Stock Code:2542

HIGHWEALTH CONSTRUCTION CORP.

Parent Company Only Financial Statements

With Independent Auditors' Report
For the Years Ended December 31, 2023 and 2022

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Table of contents

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Independent Auditors' Report

To the Board of Directors of Highwealth Construction Corp.:

Opinion

We have audited the accompanying parent company only financial statements of Highwealth Construction Corp.("the Company"), which comprise the parent company only balance sheets as of December 31, 2023 and 2022, the parent company only statement of comprehensive income, changes in equity and cash flows for the years then ended, and notes to the parent company only financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying parent company only financial statements present fairly, in all material respects, the parent company only financial position of the Company as 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 Auditing and Attestation of Financial Statements by Certified Public Accountants and Standards on Auditing of the Republic of China. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Norm of Professional Ethics for Certified Public Account of Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirement. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis of our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the parent company only financial statements for the year ended December 31, 2023. These matters were addressed in the context of our audit of the parent company only financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

1. Revenue recognition on sales of properties and land

   Please refer to note 4(n) and 6(v) of the parent company only financial statements for the account policies on revenue recognition and the details of revenue.

   <u>Description of key audit matter</u>

   Since the Company operates in the real estate industry, in which its sales revenue is recognized upon the transfer of ownership of its real estate and the actual delivery of its housing unit to a large number of clients, the confirmation on the validity of the timing of the sales revenue recognition is crucial. Hence, the Company needs to thoroughly examine the transfer of its ownership and the data on the delivery of its housing units for its entire transactions to recognize the sales revenue, which usually involves tremendous amount of manual efforts. Therefore, sales revenue recognition has been recognized as one of our key audit matters.

Auditing procedures proformed

Our principal audit procedures included:

- Testing the effectiveness of the design and implementing the internal control system of sales revenue.
- Performing substantive tests on randomly selected samples of sales contracts, and real estate ownership transfer documents; as well as checking the sales data and general ledger to ensure consistency.
- Testing the samples of sales transaction before and after the end of the year to ensure the correctness of sales revenue.

2.Inventory valuation

Please refer to note 4(g) and 6(e) of the parent company only financial statements for the accounting policies on measuring inventory, assumption used and uncertainties considered in determining the net realizable value and the details of inventory.

Description of key audit matter

Inventories, which play a significant role in the Company's business operation, account for 71% of the Company's total assets, wherein the evaluation has to comply with the International Accounting Standards Bulletin No. 2. Moreover, if the net realizable value of inventories is inaccurately assessed, it will result in a negative impact on the financial report. Therefore, inventory evaluation has been recognized as one of our key audit matters.

Auditing procedures proformed

- Understanding the Company’s operating and accounting procedures for I and held for the subseqnent measurement of inventories Obtain the Company management’s data of land held for construction sites and construction in progress valuation, inspecting and recalculating the net realizable value of I and held for construction sites and construction in progress whether adequate. The net realizable value can be assessed in both ways: through reviewing the recent selling price of the premises, or by inquiring the selling price of premises nearby from the “Actual Selling Price of Real Estate” website.

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

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

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

Those charged with governance (including the Audit Committee) are responsible for overseeing the Company’s financial reporting process.

Auditor's Responsibilities for the Audit of the Parent Company only Financial Statements

Our objectives are to obtain reasonable assurance about whether the parent company only financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an 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 parent company only financial statements.

As part of an audit in accordance with 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 parent company only financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the parent company only financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

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

6. Obtain sufficient 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 parent company only financial statements for the year ended December 31, 2023 and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partners on the audit resulting in this independent auditors' report are Han, Yi-Lien and Tseng, Kuo-Yang.

KPMG

Taipei, Taiwan (Republic of China)
March 14, 2024

Notes to Readers

The accompanying parent company only financial statements are intended only to present the financial position, financial performance and 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 independent auditors' audit 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' audit report and parent company only financial statements, the Chinese version shall prevail.

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

HIGHWEALTH CONSTRUCTION CORP.

Balance Sheets

December 31, 2023 and 2022

(Expressed in Thousands of New Taiwan Dollar)

	Assets	December 31, 2023 Amount	%	December 31, 2022 Amount	%
	Current assets:				
1100	Cash and cash equivalents (Note 6(a))	$ 7,615,548	5	8,448,964	6
1110	Current financial assets at fair value through profit or loss (Notes 6(b) and 8)	327,895	-	265,237	-
1150	Notes receivable, net (Notes 6(d) and 8)	1,389,448	1	2,026,846	1
1170	Accounts receivable, net (Notes 6(d) and 7)	14,798	-	39,059	-
130X	Inventories (Notes 6(e), 7 and 8)	111,636,808	71	107,006,078	70
1410	Prepayments (Note 7)	621,498	-	260,376	-
1476	Other current financial assets (Notes 6(k), 7, 8 and 9(b))	8,655,432	6	9,318,709	6
1479	Other current assets, others	47,327	-	19,401	-
1480	Current assets recognized as incremental costs to obtain contract with customers (Note 6(k))	1,891,752	1	1,641,114	1
		132,200,506	84	129,025,784	84
	Non-current assets:				
1517	Non-current financial assets at fair value through other comprehensive income (Notes 6(c) and 7)	5,000	-	5,000	-
1550	Investments accounted for using equity method, net (Notes 6(f), (g) and 8)	12,846,633	8	11,900,907	8
1600	Property, plant and equipment (Notes 6(h) and 8)	444,454	-	455,402	-
1755	Right-of-use assets (Note 6(i))	36,708	-	41,511	-
1760	Investment property, net (Notes 6(j) and 8)	8,704,350	6	7,946,944	5
1780	Intangible assets	5,888	-	5,048	-
1840	Deferred tax assets (Note 6(s))	14,544	-	14,544	-
1980	Other non-current financial assets (Notes 6(k) and 8)	3,048,970	2	3,801,981	3
1990	Total other non-current assets, others	118,836	-	132,875	-
		25,225,383	16	24,304,212	16
	Total assets	$ 157,425,889	100	153,329,996	100

