	2022
Balance at January 1	\$ 24,628	9,469
Impairment losses recognized	19,625	15,159
Balance at December 31	\$ 44,253	24,628

(Continued)

JSL CONSTRUCTION & DEVELOPMENT CO., LTD.

Notes to the Financial Statements

(e) Inventories

	December 31, 2023	December 31, 2022
Selling:		
Costs to fulfill a contract	\$ 216,726	336,010
Construction industry:		
Prepayment for land purchases	235,729	299,683
Land held for construction site	7,445,980	8,841,246
Construction in progress	13,931,426	6,856,266
Buildings and land held for sale	1,129,388	1,181,930
Subtotal	22,742,523	17,179,125
Total	\$ 22,959,249	17,515,135

- (i) For the years ended December 31, 2023 and 2022, the cost of inventory recognized as the cost of goods sold and expenses amounted to \$2,480,311 thousand and \$1,645,487, respectively.
- (ii) The Company hadn't recognized loss on inventory write down and reversal of inventory write down in 2023 and 2022.
- (iii) Please refer to Note 6(y) for the capitalization of interest of construction in progress for the years ended December 31, 2023 and 2022.
- (iv) The Company has acquired 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, 2023 and 2022, please refer to Note 8 for details.
- (vi) The Company has acquired 9 land in Ganlin section, Xinbei country, 51 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, 2023	December 31, 2022
Business tax carry forward	\$ 52,534	37,668
Prepayments (selling)	14,677	15,433
Prepayments (construction)	2,696	3,198
Others	25,385	22,622
	\$ 95,292	78,921

(Continued)

JSL CONSTRUCTION & DEVELOPMENT CO., LTD.

Notes to the Financial Statements

(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, 2023	December 31, 2022
Subsidiaries	\$ <u><u>673,330</u></u>	<u><u>550,660</u></u>

(i) Subsidiaries

Please refer to the consolidated financial statements for the year ended December 31, 2023.

(ii) Associates

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

	December 31, 2023	December 31, 2022
The carrying amount of the equity interests in all individually insignificant joint ventures	\$ <u><u>-</u></u>	<u><u>-</u></u>

	For the years ended December 31	
	2023	2022
Shares attributable to the Company are as follows:		
Profit from continuing operation	\$ -	(1,946)
Other comprehensive income (loss)	<u>-</u>	<u>-</u>
Total comprehensive income	\$ <u><u>-</u></u>	<u><u>(1,946)</u></u>

(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, 2023 and 2022, the investments accounted for using equity method were not pledged as collateral for long term borrowings and financing facilities.

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

(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, 2023 and 2022 were as follows:

	<u>Land</u>	<u>Buildings and Construction</u>	<u>Office equipment</u>	<u>Leasehold improvements</u>	<u>Transportation equipment</u>	<u>Total</u>
Cost or deemed cost:						
Balance at January 1, 2023	\$ 695,942	170,615	6,202	34,656	5,562	912,977
Additions	-	-	417	-	2,620	3,037
Disposals	-	-	(1,474)	-	-	(1,474)
Transferred from investment property	-	801,571	-	-	-	801,571
Reclassified to investment property	<u>(678,242)</u>	<u>(155,507)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(833,749)</u>
Balance at December 31, 2023	<u>\$ 17,700</u>	<u>816,679</u>	<u>5,145</u>	<u>34,656</u>	<u>8,182</u>	<u>882,362</u>
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	<u>\$ 695,942</u>	<u>170,615</u>	<u>6,202</u>	<u>34,656</u>	<u>5,562</u>	<u>912,977</u>
Depreciation and impairment losses:						
Balance at January 1, 2023	\$ -	25,559	3,528	34,656	1,082	64,825
Depreciation	-	2,191	1,069	-	1,254	4,514
Disposals	-	-	(1,308)	-	-	(1,308)
Reclassified to investment property	<u>-</u>	<u>(21,469)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(21,469)</u>
Balance at December 31, 2023	<u>\$ -</u>	<u>6,281</u>	<u>3,289</u>	<u>34,656</u>	<u>2,336</u>	<u>46,562</u>
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	<u>\$ -</u>	<u>25,559</u>	<u>3,528</u>	<u>34,656</u>	<u>1,082</u>	<u>64,825</u>
Book value:						
Balance at December 31, 2023	<u>\$ 17,700</u>	<u>810,398</u>	<u>1,856</u>	<u>-</u>	<u>5,846</u>	<u>835,800</u>
Balance on January 1, 2022	<u>\$ 695,942</u>	<u>148,424</u>	<u>2,375</u>	<u>8,095</u>	<u>5,408</u>	<u>860,244</u>
Balance on December 31, 2022	<u>\$ 695,942</u>	<u>145,056</u>	<u>2,674</u>	<u>-</u>	<u>4,480</u>	<u>848,152</u>

Please refer to Note 8 for the property, plant and equipment pledged to secure bank loans as of December 31, 2023 and 2022.

The Company leased out the buildings and land No 32-2 at Jintai section of Zhongshan District in Taipei city for self-use to a third party for the year ended December 31, 2023. The real estate was reclassified to investment property at its cost and accumulated depreciation when the use of the property changed. Please refer to Note 6(j) for details.

The Company transferred its investment property to property, plant and equipment by resolution of the Board of Directors on December 18, 2023, as its building on land number 517-2, 520 in Changchun Section 2, Zhongshan District in Taipei city were changed to self use for operation headquarter. Please refer to Note 6(j) for details.

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

(i) Right-of-use assets

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

	<u>Superficies</u>	<u>Land</u>	<u>Buildings and Construction</u>	<u>Transportation equipment</u>	<u>Total</u>
Cost:					
Balance at January 1, 2023	\$ 1,134,162	21,894	9,167	7,357	1,172,580
Rental Adjustment	(31,370)	-	-	-	(31,370)
Maturity year	-	(7,039)	-	-	(7,039)
Additions	-	7,525	69,249	2,959	79,733
Balance at December 31, 2023	<u>\$ 1,102,792</u>	<u>22,380</u>	<u>78,416</u>	<u>10,316</u>	<u>1,213,904</u>
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	<u>\$ 1,134,162</u>	<u>21,894</u>	<u>9,167</u>	<u>7,357</u>	<u>1,172,580</u>
Accumulated depreciation and impairment losses:					
Balance at January 1, 2023	\$ 99,169	7,970	3,667	2,407	113,213
Maturity year	-	(7,039)	-	-	(7,039)
Depreciation for the year	24,453	9,195	11,305	3,191	48,144
Balance at December 31, 2023	<u>\$ 123,622</u>	<u>10,126</u>	<u>14,972</u>	<u>5,598</u>	<u>154,318</u>
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	<u>\$ 99,169</u>	<u>7,970</u>	<u>3,667</u>	<u>2,407</u>	<u>113,213</u>
Book value:					
Balance at December 31, 2023	<u>\$ 979,170</u>	<u>12,254</u>	<u>63,444</u>	<u>4,718</u>	<u>1,059,586</u>
Balance at December 31, 2022	<u>\$ 1,034,993</u>	<u>13,924</u>	<u>5,500</u>	<u>4,950</u>	<u>1,059,367</u>
Balance at January 1, 2022	<u>\$ 1,038,220</u>	<u>5,241</u>	<u>6,416</u>	<u>2,838</u>	<u>1,052,715</u>

As of December 31, 2023 and 2022, the right-of-use asset were pledged as collateral for long term borrowings, please refer to Note 8.

For the aforementioned impairment assessment of superficieses, the discount rates adopted for the years ended December 31, 2022 were 6.60%, 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.

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JSL CONSTRUCTION & DEVELOPMENT CO., LTD.

Notes to the Financial Statements

Based on the impairment assessment for the years ended December 31, 2022, no impairment losses were recognized as the recoverable amount of the CGU was higher than its carrying value. In addition, the building on land number 517-2, 520 in Changchun Section 2, Zhongshan District in Taipei city, was changed to operation headquarters for self use in 2023 and transferred its construction property from investment property to property, plant and equipment. The superficies of leasehold is evaluated with property, plant and equipment and there is no indication of impairment.