	Liabilities and Equity	December 31, 2023 Amount	%	December 31, 2022 Amount	%
	Current liabilities:				
2100	Short-term borrowings (Note 6(l))	$ 73,537,038	47	73,267,113	48
2110	Short-term notes and bills payable (Note 6(m))	2,638,019	2	3,010,189	2
2130	Current contract liabilities (Notes 6(v), 7 and 9(a))	8,829,452	6	7,023,706	5
2150	Notes payable	1,309	-	2,452	-
2170	Accounts payable	413,714	-	453,409	-
2180	Accounts payable to related parties (Note 7)	1,822,337	1	1,358,669	1
2200	Other payables (Note 7)	4,752,170	3	2,100,750	1
2230	Current tax liabilities	153,927	-	714,963	-
2280	Lease liabilities-current (Note 6(p))	44,455	-	40,905	-
2305	Other current financial liabilities (Note 7)	226,134	-	226,291	-
2321	Bonds payable, current portion (Note 6(o))	1,999,129	1	2,489,554	2
2322	Long-term borrowings, current portion (Note 6(n))	2,298,119	1	70,929	-
2399	Other current liabilities, others	246,890	-	226,474	-
		96,962,693	61	90,985,404	59
	Non-Current liabilities:				
2530	Bonds payable (Note 6(o))	10,378,610	7	13,911,921	9
2540	Long-term borrowings (Note 6(n))	3,414,413	2	3,714,573	3
2570	Deferred tax liabilities (Note 6(s))	340	-	340	-
2580	Non-current lease liabilities (Note 6(p))	76,814	-	109,680	-
2640	Net defined benefit liability, non-current (Note 6(r))	18,451	-	23,971	-
		13,888,628	9	17,760,485	12
	Total liabilities	110,851,321	70	108,745,889	71
	Stockholders'Equity:				
3100	Common stock (Note 6(t))	18,841,415	12	17,146,741	11
3200	Capital surplus (Note 6(t))	8,836,578	6	8,408,194	6
	Retained earnings (Note 6(t)):				
3310	Legal reserve	8,773,652	6	8,363,751	5
3350	Unappropriated retained earnings	11,094,585	7	11,642,373	8
3400	Other equity interest (Note 6(t))	214	-	268	-
3500	Treasury stock (Note 6(t))	(971,876)	(1)	(977,220)	(1)
	Total equity	46,574,568	30	44,584,107	29
	Total liabilities and equity	$ 157,425,889	100	153,329,996	100

See accompanying notes to parent company only financial statements.

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

HIGHWEALTH CONSTRUCTION CORP.

Statements of Comprehensive Income

For the years ended December 31, 2023 and 2022

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

		2023		2022	
		Amount	**%**	**Amount**	**%**
4000	**Operating revenue (Notes 6(q) and (v))**	$ 13,241,365	100	23,785,809	100
5000	**Operating costs (Note 6(e))**	9,595,988	72	16,707,175	70
	Gross profit from operations	3,645,377	28	7,078,634	30
5920	Add:Realized profit (loss) on from sales	39,533	-	40,101	-
		3,684,910	28	7,118,735	30
	Operating expenses:				
6100	Selling expenses (Note 7)	592,902	5	942,879	4
6200	Administrative expenses	794,884	6	1,455,745	6
		1,387,786	11	2,398,624	10
	Net operating income	2,297,124	17	4,720,111	20
	Non-operating income and expenses:				
7100	Total interest income (Note 6(x))	105,926	1	29,877	-
7010	Other income (Notes (x) and 7)	96,654	1	87,906	-
7020	Other gains and losses, net (Note 6(x))	137,975	1	(22,390)	-
7050	Finance costs, net (Note 6(x))	(842,113)	(6)	(697,231)	(3)
7070	Share of profit (loss) of associates and joint ventures accounted for using equity method, net (Note 6(f))	842,311	6	391,009	2
	Total non-operating income and expenses	340,753	3	(210,829)	(1)
	Profit from continuing operations before tax	2,637,877	20	4,509,282	19
7950	Less: Income tax expenses(Note 6(s))	200,505	2	768,284	3
	Profit	2,437,372	18	3,740,998	16
8300	**Other comprehensive income:**				
8310	**Components of other comprehensive income that will not be reclassified to profit or loss**				
8311	Gains on remeasurements of defined benefit plans (Note 6(r))	5,294	-	2,417	-
8316	Unrealized gains from investments in equity instruments measured at fair value through other comprehensive income	-	-	2,814	-
8330	Share of other comprehensive income of subsidiaries, associates and joint ventures accounted for using equity method, components of other comprehensive income that will not be reclassified to profit or loss	473	-	(659)	-
8349	Income tax related to components of other comprehensive income that will not be reclassified to profit or loss	-	-	-	-
	Components of other comprehensive income that will not be reclassified to profit or loss	5,767	-	4,572	-
8360	**Components of other comprehensive income that will be reclassified to profit or loss**				
8361	Exchange differences on translation of foreign financial statements	(54)	-	47	-
8399	Income tax related to components of other comprehensive income that will be reclassified to profit or loss	-	-	-	-
	Components of other comprehensive income that will be reclassified to profit or loss	(54)	-	47	-
8300	**Other comprehensive income**	5,713	-	4,619	-
	Total comprehensive income	**$ 2,443,085**	**18**	**3,745,617**	**16**
	Earnings per share (Note 6(u))				
	Basic earnings per share	**$**	**1.33**		**2.08**
	Diluted earnings per share	**$**	**1.33**		**2.05**

See accompanying notes to parent company only financial statements.

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

HIGHWEALTH CONSTRUCTION CORP.

Statements of Changes in Equity

For the years ended December 31, 2023 and 2022

(Expressed in Thousands of New Taiwan Dollar)

	Share capital		Retained earnings			Total other equity interest				
	Common stock	Capital surplus	Legal reserve	Unappropriated retained earnings	Total retained earnings	Exchange differences on translation of foreign financial statements	Unrealized gains (losses) on financial assets measured at fair value through other comprehensive income	Total other equity interest	Treasury stock	Total equity
Balance on January 1, 2022	$ 13,927,531	3,609,808	7,552,326	16,069,240	23,621,566	221	538,526	538,747	(973,783)	40,723,869
Profit (loss)	-	-	-	3,740,998	3,740,998	-	-	-	-	3,740,998
Other comprehensive income	-	-	-	1,758	1,758	47	2,814	2,861	-	4,619
Total comprehensive income	-	-	-	3,742,756	3,742,756	47	2,814	2,861	-	3,745,617
Appropriation and distribution of retained earnings in 2021:										
Legal reserve appropriated	-	-	811,425	(811,425)	-	-	-	-	-	-
Cash dividends of ordinary share	-	-	-	(6,171,566)	(6,171,566)	-	-	-	-	(6,171,566)
Stock dividends of ordinary share	1,542,891	-	-	(1,542,891)	(1,542,891)	-	-	-	-	-
Conversion of convertible bonds	1,676,319	4,674,723	-	-	-	-	-	-	-	6,351,042
Adjustments of capital surplus for company's cash dividends received by subsidiaries	-	117,460	-	-	-	-	-	-	-	117,460
Difference between consideration and carrying amount of subsidiaries acquired or disposed	-	-	-	(185,081)	(185,081)	-	-	-	-	(185,081)
Changes in ownership interests in subsidiaries	-	817	-	-	-	-	-	-	(3,437)	(2,620)
Other changes in capital surplus	-	5,386	-	-	-	-	-	-	-	5,386
Disposal of investments in equity instruments designated at fair value through other comprehensive income	-	-	-	541,340	541,340	-	(541,340)	(541,340)	-	-
Balance on December 31, 2022	17,146,741	8,408,194	8,363,751	11,642,373	20,006,124	268	-	268	(977,220)	44,584,107
Profit (loss)	-	-	-	2,437,372	2,437,372	-	-	-	-	2,437,372
Other comprehensive income	-	-	-	5,767	5,767	(54)	-	(54)	-	5,713
Total comprehensive income	-	-	-	2,443,139	2,443,139	(54)	-	(54)	-	2,443,085
Appropriation and distribution of retained earnings in 2022:										
Legal reserve appropriated	-	-	409,901	(409,901)	-	-	-	-	-	-
Cash dividends of ordinary share	-	-	-	(847,337)	(847,337)	-	-	-	-	(847,337)
Stock dividends of ordinary share	1,694,674	-	-	(1,694,674)	(1,694,674)	-	-	-	-	-
Acquisition of company's share by subsidiaries recognized as treasury share	-	-	-	-	-	-	-	-	(942)	(942)
Adjustments of capital surplus for company's cash dividends received by subsidiaries	-	10,070	-	-	-	-	-	-	-	10,070
Difference between consideration and carrying amount of subsidiaries acquired or disposed	-	419,416	-	(39,015)	(39,015)	-	-	-	-	380,401
Changes in ownership interests in subsidiaries	-	(1,102)	-	-	-	-	-	-	6,286	5,184
Balance at December 31, 2023	**$ 18,841,415**	**8,836,578**	**8,773,652**	**11,094,585**	**19,868,237**	**214**	**-**	**214**	**(971,876)**	**46,574,568**

See accompanying notes to parent company only financial statements.