(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, 2023 and 2022, were as follows:

	Owned property			
	Land and improvements	Buildings and improvements	Construction in progress	Total
Cost or deemed cost:				
Balance at January 1, 2023	\$ 178,599	-	652,443	831,042
Additions	-	-	149,128	149,128
Transferred from property, plant and equipment	678,242	155,507	-	833,749
Reclassified to property, plant and equipment	-	-	(801,571)	(801,571)
Balance at December 31, 2023	<u>\$ 856,841</u>	<u>155,507</u>	<u>-</u>	<u>1,012,348</u>
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	<u>\$ 178,599</u>	<u>-</u>	<u>652,443</u>	<u>831,042</u>
Depreciation and impairment losses:				
Balance at January 1, 2023	\$ 128,599	-	-	128,599
Depreciation for the year	-	2,860	-	2,860
Transferred from property, plant and equipment	-	21,469	-	21,469
Balance at December 31, 2023	<u>\$ 128,599</u>	<u>24,329</u>	<u>-</u>	<u>152,928</u>
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	<u>\$ 128,599</u>	<u>-</u>	<u>-</u>	<u>128,599</u>
Carrying amounts:				
Balance at December 31, 2023	<u>\$ 728,242</u>	<u>131,178</u>	<u>-</u>	<u>859,420</u>
Balance at December 31, 2022	<u>\$ 50,000</u>	<u>-</u>	<u>652,443</u>	<u>702,443</u>
Balance at January 1, 2022	<u>\$ 85,513</u>	<u>25,054</u>	<u>455,402</u>	<u>565,969</u>
Fair value:				
Balance at December 31, 2023				<u>\$ 860,788</u>
Balance at December 31, 2022 (note)				<u>\$ 50,000</u>
Balance at January 1, 2022 (note)				<u>\$ 130,873</u>

(Continued)

JSL CONSTRUCTION & DEVELOPMENT CO., LTD.

Notes to the Financial Statements

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

- (i) The buildings and land No 32-2 at Jintai section of Zhongshan District in Taipei city was reclassified from property, plant and equipment to investment property when the use of the property changed by resolution of the Board of Directors on February 9, 2023. Please refer to Note 6(h) for details.
- (ii) The building on land number 517-2, 520 in Changchun Section 2, Zhongshan District in Taipei city was reclassified from investment property to property, plant and equipment when the use of the building changed to operation headquarters for self use by resolution of the Board of Directors on December 18, 2023. Please refer to Note 6(h) for details.
- (iii) 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.
- (iv) 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(y) for details.
- (v) 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.
- (vi) As of December 31, 2023 and 2022, the investment properties were pledged as collateral for long-term borrowings, please refer to Note 8.
- (vii) For the years ended December 31, 2023 and 2022, please Note 6(y) for details of the interest capitalization of the unfinished construction of the investment properties (superficieses) of the Company.

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JSL CONSTRUCTION & DEVELOPMENT CO., LTD.

Notes to the Financial Statements

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

	December 31, 2023	December 31, 2022
Other current financial assets	\$ 2,522,195	2,077,676
Current incremental costs to obtain contract with customers	401,090	212,490
Other non-current financial assets	384,711	539,495
Total	<u>\$ 3,307,996</u>	<u>2,829,661</u>

(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, 2023 and 2022, the Company recognized 27,777 thousand and \$0 of amortized expense respectively.

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

	December 31, 2023	December 31, 2022
Secured bank loans	\$ 9,682,886	7,158,150
Unsecured bank borrowings	1,585,545	2,059,170
Short-term notes payables	1,987,702	1,551,324
	<u>\$ 13,256,133</u>	<u>10,768,644</u>
Unused short-term credit lines	<u>\$ 12,887,283</u>	<u>4,935,937</u>
Range of interest rates	<u>2.403%~3.626%</u>	<u>1.951%~3.478%</u>

(i) Issuance and redemption of loan

The Company borrowed \$18,924,588 thousand and \$13,690,361 thousand of additional loans for the years ended December 31, 2023 and 2022, respectively. In addition, the Company repaid \$16,380,206 thousand and \$9,856,360 thousand for the years ended December 31, 2023 and 2022, 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.

(Continued)

JSL CONSTRUCTION & DEVELOPMENT CO., LTD.

Notes to the Financial Statements

(m) Long-term borrowings

	December 31, 2023	December 31, 2022
Secured bank loans	\$ 1,505,981	1,458,599
Less: current portion	<u>(841,562)</u>	<u>(781,095)</u>
Total	<u>\$ 664,419</u>	<u>677,504</u>
Unused short-term credit lines	<u>\$ 103,540</u>	<u>162,000</u>
Range of interest rates	<u>2.36%~3.12%</u>	<u>2.11%~2.995%</u>

(i) Issuance and redemption of loan

The Company borrowed \$58,460 thousand and \$73,010 thousand of additional loans for the years ended December 31, 2023 and 2022, respectively. In addition, the Company repaid \$11,078 thousand and \$3,091 thousand for the years ended December 31, 2023 and 2022, respectively.

(ii) Pledged assets for bank loans

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

(n) Bonds payable

	December 31, 2023	December 31, 2022
Secured ordinary corporate bond— noncurrent	\$ 1,770,000	1,900,000
Unsecured ordinary corporate bond— noncurrent	500,000	500,000
Less: current portion	<u>(640,500)</u>	<u>(400,000)</u>
	<u>\$ 1,629,500</u>	<u>2,000,000</u>

(i) Issuance and redemption of bonds payable

The Company issued secured ordinary corporate bond of \$270,000 thousand for the years ended December 31, 2023. The coupon rate was 1.62% and interests were paid annually. The period of issuance was three years. 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, 2023 and 2022, \$100,000 was repaid to the secured corporate bond issued in January 2022, respectively, \$300,000 was repaid to the secured corporate bond issued in 2020 and \$500,000 was repaid to the secured corporate bond issued in January 2019.

(ii) Collateral pledged for corporate bonds payable

The Company had pledged assets as collateral and collateral provided by related parties for bonds payable, please refer to Note 7 and Note 8.

(Continued)

JSL CONSTRUCTION & DEVELOPMENT CO., LTD.

Notes to the Financial Statements

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

	December 31, 2023	December 31, 2022
Construction projects	\$ 975,942	765,288
Selling projects	631,136	242,695
Others	4,966	1,106
	<u>\$ 1,612,044</u>	<u>1,009,089</u>

(p) Lease liabilities

Lease liabilities of the Company for financing were as follows:

	December 31, 2023	December 31, 2022
Current	<u>\$ 28,028</u>	<u>16,301</u>
Non-current	<u>\$ 359,365</u>	<u>349,851</u>

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

The amounts recognized in profit or loss were as follows:

	For the years ended December 31	
	2023	2022
Interests on lease liabilities	<u>\$ 10,839</u>	<u>8,539</u>
Expenses relating to short-term leases	<u>\$ 1,021</u>	<u>1,006</u>

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

	For the years ended December 31	
	2023	2022
Total cash outflow for leases	<u>\$ 38,982</u>	<u>23,141</u>

(i) Real estate leases

As of December 31, 2023 and 2022, the Company leases superficies, land, buildings and transportation equipment 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.

(Continued)

JSL CONSTRUCTION & DEVELOPMENT CO., LTD.

Notes to the Financial Statements

(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).

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

	December 31, 2023	December 31, 2022
Less than one year	\$ 78,379	17,426
One to two years	78,379	17,077
Two to three years	78,379	17,077
Three to four years	76,956	17,077
Four to five years	60,793	2,846
More than five years	<u>166,184</u>	<u>-</u>
Total undiscounted lease payments	<u>\$ 539,070</u>	<u>71,503</u>

For the years ended December 31, 2023 and 2022, the rental income from real estates amounted to \$33,038 thousand and \$19,487 thousand, respectively.

(r) Employee benefits

(i) Defined benefit plans

The Company's employee benefit liabilities were as follows:

	December 31, 2023	December 31, 2022
Short-term Compensated absences liability	<u>\$ 4,407</u>	<u>4,801</u>

(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, 2023 and 2022 amounted to \$6,841 thousand and \$6,168 thousand, respectively.

(Continued)

JSL CONSTRUCTION & DEVELOPMENT CO., LTD.

Notes to the Financial Statements

(s) Income tax

(i) Income tax expense

The components of income tax in the years 2023 and 2022 were as follows:

	For the years ended December 31	
	2023	2022
Current tax expenses		
Current period	\$ 396,301	151,888
Adjustment for prior years	13,527	(1,050)
Land value increment tax	2,116	-
	<u>411,944</u>	<u>150,838</u>
Deferred tax expense		
Origination and reversal of temporary differences	7,353	(15,152)
Income tax expense from continuing operations	<u>\$ 419,297</u>	<u>135,686</u>

Reconciliation of income tax and profit before tax for 2023 and 2022 is as follows:

	For the years ended December 31	
	2023	2022
Profit before tax	\$ 1,926,965	580,301
Income tax using the Company's domestic tax rate	\$ 385,393	116,060
The book-tax difference in taxation of deferred interest expenses	3,187	18,121
Loss (gain) on domestic investments accounted for using equity method	14,719	(9,051)
Gain on financial assets valuation	(2,240)	-
Change in provision in prior periods	13,527	(1,050)
Land value increment tax	2,116	2,446
Others	2,595	9,160
	<u>\$ 419,297</u>	<u>135,686</u>

(ii) Deferred tax assets and liabilities

Recognized deferred income tax assets and liabilities

Changes in the amount of deferred tax assets and liabilities for 2023 and 2022 were as follows:

	Deferred advertisement expense	Impairment loss	Total
Deferred Tax Assets:			
Balance at January 1, 2023	\$ 36,644	2,743	39,387
Recognized in profit or loss	12,483	1,822	14,305
Balance at December 31, 2023	<u>\$ 49,127</u>	<u>4,565</u>	<u>53,692</u>

(Continued)

JSL CONSTRUCTION & DEVELOPMENT CO., LTD.