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

HIGHWEALTH CONSTRUCTION CORP.

Statements of Cash Flows

For the years ended December 31, 2023 and 2022

(Expressed in Thousands of New Taiwan Dollar)

	2023	2022
Cash flows from (used in) operating activities:		
Profit before tax	$ 2,637,877	4,509,282
Adjustments:		
Adjustments to reconcile profit (loss):		
Depreciation expense	112,303	108,681
Amortization expense	7,780	6,065
Expected credit gain	(1,672)	-
Net (gain) loss on financial assets or liabilities at fair value through profit or loss	(62,658)	7,617
Interest expense	842,113	697,231
Interest income	(105,926)	(29,877)
Dividend income	(9,961)	(26,882)
Share of profit of subsidiaries,associates and joint ventures accounted for using equity method	(842,311)	(391,009)
Gain on disposal of property, plant and equipment	-	(22,378)
(Gain) loss on disposal of investment properties	(77,992)	54
Realized profit on from sales	(39,533)	(40,101)
Others	-	554,272
Total adjustments to reconcile profit (loss)	(177,857)	863,673
Changes in operating assets and liabilities:		
Changes in operating assets:		
Decrease (increase) in notes receivable	642,378	(85,982)
Decrease in accounts receivable	20,953	49,848
(Increase) decrease in inventories	(3,318,054)	2,980,594
Decrease in other non-current assets	15,185	5,991
Increase in prepayments	(337,873)	(171,249)
(Increase) decrease in other current assets	(27,926)	115,696
Increase in other financial assets	(139,217)	(468,328)
Increase in incremental costs to obtaining a contract	(250,638)	(26,529)
Total changes in operating assets	(3,395,192)	2,400,041
Changes in operating liabilities:		
Increase in contract liabilities	1,805,746	610,602
(Decrease) increase in notes payable	(1,143)	353
Increase (decrease) in accounts payable (include related parties)	423,973	(207,954)
Decrease in other payable	(359,617)	(436,370)
(Decrease) increase in other financial liabilities	(157)	97,894
Increase (decrease) in other current liabilities	20,416	(176,812)
(Decrease) increase in net defined benefit liability	(226)	2
Total changes in operating liabilities	1,888,992	(112,285)
Total changes in operating assets and liabilities	(1,506,200)	2,287,756
Total adjustments	(1,684,057)	3,151,429
Cash inflow generated from operations	953,820	7,660,711
Income taxes paid	(761,580)	(937,934)
Net cash flows from (used in) operating activities	192,240	6,722,777

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

HIGHWEALTH CONSTRUCTION CORP.

Statements of Cash Flows (CONT'D)

For the years ended December 31, 2023 and 2022

(Expressed in Thousands of New Taiwan Dollar)

	2023	2022
Cash flows from (used in) investing activities:		
Acquisition of investments accounted for using equity method	-	(3,456,844)
Proceeds from disposal of investments accounted for using equity method	282,734	-
Proceeds from capital reduction of investments accounted for using equity method	-	18,000
Acquisition of property, plant and equipment	(2,938)	(8,850)
Proceeds from disposal of property, plant and equipment	-	50,220
Acquisition of intangible assets	(8,620)	(7,371)
Acquisition of investment properties	(746,702)	(1,088,898)
Proceeds from disposal of investment properties	120,715	-
Increase in other non-current assets	(1,146)	(59,976)
Interest received	105,967	29,212
Dividends received	58,477	110,428
Net cash flows from (used in) investing activities	(191,513)	(4,414,079)
Cash flows from (used in) financing activities:		
Increase in short-term loans	11,209,330	15,197,950
Decrease in short-term loans	(10,944,269)	(10,947,560)
Decrease in short-term notes and bills payable	(372,170)	(1,673,249)
Proceeds from issuing bonds	1,450,000	2,000,000
Repayments of bonds	(2,500,000)	(13,540)
Proceeds from long-term debt	2,048,000	2,042,000
Repayments of long-term debt	(120,970)	(552,228)
Payment of lease liabilities	(41,229)	(37,222)
Cash dividends paid	(847,337)	(6,171,566)
Interest paid	(2,270,962)	(1,806,280)
Other financing activities	1,555,464	613,751
Net cash flows from (used in) financing activities	(834,143)	(1,347,944)
Net increase in cash and cash equivalents	(833,416)	960,754
Cash and cash equivalents at beginning of the year	8,448,964	7,488,210
Cash and cash equivalents at end of the year	$ **7,615,548**	**8,448,964**

See accompanying notes to parent company only financial statements.

HIGHWEALTH CONSTRUCTION CORP.

Notes to the Parent Company only Financial Statements

For the years ended December 31, 2023 and 2022

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

(1) Company history

HIGHWEALTH CONSTRUCTION CORP. (the "Company") was incorporated in January 1980 as a company limited by shares under the company Act of the Republic of China. The Company registered address is 10F, No.267, Lequn 2nd Rd., Zhongshan Dist., Taipei City 104, Taiwan (R.O.C.) The Company primarily engages in the business of construction, sales, and leasing of residual and commercial buildings. Please refer to the financial statements for the Company's main business activities.

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

The parent company only financial statements were authorized for issuance by the Board of Directors on March 14, 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 following 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"
- Amendments to IAS 7 and IFRS 7 "Supplier Finance Arrangements"
- Amendments to IFRS 16 "Lease Liability in a Sale and Leaseback"

(Continued)

HIGHWEALTH CONSTRUCTION CORP.
Notes to the Parent Company only Financial Statements

(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 IAS21 “Lack of Exchangeability”

(4) Summary of material accounting policies:

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

(a) Statement of compliance

These parent company only 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”).

(b) Basis of preparation

(i) Basis of preparation

The parent company only financial statements have been prepared on the historical cost basis except for the following significant accounts.

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

2) Financial instruments measured at fair value through other comprehensive income are measured at fair value;

3) The defined benefit liability (asset) is recognized as the fair value of the plan asset less the present value of defined benefit obligation and the upper limit impact mentioned in note 4(o).

(ii) Functional and presentation currency

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

HIGHWEALTH CONSTRUCTION CORP.
Notes to the Parent Company only Financial Statements

(c) Foreign currencies

(i) Currencies transaction

Transactions in foreign currencies are translated to the respective functional currencies of Company entities at the exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are retranslated to the functional currency at the exchange rate at that date.

Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are retranslated to the functional currency at the exchange rate at the date that the fair value was determined. Non-monetary items in a foreign currency that are measured based on historical cost are translated using the exchange rate at the date of the transaction.

Foreign currency differences arising on retranslation are recognized in profit or loss, except for those differences relating to the following, which are recognized in other comprehensive income:

1) Fair value through other comprehensive income equity investment;

2) A financial liability designated as a hedge of the net investment in a foreign operation to the extent that the hedge is effective; or

3) Qualifying cash flow hedges to the extent that the hedge is effective.

(ii) Foreign operation

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on acquisition, are translated to the reporting currency at exchange rates at the reporting date. The income and expenses of foreign operations are translated at the average exchange rate. Translation differences are recognized in other comprehensive income.

When a foreign operation is disposed of such that control, significant influence, or joint control is lost, the cumulative amount in the translation reserve related to that foreign operation is reclassified to profit or loss as part of the gain or loss on disposal. When the Company disposes of only part of its investment in an associate or joint venture that includes a foreign operation while retaining significant influence or joint control, the relevant proportion of the cumulative amount is reclassified to profit or loss.

When the settlement of a monetary receivable from or payable to a foreign operation is neither planned nor likely to occur in the foreseeable future, foreign exchange gains and losses arising from such a monetary item that are considered to form part of the net investment in the foreign operation are recognized in other comprehensive income.

(d) Current and non-current distinction

An asset is classified as current when

(i) The Company expects to realize the asset, or intends to sell or consume it, in its normal operating cycle;

(ii) The Company holds the asset primarily for the purpose of trading;

(iii) The Company expects to realize the asset within twelve months after the reporting period;

(iv) The asset is cash or cash equivalent 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 when

(i) The Company expects to settle the liability in its normal operating cycle;

(ii) The Company holds the liability primarily for the purpose of trading;

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

(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 the issue of equity instruments do not affect its classification.

(e) Cash and cash equivalents

Cash comprises cash on hand, demand deposits, cash equivalents are highly liquid time deposits or investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. Time deposits are held for the purpose of meeting short-term cash commitments rather than for investment or other purposes. They are reported as cash equivalents.

(f) Financial instruments

Trade receivables 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 a trade 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.

HIGHWEALTH CONSTRUCTION CORP.
Notes to the Parent Company only 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) – equity investment, or fair value through profit or loss (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.

These assets are subsequently measured at amortized cost, which is the amount at which the financial asset is measured at initial recognition, plus/minus, the cumulative amortization using the effective interest method, adjusted for any loss allowance. Interest income, foreign exchange gains and losses, as well as impairment, 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)

A debt investment is measured at FVOCI 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 achieved by both collecting contractual cash flows and selling financial assets
- Its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding

Debt investments at FVOCI are subsequently measured at fair value. Interest income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognized in profit or loss. Other net gains and losses are recognized in other comprehensive income. On derecognition, gains and losses accumulated in other comprehensive income are reclassified to profit or loss.

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.

(Continued)

HIGHWEALTH CONSTRUCTION CORP.

Notes to the Parent Company only Financial Statements

Dividend income is recognized in profit or loss on the date on which the Company's right to receive payment is established., which in the case of quoted securities is normally company the ex-dividend date.

3) Fair value through profit or loss (FVTPL)

All financial assets not classified as measured at amortized cost or FVOCI described as above (e.g. financial assets held for trading and those that are managed and whose performance is evaluated on a fair value basis) are measured at FVTPL, including derivative financial assets. On initial recognition, the Company may irrevocably designate 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.