Notes to the Financial Statements

	Deferred advertisement expense	Impairment loss	Total
Deferred Tax Assets:			
Balance at January 1, 2022	\$ 26,760	-	26,760
Recognized in profit or loss	<u>9,884</u>	<u>2,743</u>	<u>12,627</u>
Balance at December 31, 2022	<u><u>\$ 36,644</u></u>	<u><u>2,743</u></u>	<u><u>39,387</u></u>
		Temporary difference of service costs	
Deferred tax liabilities:			
Balance at January 1, 2023		\$ 4,756	
Recognized in profit or loss		<u>21,658</u>	
Balance at December 31, 2023		<u><u>\$ 26,414</u></u>	
Balance at January 1, 2022		\$ 7,281	
Recognized in profit or loss		<u>(2,525)</u>	
Balance at December 31, 2022		<u><u>\$ 4,756</u></u>	

(iii) The Company's income tax returns for the years through 2021 have been examined and approved by the R.O.C. income tax authorities.

(t) Capital and other equity

As of December 31, 2023 and 2022, the Company's authorized shares of common stock consisted of 800,000 thousand shares and 500,000 thousand shares, respectively, amounting to \$8,000,000 thousand and \$5,000,000 thousand, respectively. Out of these shares, 391,607 thousand shares and 266,079 thousand shares, respectively, were issued and outstanding. The par value of the Company's common stock is \$10 (dollars) per share.

(i) Issuance of ordinary share

On December 9, 2022, the Company engaged in cash capital increase and issue 24,000 thousand ordinary shares with a par value of \$10 per share, amounting to \$240,000 thousand pursuant to a resolution of the Board of Directors. The shares are issued at \$72 per share on February 9, 2023 through resolution of the board of the directors and all the share payments have been collected. The base date for issuance of shares was March 30, 2023, and the payments of all issued shares have been collected. The relevant registration procedures had been completed.

(Continued)

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

Reconciliation of shares outstanding for 2023 and 2022 were as follows:

(In thousands of shares)

	Ordinary share	
	2023	2022
Balance on January 1	266,079	161,260
Capital increase from capital surplus	72,520	96,756
Capital increase from retained earnings	29,008	8,063
Issue of shares	24,000	-
Balance on December 31	391,607	266,079

Pursuant to a shareholders' resolution on June 30, 2023 and June 30, 2022, respectively, the Company distributed stock dividends by capital surplus amounting to \$290,079 thousand and \$80,630 thousand, respectively, by retained earnings amounting to \$725,198 thousand and \$967,560 thousand. The effective date of the capital increase were September 9, 2023 and September 25, 2022, which has already been registered with the government authorities.

(ii) Capital surplus

The components of capital surplus were as follows:

	December 31, 2023	December 31, 2022
Additional paid in capital	\$ 2,208,631	1,293,675
Treasury shares	5,556	5,556
Lapsed share options	4,406	-
	\$ 2,218,593	1,299,231

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 April 12, 2023, a resolution was approved during the board of directors for the distribution of cash dividends by capital surplus amounting to \$290,790 thousand. Pursuant to a shareholders' resolution on June 30, 2023, the Company distributed stock dividends by capital surplus amounting to \$290,790 thousand.

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.

(Continued)

JSL CONSTRUCTION & DEVELOPMENT CO., LTD.

Notes to the Financial Statements

(iii) 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 April 12, 2023 after passing the Board of directors on the cash dividend of earnings distribution for the year ended December 31, 2022. Then the Company resolved on June 30, 2023 after passing the general shareholders' meeting on the stock dividend of the earnings distribution for the year ended December 31, 2022. The Company also 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. Information on dividends distributed to owners are as follows:

(Continued)

JSL CONSTRUCTION & DEVELOPMENT CO., LTD.

Notes to the Financial Statements

For the years ended December 31					
		2022		2021	
		Amount per share	Total amount	Amount per share	Total amount
Dividends distributed to ordinary shareholders:					
Cash	\$	0.50	145,039	1.00	161,260
Shares		2.50	<u>725,198</u>	6.00	<u>967,560</u>
Total		\$	<u>870,237</u>		<u>1,128,820</u>

(u) Share-based payment

On February 9, 2023, by resolution of the Board of Directors, 2,880 thousand new shares were issued by cash capital increase and retained for subscription by employees of the Company and its affiliated company. The Company had the following share-based payment transactions as of December 31, 2023:

	<u>Equity settlement</u>
	<u>Cash injection reserved for employees subscription</u>
Grant date	2023.2.23
Number of options granted	2,880 thousand shares
Contract term	-
Recipients	The employees of the Company and the affiliated companies
Vesting conditions	Immediate vesting condition

The cash injection mentioned above was reserved for employee subscription, and the remuneration cost recognized by the Company for the year ended December 31, 2023 amounting to \$5,112 thousand.

(v) Earnings per share

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

For the years ended December 31		
	2023	2022
Basic earnings per share		
Profit attributable to ordinary shareholders of the Company	<u>\$ 1,507,668</u>	<u>444,615</u>
Outstanding at January 1 (note)	<u>385,820</u>	<u>367,607</u>
Weighted-average number of outstanding ordinary shares at December 31 (note)	<u>385,820</u>	<u>367,607</u>
	<u>\$ 3.91</u>	<u>1.21</u>

(Continued)

JSL CONSTRUCTION & DEVELOPMENT CO., LTD.

Notes to the Financial Statements

	For the years ended December 31	
	2023	2022
Diluted earnings per share		
Profit attributable to ordinary shareholders of the Company	\$ <u>1,507,668</u>	<u>444,615</u>
Weighted-average number of ordinary shares outstanding (basic)	385,820	367,607
Effect of potentially dilutive ordinary shares		
Effect of employee share bonus	496	227
Weighted average number of ordinary shares outstanding (after adjusting the effect of potentially dilutive ordinary shares)	<u>386,316</u>	<u>367,834</u>
	\$ <u>3.90</u>	<u>1.21</u>

Note: For the year ended December 31, 2023, the Company increase capital from capital surplus amounting to \$29,008 thousand, and increase capital from retained earnings amounting to \$72,520 thousand. Thus, for the twelve months ended December 31, 2022, the number of shares outstanding were both 367,607 thousand after retrospective adjustment.

(w) Revenue from contracts with customers

(i) Details of revenue

	For the year ended December 31, 2023			
	Development segment	Sales segment	Other Divisions	Total
Primary geographical markets:				
Asia	\$ <u>613,899</u>	<u>4,843,309</u>	<u>30,031</u>	<u>5,487,239</u>
Major products/service lines:				
Revenue from property sales	\$ 613,899	-	-	613,899
Service revenue	-	4,843,309	-	4,843,309
Rent income	-	-	30,031	30,031
	\$ <u>613,899</u>	<u>4,843,309</u>	<u>30,031</u>	<u>5,487,239</u>
Timing of revenue recognition:				
Products or services transferred at a point in time	\$ <u>613,899</u>	<u>4,843,309</u>	<u>30,031</u>	<u>5,487,239</u>
	For the year ended December 31, 2022			
	Development segment	Sales segment	Other Divisions	Total
Primary geographical markets:				
Asia	\$ <u>391,795</u>	<u>2,388,259</u>	<u>3,167</u>	<u>2,783,221</u>
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
	\$ <u>391,795</u>	<u>2,388,259</u>	<u>3,167</u>	<u>2,783,221</u>

(Continued)

JSL CONSTRUCTION & DEVELOPMENT CO., LTD.

Notes to the Financial Statements

	For the year ended December 31, 2022			
	Development segment	Sales segment	Other Divisions	Total
Timing of revenue recognition:				
Products or services transferred at a point in time	\$ <u>391,795</u>	<u>2,388,259</u>	<u>3,167</u>	<u>2,783,221</u>

(ii) Contract balances

	December 31, 2023	December 31, 2022	January 1, 2022
Notes receivable	\$ 38,198	20,583	93,290
Notes receivable due from related parties	-	640	-
Accounts receivable	1,992,068	1,216,410	1,170,188
Accounts receivable due from related parties	112,544	21,977	118,672
Less: Loss allowance	(44,253)	(24,628)	(9,469)
Total	<u>\$ 2,098,557</u>	<u>1,234,982</u>	<u>1,372,681</u>
	December 31, 2023	December 31, 2022	January 1, 2022
Contract liabilities - Rendering of Services	\$ 163,434	146,725	67,124
Contract liabilities— sales of real estates	3,283,221	2,141,361	1,174,460
Total	<u>\$ 3,446,655</u>	<u>2,288,086</u>	<u>1,241,584</u>

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, 2023 and 2022.