Financial assets in this category are measured at fair value at initial recognition. Attributable transaction costs are recognized in profit or loss as incurred. Subsequent changes that are measured at fair value, consider account any dividend and interest 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 receivable, guarantee deposit paid and other financial assets), debt investments measured at FVOCI, accounts receivable measured at FVOCI and contract 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 accounts receivables and contract assets are always measured at an amount equal to lifetime ECL.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECL, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis based on the Company' s historical experience and informed credit assessment as well as forward-looking information.

(Continued)

HIGHWEALTH CONSTRUCTION CORP.
Notes to the Parent Company only Financial Statements

The Company considers a debt security to have low credit risk when its credit risk rating is equivalent to the globally understood definition of ‘ investment grade which is considered to be BBB- or higher per Standard & Poor’s, Baa3 or higher per Moody’s or twA or higher per Taiwan Ratings.

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 months 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. An evidence that a financial asset 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 90 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；
- 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 assets. For debt securities at FVOCI, the loss allowance is charged to profit or loss and its recognized in other comprehensive income instead of reducing the carrying amount of the asset.

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HIGHWEALTH CONSTRUCTION CORP.
Notes to the Parent Company only Financial Statements

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. 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 procedure for recovery of amounts due.

5) Derecognition of financial assets

Financial assets are derecognized when the contractual rights to the cash flows from the assets expire, or when the Company transfers substantially all the risks and rewards of ownership of the financial assets, 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.

The Company enters into transactions whereby it transfers assets recognized in its statement of balance sheet but retains either all or substantially all of the risks and rewards of the transferred assets. In these cases, the transferred assets are not derecognized.

(ii) Financial liabilities and equity instruments

1) Classification of debt or equity instruments

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

2) Equity instruments

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

3) Treasury shares

When shares recognized as equity are repurchased, the amount of the consideration paid, which includes directly attributable costs, is recognized as a deduction from equity. Repurchased shares are classified as treasury shares. When treasury shares are sold or reissued subsequently, the amount received is recognized as an increase in equity, and the resulting surplus or deficit on the transaction is recognized in capital surplus or retained earnings (if the capital surplus is not sufficient to be written down).

4) Compound financial instruments

Compound financial instruments issued by the Company comprise convertible bonds denominated in NTD that can be converted to ordinary shares at the option of the holder, when the number of shares to be issued is fixed and does not vary with changes in fair value.

(Continued)

The liability component of compound financial instruments is initially recognized at the fair value of a similar liability that does not have an equity conversion option. The equity component is initially recognized at the difference between the fair value of the compound financial instrument as a whole and the fair value of the liability component. Any directly attributable transaction costs are allocated to the liability and equity components in proportion to their initial carrying amounts.

Subsequent to initial recognition, the liability component of a compound financial instrument is measured at amortized cost using the effective interest method. The equity component of a compound financial instrument is not remeasured.

Interest related to the financial liability is recognized in profit or loss. On conversion at maturity, the financial liability is reclassified to equity and no gain or loss is recognized.

5) 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.

6) Derecognition of financial liabilities

The Company derecognizes a financial liability when its contractual obligations are discharged or cancelled 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.

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

7) 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 offset the amounts and it intends either to settle them on a net basis or to realize the asset and settle the liability simultaneously.

(g) Inventories

(i) Construction industry

Inventories are measured at the lower of cost and net realizable value. The cost of inventories is calculated using the weighted average method, and includes expenditure incurred in acquiring the inventories, production or conversion costs, and other costs incurred in bringing them to their existing location and condition, and capitalization of interest.

Net realizable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses. The net realizable value is estimated as follows:

1) Construction site

Net realizable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses, or estimated by recent market value (development analytical method or comparison method).

2) Construction in progress

Net realizable value is the estimated selling price (prevailing market condition) in the ordinary course of business, less the estimated costs and selling expenses needed to complete.

3) Real estate for sales

Net realizable value is the estimated selling price (refer to the market condition estimated by authority) in the ordinary course of business, less the estimated selling cost and expenses need to sell the real estate.

(h) Investing subsidiaries

In preparing the parent company only financial statements of the Company, investee company that controlled by the Company is accounted for under the equity method. Under equity method, profit for the year and other comprehensive income for the year reported in an entity's Parent Company only financial statement of comprehensive income, shall equal to profit for the year and other comprehensive income' attributable to owners of the parent reported in that entity's consolidated statement of comprehensive income. Total equity reported in an entity's Parent Company only financial statements shall equal to equity attributable to owners of parent reported in that entity's consolidated financial statements.

The Company's changes in equity interests in subsidiaries that did not lead to loss of control, deemed as equity transactions between owners.

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HIGHWEALTH CONSTRUCTION CORP.
Notes to the Parent Company only Financial Statements

(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 initially recognized at cost and then subsequently measured at cost again. The depreciation expense is appropriated in accordance with the depreciable amount after the initial recognition. The depreciation methods, useful lives, and residual values of investment property are same as the practice of the 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 when it is probable that 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 straight-line basis over the estimated useful lives of each component of an item of property, plant and equipment.

Land is not depreciated.

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

1) Buildings	3～50 years
2) Transportation equipment	5 years
3) Office equipment	3 years
4) Other equipment and leasehold improvements	3～10 years

(Continued)

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

(iv) Reclassification to investment property

A property is reclassified to investment property at its carrying amount when the use of the property changes from owner-occupied to investment property.