(x) 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.

(Continued)

JSL CONSTRUCTION & DEVELOPMENT CO., LTD.

Notes to the Financial Statements

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 \$40,224 thousand and \$11,904 thousand of additional loans for the years ended December 31, 2023 and 2022, respectively. In addition, the Company estimated remuneration to directors and supervisors amounting to \$10,056 thousand and \$2,976 thousand for the years ended December 31, 2023 and 2022, 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, 2022 and 2021, the remunerations to employees amounted to \$11,904 and \$29,701, respectively. The remuneration to directors and supervisors amounted to \$2,976 thousand and \$7,425 thousand. There were identical to the amounts of actual distributions for the year ended December 31, 2022. There were under provision amounting to \$650 thousand from the actual distribution for the year ended December 31, 2021, 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 year ended December 31, 2022. The information is available on the Market Observation Post System website.

(y) Non-operating income and expenses

(i) Interest income

The details of interest income for 2023 and 2022 were as follows:

	For the years ended December 31	
	2023	2022
Interest income from bank deposits	\$ 10,923	2,459
Deposit interest	87	20
Discounted accounts receivables	5,001	-
	\$ 16,011	2,479

(ii) Other income

The details of other income for 2023 and 2022 were as follows:

	For the years ended December 31	
	2023	2022
Rent income	\$ 4,638	19,001

(Continued)

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

(iii) Other gains and losses

The details of other gains and losses were as follows:

	For the years ended December 31	
	2023	2022
Other income	\$ 85,029	115,156
Other expenses	(1)	-
Dividend income	16	-
Net gain on financial assets or liabilities at fair value through profit or loss	11,476	-
Loss on disposal of investments accounted for using equity method	-	(742)
Loss on disposal of property, plant and equipment	(106)	-
Gain on disposal of investment property	-	18,745
Foreign exchange gains	1	-
	\$ 96,415	133,159

(iv) Finance costs

The details of finance costs for 2023 and 2022 were as follows:

	For the years ended December 31	
	2023	2022
Interest expense		
Bank loan	\$ 385,176	231,283
Interest on lease liabilities	10,839	8,539
Interests on Convertible bonds	32,432	22,304
Discounted accounts receivables	-	13,332
Other finance costs	87,960	45,336
Loan interest	20,139	3,233
Gurantee deposits	105	37
Less: Capitalization of interest	(105,307)	(71,234)
	\$ 431,344	252,830

(Continued)

JSL CONSTRUCTION & DEVELOPMENT CO., LTD.

Notes to the Financial Statements

(z) 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, 2023 and 2022, the Company's major customers consisted of four and five customers which accounted for 61% and 58%, 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.

All of these financial assets are considered to be low risk, and thus the impairment provision recognized during the period was limited to 12 months expected losses. (Please refer to Note 4(e) for the Company determines whether credit risk is to be low risk).

(ii) Liquidity risk

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

	<u>Carrying amount</u>	<u>Cash flow</u>	<u>Within a year</u>	<u>1-3 years</u>	<u>Over 3 years</u>
December 31, 2023					
Non derivative financial liabilities					
Floating rate instruments	\$ 12,774,412	14,425,266	4,912,745	4,076,611	5,435,910
Fixed rate instrument	4,645,095	4,967,526	2,724,424	1,745,608	497,494
Non-interest bearing liabilities	<u>2,980,945</u>	<u>2,980,945</u>	<u>2,980,945</u>	<u>-</u>	<u>-</u>
	<u>\$ 20,400,452</u>	<u>22,373,737</u>	<u>10,618,114</u>	<u>5,822,219</u>	<u>5,933,404</u>

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JSL CONSTRUCTION & DEVELOPMENT CO., LTD.

Notes to the Financial Statements

	<u>Carrying amount</u>	<u>Cash flow</u>	<u>Within a year</u>	<u>1-3 years</u>	<u>Over 3 years</u>
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	<u>1,998,453</u>	<u>1,998,453</u>	<u>1,998,453</u>	<u>-</u>	<u>-</u>
	<u>\$ 16,991,848</u>	<u>17,758,982</u>	<u>9,021,003</u>	<u>4,122,704</u>	<u>4,615,275</u>

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

(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 \$63,872 thousand and \$53,380 thousand for the years ended December 31, 2023 and 2022, 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, 2023				
	<u>Fair Value</u>				
	<u>Carrying amounts</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Financial assets at fair value through profit or loss					
Financial assets at fair value through profit or loss, mandatorily measured at fair value	\$ <u>399,758</u>	<u>-</u>	<u>-</u>	<u>399,758</u>	<u>399,758</u>

(Continued)

JSL CONSTRUCTION & DEVELOPMENT CO., LTD.

Notes to the Financial Statements

	December 31, 2023				
	Carrying amounts	Fair Value			
		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	\$ 714,331	-	-	-	-
Notes and accounts receivable (including related parties)	2,098,557	-	-	-	-
Other receivables (including related parties)	29,107	-	-	-	-
Other current financial assets	2,522,195	-	-	-	-
Other non-current financial assets	384,711	-	-	-	-
Subtotal	5,748,901	-	-	-	-
Total	\$ 6,154,055	-	-	405,154	405,154
Financial liabilities measured at amortized cost					
Short-term borrowings	\$ 11,268,431	-	-	-	-
Short-term notes payables	1,987,702	-	-	-	-
Notes and accounts receivable (including related parties)	1,612,044	-	-	-	-
Other payables (including related parties)	1,287,532	-	-	-	-
Corporate bonds payable (including current portion)	2,270,000	-	-	-	-
Long-term borrowings (including current portion)	1,505,981	-	-	-	-
Lease liabilities (including current portion)	387,393	-	-	-	-
Guarantee deposits	31,369	-	-	-	-
Other non-current liabilities	50,000	-	-	-	-
Total	\$ 20,400,452	-	-	-	-
	December 31, 2022				
	Carrying amounts	Fair Value			
		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

(Continued)

JSL CONSTRUCTION & DEVELOPMENT CO., LTD.

Notes to the Financial Statements

	December 31, 2022				
	Carrying amounts	Fair Value			
		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	<u>\$ 4,505,816</u>	<u>-</u>	<u>-</u>	<u>193,956</u>	<u>193,956</u>
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	<u>\$ 16,991,848</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

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.

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JSL CONSTRUCTION & DEVELOPMENT CO., LTD.

Notes to the Financial Statements

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, 2023	\$ 188,560	5,396	193,956
Total gains and losses			
Recognized in profit or loss	11,198	-	11,198
Purchased	200,000	-	200,000
Balance at December 31, 2023	<u>\$ 399,758</u>	<u>5,396</u>	<u>405,154</u>
Balance at January 1, 2022	<u>\$ 188,560</u>	<u>5,396</u>	<u>193,956</u>
Ending balance, December 31, 2022	<u>\$ 188,560</u>	<u>5,396</u>	<u>193,956</u>

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JSL CONSTRUCTION & DEVELOPMENT CO., LTD.

Notes to the Financial Statements

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, 2023 and 2022 is as follows:

	For the years ended December 31	
	2023	2022
Total gains and losses		
Recognized in profit or loss (classified as “Other profit or loss”)	\$ 11,198	-
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.

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 (4.8302% and 12.5392% as of December 31, 2023 and 2022, respectively)	The higher the market liquidity discount rate, the lower the fair value

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JSL CONSTRUCTION & DEVELOPMENT CO., LTD.

Notes to the Financial Statements

Item	Valuation technique	Significant unobservable inputs	Interrelationship between significant unobservable inputs and fair value measurement
Financial assets at fair value through other comprehensive income equity investments without an active market	Comparable listed companies approach	· P/B ratio (1.70~1.76 and 1.64~1.79 as of December 31, 2023 and 2022, respectively) · Market liquidity discount rate (as of (December 31, 2023 and 2022, were both at 30%)	· The higher the multiplier and control premium, the higher the fair value. · 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, 2023 and 2022. Consequently, there is no transfer between levels measured at fair value in 2023 and 2022.

(aa) 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.

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JSL CONSTRUCTION & DEVELOPMENT CO., LTD.

Notes to the Financial Statements

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, 2023 and 2022, 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.

(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.

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JSL CONSTRUCTION & DEVELOPMENT CO., LTD.

Notes to the Financial Statements

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).

(ab) 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.

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JSL CONSTRUCTION & DEVELOPMENT CO., LTD.