(k) Lease

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 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 lives 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;

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.

The lease liability is subsequently 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

(Continued)

3) There is a change of its assessment on whether it will exercise a purchase, extension or termination option; or

4) There is a change of its assessment on lease period on whether it will exercise an extension or termination option; or

5) There are 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.

If an arrangement contains lease and non-lease components, the Company allocates the consideration in the contract to each lease component basis on their relative stand-alone prices. However, for the leases of land and buildings in which it is a lessee, the Company has elected not to separate non-lease components and account for the lease and non-lease components as a single lease component.

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 statement of financial position.

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

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

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(ii) As a 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 on operating lease is added to the net investment of the lease asset. The lessor recognizes the interest income over the lease term based on a pattern reflecting a constant periodic rate of return on the lessor' s 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

Goodwill arising on the acquisition of subsidiaries is measured at cost, less accumulated impairment losses.

Expenditure on research activities is recognized in profit or loss as incurred.

Development expenditure is capitalized only if the expenditure can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable and the Company intends to, and has sufficient resources to, complete development and to use or sell the asset. Otherwise, it is recognized in profit or loss as incurred. Subsequent to initial recognition, development expenditure is measured at cost, less accumulated amortization and any accumulated impairment losses.

Other intangible assets 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.

(Continued)

HIGHWEALTH CONSTRUCTION CORP.
Notes to the Parent Company only Financial Statements

(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:

Computer software	1～3 years

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

(m) Impairment of non-financial assets

At each reporting date, the Company reviews the carrying amounts of its non-financial assets (other than inventories, contract assets and deferred tax assets) 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

(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.

HIGHWEALTH CONSTRUCTION CORP.
Notes to the Parent Company only Financial Statements

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. The properties have generally no alternative use for the Company due to contractual restrictions. However, an enforceable right to payment does not arise until legal title of a property has passed to the customer. Therefore, revenue is recognized at a point in time when the legal title has passed to the customer.

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.

2) Financing components

The Company assesses whether the financial factors are significant at the contract level in accordance with IFRS15 Application Guidance - The Real Estate Industry, wherein the calculation can be made on a case-by-case basis. After the Company has taken into account the industry characteristics and market borrowing rates, it determines that the financial factors are considered material when they account for more than 5% of the total contract price.

The Company expects that (i) the financing components are not substantiative to individual contract or (ii) the period between the transfer of the promised goods or services to the customer and payment by the customer does not exceed one year. As a consequence, the Company does not adjust any of the transaction prices for the time value of money.

(ii) Contract costs-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.

(Continued)

(o) Employee benefits

(i) Defined contribution plans

Obligations for contributions to defined contribution plans are expensed as the related service is provided in the periods during which services are rendered by employees.

(ii) Defined benefit plans

The Company's net obligation in respect of defined benefit plans is calculated separately for each the plan by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets.

The calculation of defined benefit obligations is performed annually by a qualified actuary using the projected unit credit method. When the calculation results in a potential asset for the Company, the recognized asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan. To calculate the present value of economic benefits, consideration is given to any applicable minimum funding requirements.

Remeasurements of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognized immediately in other comprehensive income, and accumulated in retained earnings within equity. The Company determines the net interest expense (income) on the net defined benefit liability (asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then-net defined benefit liability (asset). Net interest expense and other expenses related to defined benefit plans are recognized in profit or loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognized immediately in profit or loss. The Company recognizes gains and losses on the settlement of a defined benefit plan when the settlement occurs.

(iii) Short-term employee benefits

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

(p) Income Taxes

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

(Continued)

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.

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

(i) Temporary differences on the initial recognition of assets and liabilities in a transaction that is not a business combination and that 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.

A deferred tax asset is recognized for unused tax losses available for carry-forward, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profit will be available against which the unused tax losses, unused tax credits and deductible temporary differences can be utilized. Such unused tax losses, unused tax credits and deductible temporary differences are also re-evaluated every year on the financial reporting date, and adjusted based on the probability that future taxable profit will be available against which the unused tax losses, unused tax credits and deductible temporary differences can be utilized.

Deferred taxes are measured at tax rates that are expected to be applied to temporary differences when they reserve, using tax rates enacted or substantively enacted at the reporting date, and reflect uncertainty related to income taxes, if any.

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

(i) If the entity has the legal right to settle tax assets and liabilities on a net basis; and

(ii) The taxing of deferred tax assets and liabilities fulfill one of the below scenarios:

    1) Levied by the same taxing authority; or

    2) Levied by different taxing authorities, but where each such authority intend to settle tax assets and liabilities (where such amounts are significant) on a net basis every year of the period of expected asset realization or debt liquidation; or where the timing of asset realization and debt liquidation is matched.

(Continued)

(q) Earnings per share

The Company disclose the Company's basic and diluted earnings per share attributable to ordinary shareholders of the Company. The basic earnings per share is calculated based on the profit attributable to the ordinary shareholders of the Company divided by weighted average number of ordinary shares outstanding. The diluted earnings per share is calculated based on the profit attributable to ordinary shareholders of the Company, divided by weighted average number of ordinary shares outstanding after adjustment for the effects of all potentially dilutive ordinary shares, such as remuneration of employees and employee stock options.