Notes to the Financial Statements

The capital management strategy for the years ended December 31, 2023 and 2022 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, 2023	December 31, 2022
Total liabilities	\$ 24,242,503	19,419,268
Less: cash and cash equivalents	(714,331)	(435,794)
Net debt	\$ 23,528,172	18,983,474
Total equity	8,948,219	6,136,149
Less: hedging reserve	-	-
Adjusted equity	\$ 8,948,219	6,136,149
Debt-to-equity ratio	262.94%	309.37%

(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.

<u>Name of related party</u>	<u>Relationship with the Company</u>
JSL CONSTRUCTION Co., Ltd.	The chairman of the entity is the Company chairman's spouse
JAYSANLYN REAL ESTATE & ADVERTISING 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 entity's chairman is the blood relatives within the second degree of kinship of the chairman of the Company
Shangjing Industrial Co., Ltd.	The chairman of this entity is the director of the Company
Hongdadi Construction Co., Ltd.	The entity's chairman is the blood relatives within the second degree of kinship of the chairman of the Company
Zhuanzhu Advertising Co., Ltd.	The entity's director is the blood relatives within the second degree of kinship of the chairman of the Company
Wangma Advertising Co., Ltd.	The chairman of the entity is the Company chairman's spouse

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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 director 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 of the Company
Huajiang International Development Co., Ltd.	An associate of the Company
Chinese Taipei Archery Association	Same Chairman with the Company(Retired in November 2022)
Shengming construction Co., Ltd.	Investee under equity method (Sold on November,2022)
Chairman: Wen Yu Chu	The Company chairman
Zhang Ying zhu	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

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JSL CONSTRUCTION & DEVELOPMENT CO., LTD.

Notes to the Financial Statements

(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	
		2023	2022
Revenue from service rendered per contract	Other related parties:		
	JSL CONSTRUCTION Co., Ltd.	\$ 360,376	34,057
	JAYSHELYN CONSTRUCTION Co., Ltd.	82,429	1,531
	JSL Entertainment Co., Ltd.	-	11,890
	Hongdadi Construction Property Management Co., Ltd.	8,794	25,747
	Huajiang International Development Co., Ltd.	70,159	(460)
	Other related parties	18,919	-
		<u>\$ 540,677</u>	<u>72,765</u>

- 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-307	2020.06	From the contract date to December 31, 2024
Selling project-356	2019.01.01	From January 1, 2019 to three months after the date of obtaining the license (extended to sold out)
Selling project-392	2023.01.07	From January 7, 2023 to six months after the date of obtaining the license (subject to extension)
Selling project-432	2023.03.01	From March 1, 2023 to six months after the date of obtaining the license (subject to extension)

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JSL CONSTRUCTION & DEVELOPMENT CO., LTD.

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<u>Name of project</u>	<u>The signing date of selling agreement</u>	<u>Sales period</u>
Selling project-438	2023.09.20	From September 20, 2023 to six months after the date of obtaining the license (subject to extension)

(ii) Purchases

Selling:

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

<u>Relationship</u>	<u>For the years ended December 31</u>	
	<u>2023</u>	<u>2022</u>
Other related parties	\$ 5,788	27,576
Subsidiaries	148,577	170,107
	<u>\$ 154,365</u>	<u>197,683</u>

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:

<u>Relationship</u>	<u>For the years ended December 31</u>	
	<u>2023</u>	<u>2022</u>
Other related parties	\$ 31,481	28,524
Subsidiaries	15,592	-
	<u>\$ 47,073</u>	<u>28,524</u>

- The Company obtained partial lot of joint ownership land No. 331, Wuguwang section, Sanchong District, New Taipei City from other related parties with a contract price amounting to \$31,481 thousand in August 2023, which were fully paid as of December 31, 2023 and the relevant procedures for the transfer of ownership has been completed.
- The Company obtained partial lot of joint ownership land No. 331, Wuguwang section, Sanchong District, New Taipei City from Subsidiaries with a contract price amounting to \$15,592 thousand in August 2023, which were fully paid as of December 31, 2023 and the relevant procedures for the transfer of ownership has been completed.

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

3) 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, River Palace No.6, The Grand Palace, Garden Palace, Baoxiang section at Hsinchu county, Shizhengguandi No.1, Shizhengguandi No.3 and ShizhengAiyue to the related parties— CHUWANG DEVELOPMENT Co., Ltd, The contract amount (before tax) is as follows:

<u>Account</u>	<u>or the year ended December 31, 2023</u>	<u>Name of project</u>	<u>Total contract price (untaxed)</u>	<u>The amount of the current period (untaxed)</u>	<u>Accumulated amount (untaxed)</u>
Investment property	Other related parties:				
	CHUWANG DEVELOPMENT Co., Ltd.	Longjiang Road	\$ 458,802	125,581	458,802
Inventories	Other related parties:				
	CHUWANG DEVELOPMENT Co., Ltd.	River Palace No. 2	912,702	214,485	497,423
	"	River Palace No. 3	343,952	88,568	297,519
	"	River Palace No. 5	886,751	186,219	727,136
	"	River Palace No. 6	631,716	-	-
	"	The Grand Palace	1,328,276	159,393	425,048
	"	Garden Palace	2,046,876	1,031,966	1,751,785
	"	Baoxiang Section at Hsinchu county	4,798,826	837,777	1,059,493
	"	Shizhengguandi No.1	503,497	110,769	211,468
	"	Shizhengguandi No.3	1,447,489	-	-
	"	ShizhengAiyue	303,004	115,141	115,141
			<u>\$ 13,661,891</u>	<u>2,869,899</u>	<u>5,543,815</u>
<u>Account</u>	<u>or the year ended December 31, 2022</u>	<u>Name of project</u>	<u>Total contract price (untaxed)</u>	<u>The amount of the current period (untaxed)</u>	<u>Accumulated amount (untaxed)</u>
Investment property	Other related parties:				
	CHUWANG DEVELOPMENT Co., Ltd.	Longjiang Road	\$ 458,802	140,864	333,221
Inventories	Other related parties:				
	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	-	-
			<u>\$ 7,069,705</u>	<u>1,608,943</u>	<u>2,673,916</u>

(Continued)

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

(iii) Receivables from related parties

The payables to related parties were as follows:

<u>Account</u>	<u>Relationship</u>	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Notes receivable	Other related parties: Fengyun Advertising Co., Ltd.	\$ -	640
Accounts receivable	Subsidiary: JSL Entertainment Co., Ltd.	12,484	11,890
	Other related parties: JSL CONSTRUCTION Co., Ltd.	57,883	10,087
	JAYSHELYN CONSTRUCTION Co., Ltd.	15,487	-
	CHU YUAN INDUSTRIAL Co., Ltd.	18,919	-
	Associates	7,771	-
		<u>\$ 112,544</u>	<u>22,617</u>
Other receivables	Other related parties: JAYSANLYN REAL ESTATE & ADVERTISING Co., Ltd.	\$ 2,323	6,836
	Fengyun Advertising Co., Ltd.	21,345	8,152
	Other related parties	1,080	4,062
Other receivables	Subsidiary: Water Cube International Development Co., Ltd	3,843	141
	JSL Entertainment Co., Ltd.	285	1,351
		<u>\$ 28,876</u>	<u>20,542</u>

(iv) Payables to related parties

The payables to related parties were as follows:

<u>Account</u>	<u>Relationship</u>	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Accounts payable	Subsidiary: CHUWANG DEVELOPMENT Co., Ltd.	\$ 297,329	90,961
	JSL Food Art Creation Co., Ltd.	3,915	5,538
	JSL International Development Co., Ltd.	586	1,520
	Water Cube International Development Co., Ltd	208,462	46,959
	Other related parties	686	6,151
		<u>\$ 510,978</u>	<u>151,129</u>

(Continued)

JSL CONSTRUCTION & DEVELOPMENT CO., LTD.

Notes to the Financial Statements

Account	Relationship	December 31, 2023	December 31, 2022
Other payables	Subsidiary:		
	Water Cube International Development Co., Ltd	\$ 34,538	91,685
	CHUWANG DEVELOPMENT Co., Ltd.	3,578	5,447
	Others	89	1,380
	Other related parties	-	-
	Fengyun Advertising Co., Ltd.	23,178	33,174
	Other related parties	2,949	20,091
	Key management personnel (Note)		
		-	211,440
		<u>\$ 64,332</u>	<u>363,217</u>

Note: Payment on behalf of others for land purchases.

(v) Loans to Related Parties

The loans to related parties by the Company in 2023 and 2022 are recognized under other receivables- related parties, the details were as follows:

Account	Relationship	Highest balance of financing to other parties		Ending balance		Interests receivable (Other receivables due from related parties)	
		For the years ended December 31					
		2023	2022	2023	2022	December 31, 2023	December 31, 2022
Other receivables due from related parties	Subsidiary:						
	CHUWANG DEVELOPMENT Co., Ltd.	\$ -	200,000	-	-	-	-

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 years ended December 31, 2023 and 2022 amounted to \$0.

(vi) Loans to related parties

The Company financing from its related parties in 2023 and 2022, and accounted for under the other accounts payable related parties as follows:

For the year ended December 31, 2023					
Name of related party	Highest balance of financing to other parties	Ending balance	Interest rate	Interest expense	Interest payables
CHUWANG DEVELOPMENT Co., Ltd.	\$ 990,000	890,000	0.21%~3.00%	20,139	-

(Continued)

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

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

(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, 2023	December 31, 2022
Subsidiary:				
Water Cube International Development Co., Ltd	Hsinchu Palace No.8-2	From March 1 2023 to six months after the date of obtaining the license.	\$ 150,678	-
Other related parties:				
JAYSANLYN REAL ESTATE & ADVERTISING Co., Ltd.	The Gallery Mansion	From December 2019 to three months after the date of obtaining the license.	-	27,777
"	Garden Palace	From August 10, 2021 to July 31, 2024.	155,320	151,540
Fengyun Advertising Co., Ltd.	Shizhengguandi No.1	From April 1, 2022 to one month after the date of obtaining the license.	58,410	23,754
"	Shizhengguandi No.2	From September 20, 2023 to one month after the date of obtaining the license.	17,253	-
"	ShizhengAiyue	From June 1, 2022 to one month after the date of obtaining the license.	19,429	9,419
			\$ 401,090	212,490

(Continued)

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

(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	Interest expense	Lease liabilities
		December 31, 2023	For the year ended December 31, 2023	December 31, 2023
Other related parties:				
Other related parties	2016.06.01 ~2028.12.31	\$ <u>4,584</u>	<u>125</u>	<u>4,855</u>
"	2023.04.01 ~2027.03.31	\$ <u>58,861</u>	<u>1,383</u>	<u>59,489</u>

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

(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, 2023 and 2022 was \$278,910 thousand and \$302,565 thousand, respectively. 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 in December 2022 to be pledged by the time deposit slip from related party, Dalin development Co., Ltd. as collateral. The Company settled the loan in April 2023, and the bank also terminated the loan facility and released the collateral pledged for guarantee.
- 4) The Jinhua Section, Nuannuan District construction project of the Company was provided with joint and several securities for a performance guarantee of a sales contract for preconstruction homes pursuant to the Consumer Protection Act by its subsidiary, CHUWANG DEVELOPMENT CO., LTD. in June 2023. The guarantee amount was \$712,141 thousand and the actual usage amounting to \$0.

(Continued)

JSL CONSTRUCTION & DEVELOPMENT CO., LTD.

Notes to the Financial Statements

(x) Others

- 1) The Company acquired 2 pieces of land including the Baoxiang section, Hsinchu county in 2023, acquired 6 pieces of land including the Baoxiang section, Hsinchu county and 9 pieces of land including the Ganlin section, Xinbei country in 2022 and 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, 2023 and 2022 and paid a service fee of 20,446 thousand and 17,590 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 \$352,435 thousand and \$198,303 thousand for the years ended December 31, 2023 and 2022 respectively. They are accounted for as operating costs of \$311,503 thousand and \$157,438 thousand, respectively and operating expenses of \$40,932 thousand and \$40,865 thousand, respectively.
- 4) For the years ended December 31, 2023 and 2022, the sales administration services rendered to other related parties amounted to \$0 and \$634 thousand, respectively, and recognized under selling expenses.
- 5) With the vision of nurturing outstanding national sports talents, the Company contributed and sponsored to other related parties in the year ended December 31, 2022 are \$4,000 thousand.
- 6) The Company provided support services to its subsidiaries and other related parties received service income was as follow (recognized under other gains and losses) for the years ended December 31, 2023 and 2022.

	For the years ended December 31	
	2023	2022
Subsidiary	\$ 1,255	14,043
Other related parties	74,895	100,399
	\$ 76,150	114,442

- 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 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 the related party accounted for an investment ratio of 11.57%.

(Continued)

JSL CONSTRUCTION & DEVELOPMENT CO., LTD.

Notes to the Financial Statements

- 9) The Company increased the capital of its subsidiary, CHUWANG DEVELOPMENT CO., LTD by \$250,000 thousand in May 2023.

(c) Key management personnel transactions

Key management personnel compensation:

	For the years ended December 31	
	2023	2022
Short-term employee benefits	\$ 148,984	101,483
Post-employment benefits	1,076	1,099
	\$ 150,060	102,582

(8) Pledged assets:

The carrying values of pledged assets were as follows:

Pledged assets		December 31, 2023	December 31, 2022
Other financial assets (current and non current)	Bonds payable, pre-order price trust deposits and performance bond	\$ 1,610,957	1,217,737
Inventory-construction	Bank borrowings, short-term notes payables, and bonds payable	19,893,891	13,988,183
Property, plant and equipment	Bonds Payable and long-term borrowings	28,209	840,998
Investment property, net	Shortterm notes payables and long-term borrowings	809,420	-
Right-of-use assets	Long-term borrowings	979,170	1,034,992
		\$ 23,321,647	17,081,910

(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, 2023	December 31, 2022
Inventory purchased - (construction)	\$ 1,353,636	1,505,152

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

	December 31, 2023	December 31, 2022
Price outlined in signed sales contracts (tax included)	\$ 25,121,731	16,297,993
Amount collected as per the contract (untaxed)	\$ 3,283,221	2,141,361

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JSL CONSTRUCTION & DEVELOPMENT CO., LTD.

Notes to the Financial Statements

- (iii) As of December 31, 2023 and 2022, the refundable deposits paid, through cooperation with the landowners, amounted to \$1,247,474 thousand and \$1,345,190 thousand, respectively., which recognized under other current financial assets.
- (iv) The Company have entered into contract of appointment for marketing planning as of December 31, 2023, the details are as follows:

<u>Name of project</u>	<u>The signing date of selling agreement</u>	<u>Sales period</u>
Selling project-273	2018.10.01	From October 1, 2018 to three months after obtaining a license
Selling project-307	2020.06.01	From the contract date to December 31, 2024
Selling project-356	2019.01.01	From January 1, 2019 to three months after the date of obtaining the license (extended to sold out)
Selling project-362	2020	On sale for a year after the date of obtaining the license (extended to June 30, 2024)
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)(extended to December 31, 2024)
Selling project-3720	2019.10.01	From October 1, 2019 to one months after the date of obtaining the license (subject to extension)
Selling project-3723	2019.10.01	From October 1, 2019 to one months after the date of obtaining the license (subject to extension)
Selling project-3724	2019.10.01	From October 1, 2019 to one months 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-392	2023.01.07	From January 7, 2023 to six months after the date of obtaining the license (subject to extension)
Selling project-401	2021.03.16	2021.03.16 to 2024.03.31 (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 (subject to extension)
Selling project-404	2021.05.01	2021.05.01 to 2024.12.31 (subject to further extension)
Selling project-406	2021.11	Sales start after the building license has been obtained and the sales period is one year (extended to February 10, 2024)
Selling project-410	2021.10.15	2021.10.15 to 2025.07.31 (subject to further extension)
Selling project-414	2021.09.15	Sales start after the building license has been obtained until June 30, 2024 (subject to extension)
Selling project-415	2022.04.01	2022.04.01 ~ 2024.03.31 (subject to extension)
Selling project-418	2021.12	Sales start after the building license has been obtained and the sales period is two years (subject to extension)

(Continued)

JSL CONSTRUCTION & DEVELOPMENT CO., LTD.

Notes to the Financial Statements

<u>Name of project</u>	<u>The signing date of selling agreement</u>	<u>Sales period</u>
Selling project-418	2023	Sales start after the building license has been obtained and the sales period is two 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)
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	2022.09.15~2026.12.31(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)
Selling project-432	2023.03.01	From March 1, 2023 to six months after the date of obtaining the license (subject to extension)
Selling project-433	2023.04.01	2023.04.01~2024.03.31(subject to extension)
Selling project-434	2023.07.01	2023.07.01~2027.12.31(subject to extension)
Selling project-436	2023.08.08	2023.08.10~2024.07.31(subject to extension)
Selling project-438	2023.09.20	From September 20, 2023 to six months after the date of obtaining the license (subject to extension)
Selling project-440	2023.01.09	Sales start after the building license has been obtained and the sales period is two 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 25,000 thousand shares with a par value of \$10 per share on December 18, 2023 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 17, 2024. The new shares are issued at \$80 per share pursuant to a resolution of the Board of Directors. The Company adopted February 21, 2024 as base day for cash capital increase.

(Continued)

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

(12) Other:

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

By item	By function	For the years ended December 31					
		2023			2022		
		Cost of good sold	Operating expense	Total	Cost of good sold	Operating expense	Total
Employee benefits							
Salary		118,334	373,479	491,813	74,335	205,186	279,521
Labor and health insurance		3,875	11,180	15,055	3,045	10,730	13,775
Pension		2,819	4,022	6,841	2,056	4,112	6,168
Remuneration of directors		-	10,056	10,056	-	2,976	2,976
Others		1,140	9,696	10,836	1,144	5,802	6,946
Depreciation		23,214	16,537	39,751	7,590	22,843	30,433
Depletion		-	-	-	-	-	-
Amortization		-	322	322	-	316	316

For the years ended December 31, 2023 and 2022, the average numbers of Company employees were as follows:

	2023	2022
Number of employees	<u>92</u>	<u>101</u>
Number of directors who are not concurrently employed	<u>3</u>	<u>3</u>
Average employee benefit expense	<u>\$ 5,894</u>	<u>3,127</u>
Average employee salary expense	<u>\$ 5,526</u>	<u>2,852</u>
Salary	<u>93.76 %</u>	<u>0.74 %</u>
Remuneration for supervisors	<u>\$ -</u>	<u>-</u>

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

(i) Remuneration to Directors:

The remuneration 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.

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JSL CONSTRUCTION & DEVELOPMENT CO., LTD.

Notes to the Financial Statements

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.

(ii) Managers and employees:

The remuneration 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.

(Continued)

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

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. The Company filed an application with the Taiwan Taipei District Prosecutors Office on September 22, 2022 for the return of criminal proceeds. The prosecutor has also actually detained the criminal proceeds collected by Lin Hongming, but has not yet approved the return of the criminal proceeds to the Company. The Civil court of the Taiwan High Court issued a ruling on January 30, 2024 rejecting the Company's claim for damages, and the Company filed an appeal with the Supreme Court on March 6, 2024 after receiving such ruling.

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, 2023. Accordingly, the litigation case should have no other effect on the disclosure in notes to the consolidated financial statements as of December 31, 2023.

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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, 2023:

(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	CHUWANG DEVELOPMENT CO., LTD.	JSL CONSTRUCTION & DEVELOPMENT CO., LTD.	Other receivables due from related parties	Yes	200,000	-	-	0.21	1	6,184,871	-	-	-	-	13,203,089	13,203,089
1	CHUWANG DEVELOPMENT CO., LTD.	JSL CONSTRUCTION & DEVELOPMENT CO., LTD.	Other receivables due from related parties	Yes	500,000	-	-	2.188	1	6,184,871	-	-	-	-	13,203,089	13,203,089
1	CHUWANG DEVELOPMENT CO., LTD.	JSL CONSTRUCTION & DEVELOPMENT CO., LTD.	Other receivables due from related parties	Yes	900,000	900,000	890,000	3.000	1	7,069,706	-	-	-	-	13,203,089	13,203,089

Note 1: 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 2: 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 & DEVELOPMENT CO., LTD.	7	5,425,534	712,141	712,141	-	-	131.26 %	10,851,068	N	Y	N
2	Shigang Construction and Development Co., Ltd.	JSL CONSTRUCTION & DEVELOPMENT CO., LTD.	3	563,389	302,565	278,910	278,910	278,910	990.13 %	563,389	N	Y	N

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.

(Continued)

JSL CONSTRUCTION & DEVELOPMENT CO., LTD.

Notes to the Financial Statements

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, 2023 (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	197,219	-%	197,219	Note
The Company	Preferred Shares B Judo Company	-	//	20,000	202,539	-%	202,539	Note
The Company	Shares UNI AIRWAYS CORPORATION	-	Noncurrent financial assets at fair value through other comprehensive income	41	401	0.01%	1,190	
The Company	Share Hung Shun Hing Real Estate Co., Ltd.	-	//	500	4,995	3.33%	5,511	

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

- (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	JSL CONSTRUCTION Co., Ltd.	The chairman of the entity is the Company chairman's spouse	Selling	360,376	6.57%	Periodical collection per contract	-	Same as regular transaction	57,883	2.76%	
The Company	CHUWANG DEVELOPMENT Co., Ltd.	Subsidiary	Contractor project	2,869,899	27.15%	Periodical collection per contract	-	Same as regular transaction	(297,329)	18.44%	
CHUWANG DEVELOPMENT Co., Ltd.	The Company	Parent company	Selling	(2,822,744)	(54.45)%	Periodical collection per contract	-	Same as regular transaction	297,329	26.10%	Note 1
CHUWANG DEVELOPMENT Co., Ltd.	JSL CONSTRUCTION Co., Ltd.	The chairman of the entity is the Company chairman's spouse	Selling	(724,030)	(13.97)%	Periodical collection per contract	-	Same as regular transaction	114,963	12.67%	Note 1
CHUWANG DEVELOPMENT Co., Ltd.	JAYSHELYN CONSTRUCTION Co., Ltd.	The director of the Company is the director of the ultimate parent entity.	Selling	(188,348)	(3.63)%	Periodical collection per contract	-	Same as regular transaction	-	-%	Note 1
CHUWANG DEVELOPMENT Co., Ltd.	CHU YUAN INDUSTRIAL Co., Ltd.	Same Chairman with the Group	Selling	(117,865)	(2.27)%	Periodical collection per contract	-	Same as regular transaction	-	-%	Note 1

Note1 : The Company recognized its construction contract income using the percentage of completion method.

- (viii) Receivables from related parties with amounts exceeding the lower of NT\$100 million or 20% of the capital stock:

(In Thousands of New Taiwan Dollars)

Name of company	Counter-party	Nature of relationship	Ending balance	Turnover rate	Overdue		Amounts received in subsequent period	Allowance for bad debts
					Amount	Action taken		
CHUWANG DEVELOPMENT Co., Ltd	JSL CONSTRUCTION & DEVELOPMENT CO., LTD	Subsidiary	297,329	14.59	-		297,329	-
"	JSL CONSTRUCTION Co., Ltd.	The chairman of the entity is the Company chairman's spouse	114,963	10.62	-		-	-

- (ix) Trading in derivative instruments:None

(Continued)

JSL CONSTRUCTION & DEVELOPMENT CO., LTD.

Notes to the Financial Statements

(b) Information on investees:

The following is the information on investees for the years ended December 31, 2023 (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, 2023			Net income (losses) of investee	Share of profits/losses of investee	Note
				December 31, 2023	December 31, 2022	Shares (thousands)	Percentage of ownership	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 %	50,817	(1,795)	(2,000)	
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 %	77,931	169,990	23,079	
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 %	243,610	5	5	
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 %	9,183	3,780	3,780	
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 %	6,477	2,767	2,767	
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	457,350	207,350	660	100.00 %	285,312	88,851	(101,224)	

(c) Information on investment in mainland China: None

(d) Major shareholders: None

Shareholder's Name	Shareholding	Shares	Percentage
CHU YUAN INDUSTRIAL Co., Ltd.		74,898,228	19.13 %
Fengyun Advertising Co., Ltd.		74,234,446	18.96 %
JAYSANLYN REAL ESTATE & ADVERTISING Co., Ltd.		67,014,308	17.11 %
Chairman: Wen Yu Chu		47,822,750	12.21 %
Advertising Co., Ltd		33,121,625	8.46 %

(14) Segment information:

Please refer to the consolidated financial statement for the year ended December 31, 2023.

JSL CONSTRUCTION & DEVELOPMENT CO., LTD.**Statement of accounts receivables****December 31, 2023****(Expressed in thousands of New Taiwan Dollars)**

Customer	Description	Amount	Note
Supplier A	The receivables of selling agreements	\$ 631,769	Selling project-418
Supplier B	"	189,975	Selling project-405 、 426 、 436
Supplier C	"	115,908	Selling project-434
Supplier D	"	112,843	Selling project-425 、 433
Supplier E	"	106,858	Selling project-398
Others	"	<u>790,462</u>	Customers under 5%
		<u><u>\$ 1,947,815</u></u>	

JSL CONSTRUCTION & DEVELOPMENT CO., LTD.**Statement of inventories****December 31, 2023****(Expressed in thousands of New Taiwan Dollars)**

Item	Description	Amount
Prepayment for land purchases	Daitianfu section of Jilong City	\$ 183,430
	Urban renewal at Chengde Road	1,000
	Xiangyang section of Pingtung City	50,000
	Others	1,299
Subtotal		235,729
Land held for construction site	Haitian Section, Tamsui District, New Taipei City	227,794
	Shanjie section of Taoyuan City	1,007,136
	Ganlin section of New Taipei City	328,911
	Baoxiang Section at Hsinchu country	2,300,854
	Wen zi zhen	511,572
	Bancui section of New Taipei City	390,127
	Wuguwang section of New Taipei City	2,386,185
	Shen'ao section of Keelung City	267,706
	Others	25,695
Subtotal		7,445,980
Construction in progress	Urban renewal at Chengde Road	2,261,473
	Baoxiang Section at Hsinchu country	2,126,033
	Jiangcui section of New Taipei City	1,289,419
	Bancui section of New Taipei City	666,921
	Xindu Section, New Taipei City	857,531
	Wuguwang section, New Taipei City	2,721,595
	Xiangyang section of Pingtung City	2,442,298
	Jinhua section of Jilong City	1,225,157
	Others	340,999
Subtotal		13,931,426
Buildings and land held for sale	Ocean Palace	1,129,388
Total		<u><u>\$ 22,742,523</u></u>

JSL CONSTRUCTION & DEVELOPMENT CO., LTD.**Statement of other current financial assets****December 31, 2023****(Expressed in thousands of New Taiwan Dollars)**

Item	Amount	Note
Restricted time deposits	\$ 1,249,367	pre-order price trust deposits and deposit of corporate bond
Co-construction guarantee deposit	1,247,474	
Others	<u>25,354</u>	
	<u><u>\$ 2,522,195</u></u>	

JSL CONSTRUCTION & DEVELOPMENT CO., LTD.

Statement of short-term borrowings

December 31, 2023

(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	\$ 1,742,938	2014.06.21~2025.12.31	2.600%~3.500%	Construction in progress	
"	Financial institutions	55,100	2020.11.10~2025.07.07	2.650%	Construction in progress	
"	Financial institutions	475,746	2023.07.27~2024.12.28	3.260%	Land held for construction site	
"	Financial institutions	563,840	2023.05.29~2028.05.29	3.300%~3.376%	Construction in progress	
"	Financial institutions	391,900	2022.04.20~2024.08.09	2.752%	Land held for construction site	
"	Financial institutions	312,990	2021.11.23~2026.03.09	2.700%	Construction in progress	
"	Financial institutions	176,130	2021.09.28~2025.08.17	2.850%	Construction in progress	
"	Financial institutions	457,990	2021.10.05~2025.12.04	2.700%	Construction in progress	
"	Financial institutions	189,650	2022.05.20~2026.04.22	2.700%	Construction in progress	
"	Financial institutions	377,000	2020.04.17~2027.03.31	2.752%	Construction in progress	
"	Financial institutions	270,751	2021.06.29~2025.06.29	2.620%~3.440%	Construction in progress	
"	Financial institutions	67,698	2023.03.10~2025.04.30	3.338%	Construction in progress	
"	Financial institutions	260,860	2021.10.22~2026.04.22	2.745%	Land held for construction site	
"	Financial institutions	169,310	2023.06.17~2026.06.17	3.000%	Land held for construction site	
"	Financial institutions	207,321	2022.03.30~2024.03.30	3.125%	Buildings and land held for sale	
"	Financial institutions	688,280	2022.01.21~2027.01.21	2.550%~2.650%	Construction in progress	
"	Financial institutions	187,553	2023.03.30~2026.03.30	2.620%	Buildings and land held for sale	
"	Financial institutions	2,882,029	2023.06.30~2028.06.30	3.180%	Land held for construction site 、 Construction in progress	
"	Financial institutions	112,000	2023.09.12~2026.09.12	3.250%	Land held for construction site	
"	Financial institutions	93,800	2023.09.12~2028.06.30	3.050%	Land held for construction site	
		<u>9,682,886</u>				
Credit loans	Financial institutions	81,124	2023.12.25~2024.12.25	3.000%	None	
"	Financial institutions	51,218	2023.07.31~2024.01.26	2.765%	"	
"	Financial institutions	64,280	2023.09.14~2024.06.25	2.812%	"	
"	Financial institutions	167,311	2023.09.28~2024.06.29	3.055%	"	
"	Financial institutions	93,762	2023.08.30~2024.02.26	2.953%~3.059%	"	
"	Financial institutions	200,000	2023.11.14~2024.05.14	3.000%	"	
"	Financial institutions	150,000	2023.12.08~2024.06.05	3.010%	"	
"	Financial institutions	138,000	2023.12.25~2024.12.25	2.700%	"	
"	Financial institutions	369,850	2023.10.13~2024.10.13	2.403%	"	
"	Financial institutions	30,000	2022.10.18~2025.04.18	3.275%	"	
"	Financial institutions	240,000	2022.10.03~2024.10.03	2.800%	"	
		<u>1,585,545</u>				
		<u><u>\$ 11,268,431</u></u>				

JSL CONSTRUCTION & DEVELOPMENT CO., LTD.**Statement of short-term bills payable****December 31, 2023****(Expressed in thousands of New Taiwan Dollars)**

Item	Guarantee or acceptance institution	Contract Period	Range of interest rates	Balance at December 31			Note
				Amount	Unamortized discount on commercial papers payable	Amount	
Short-term notes payable	Financial institutions	2023.12.06~2024.03.05	3.038%	\$ 585,000	(3,116)	581,884	-
"	"	2023.10.30~2024.03.05	3.188%	1,262,800	(6,801)	1,255,999	-
"	"	2023.11.24~2024.01.23	3.626%	150,000	(181)	149,819	-
				\$ 1,997,800	(10,098)	1,987,702	

Statement of contract liabilities - current

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

JSL CONSTRUCTION & DEVELOPMENT CO., LTD.

Statement of bonds payable

December 31, 2023

(Expressed in thousands of New Taiwan Dollars)

<u>Name of bond</u>	<u>Trustee</u>	<u>Issuance date</u>	<u>Interest payment date</u>	<u>Total amount</u>	<u>Amount paid</u>	<u>Balance at December 31</u>	<u>Less: current portion</u>	<u>Carrying amounts</u>	<u>Repayment</u>	<u>Collateral</u>
Secured ordinary corporate bond	Financial institutions	2021.07	Annual payment	500,000	-	500,000	(500,000)	-	One time payment at maturity	bank guarantee and construction site (provided by management anagement personnel)
"	Financial institutions	2021.11	"	600,000	-	600,000	-	600,000	One time payment at maturity	bank guarantee
"	Financial institutions	2022.01	"	500,000	(100,000)	400,000	(100,000)	300,000	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
"	Financial institutions	2023.09	"	270,000	-	270,000	(40,500)	229,500	15% of the total amount is repaid after one year, 15% 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 and land held for construction site (provided by subsidiary)
Unsecured ordinary corporate bond	Financial institutions	2022.07	"	<u>500,000</u>	<u>-</u>	<u>500,000</u>	<u>-</u>	<u>500,000</u>	One time payment at maturity	None
				<u>\$ 2,370,000</u>	<u>(100,000)</u>	<u>2,270,000</u>	<u>(640,500)</u>	<u>1,629,500</u>		

JSL CONSTRUCTION & DEVELOPMENT CO., LTD.

Statement of long-term borrowings

December 31, 2023

(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	\$ 660,830	2015.12.16~2035.12.15	2.453%	Investment property	
"	Financial institutions	828,460	2014.05.16~2024.12.31	3.02%~3.12%	Right of use assets (superficies and property, plant and equipment)	
"	Financial institutions	<u>16,691</u>	2017.01.26~2037.01.25	2.36%	Property, plant and equipment	
	Subtotal	1,505,981				
	Less: current portion	<u>(841,562)</u>				
	Total	<u><u>\$ 664,419</u></u>				

Statement of operating revenue

For the year ended December 31, 2023

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

JSL CONSTRUCTION & DEVELOPMENT CO., LTD.

Statement of operating costs

For the year ended December 31, 2023

(Expressed in thousands of New Taiwan Dollars)

<u>Item</u>	<u>Description</u>	<u>Amount</u>	<u>Note</u>
Cost of services contracts	Selling projects	\$ 2,051,458	
Construction cost	Construction projects	425,993	
Cost of rental sales	Depreciation of investment property	<u>2,860</u>	
		<u><u>\$ 2,480,311</u></u>	

Statement of selling expenses

<u>Item</u>	<u>Description</u>	<u>Amount</u>	<u>Note</u>
Wage and salaries		\$ 228,765	
Advertisement expense		66,895	
Other expenses		<u>54,836</u>	
		<u><u>\$ 350,496</u></u>	

JSL CONSTRUCTION & DEVELOPMENT CO., LTD.

Statement of administrative expenses

For the year ended December 31, 2023

(Expressed in thousands of New Taiwan Dollars)

<u>Item</u>	<u>Description</u>	<u>Amount</u>	<u>Note</u>
Wages and salaries		\$ 154,770	
Insurance expense		8,405	
Entertainment expense		10,177	
Donation		12,129	
Taxes		36,499	
Depreciation		16,464	
Employee benefits		8,230	
Professional service fees		20,802	
Miscellaneous expenses		17,930	
Other expenses		<u>36,563</u>	
		<u><u>\$ 321,969</u></u>	

Statement of other revenues

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

JSL CONSTRUCTION & DEVELOPMENT CO., LTD.**Statement of other gains and losses, net****For the year ended December 31, 2023****(Expressed in thousands of New Taiwan Dollars)**

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

Statement of finance costs

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