(r) Operating segments

Please refer to the consolidated financial report of Highwealth Construciton Corp. for the years ended December 31, 2023 and 2022 for operating segments information.

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

In preparing theseparent company only financial statements in conformity with the Regulations Governing the Preparation of Financial Reports by securities, Issuers, the Regulations and the IFRSs endorsed by the FSC, requires management has made 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 estimates and assumptions. The management recognizes any changes in accounting estimates during the period and the impact of those changes in accounting estimates in the following period.

Information for the assumptions of uncertainty and the estimation having significant risks that will result in significant adjustments in the following year is as follows:

(a) Valuation of inventories

Inventories are measured at the lower of cost and net realizable value. The Company's evaluate the selling price in the market is below the cost, and write off the cost of inventory to net realizable value. The estimation of net realizable value is based on current market conditions. Please refer note 6(e) for inventory valuation.

The Company' s accounting policies and disclosures included financial and non-financial assets and liabilities measured at fair value. The Company' s financial instrument valuation group conducts independent verification on fair value by using data sources that are independent, reliable, and representative of exercise prices. This financial instrument valuation group also periodically adjusts valuation models, conducts back testing, renews input data for valuation models, and makes all other necessary fair value adjustments to assure the rationality of fair value. The fair value measurement of investment property is based on the website of Department of Land Administration and estate agency's website or the close deal in similar district.

Different levels of the fair value hierarchy to be used in determining the fair value of financial instruments are as follows:

- Level 1: quoted prices (unadjusted) in active markets for identifiable assets or liabilities.
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: inputs for the assets or liabilities that are not based on observable market data.

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 notes as follows:

(a) Note 6(j) Investment property.

(b) Note 6(y) Financial instruments.

(6) Explanation of significant accounts:

(a) Cash and cash equivalents

		December 31, 2023	December 31, 2022
Bank overdrafts used for cash management purposes	$	3,766	3,219
Demand and time deposits		7,611,782	8,445,745
Cash and cash equivalent	**$**	**7,615,548**	**8,448,964**

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

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

		December 31, 2023	December 31, 2022
Mandatorily measured at fair value through profit or loss:			
Stocks listed on domestic markets	**$**	**327,895**	**265,237**

(i) For the net gain or loss on fair value on financial instruments at FVTPL, please refer to note 6(x).

(ii) For credit risk and market risk, please refer to note 6(y).

(iii)Please refer to note 8 for the financial asset that had been pledged as collateral for bank borrowings for the years ended December 31, 2023 and 2022.

HIGHWEALTH CONSTRUCTION CORP.
Notes to the Parent Company only Financial Statements

(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 Share	$ 5,000	5,000

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

The Company designated the investments shown above as equity investment at fair value through other comprehensive income because these equity securities represent those investments that the Company intends to hold for long-term for strategic purposes and not hold for sale.

During the years ended December 31, 2023 and 2022, the dividends of $1,000 thousand and zero, respectively, related to equity investments at fair value through other comprehensive income held on the years then ended, were recognized

In 2022, the Company donated financial assets at fair value through other comprehensive income to related parties, please refer to note 7 (b) .The accumulated valuation gains of the aforementioned financial assets of $541,340 thousand have been transferred from other equity interest to retained earnings.

(ii) For credit risk and market risk, please refer to note 6(y).

(iii) As of December 31, 2023, and 2022, the financial assets at fair value through other comprehensive income of the Company had not been pledged as collateral for long-term borrowings.

(d) Notes and account receivable

	December 31, 2023	December 31, 2022
Note receivables	$ 1,389,448	2,031,826
Accounts receivables	20,798	41,751
Less: loss allowance	6,000	7,672
	$ 1,404,246	2,065,905

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, trade receivables have been grouped based on shared credit risk characteristics and the days past due, as well as incorporated forward looking information. The expected credit losses of the note receivables and trade receivables were as followed:

(Continued)

HIGHWEALTH CONSTRUCTION CORP.
Notes to the Parent Company only Financial Statements

	December 31, 2023		
	Gross carrying amount	**Weighted-average loss rate**	**Loss allowance Provision**
Current	$ 1,404,246	-	-
More than 365 days past due	6,000	100%	6,000
	$ 1,410,246		**6,000**

	December 31, 2022		
	Gross carrying amount	**Weighted-average loss rate**	**Loss allowance Provision**
Current	$ 2,065,905	-	-
More than 365 days past due	7,672	100%	7,672
	$ 2,073,577		**7,672**

The movement in the allowance for notes and accounts receivable was as follows：

	For the years ended December 31	
	2023	**2022**
Balance on January 1	$ 7,672	7,672
Impairment losses reversed	(1,672)	-
Balance on December 31	**$ 6,000**	**7,672**

As of December 31, 2023 and 2022, note receivables had been pledged as collateral, please refer to note 8.

(e) Inventories

	December 31, 2023	**December 31, 2022**
Properties and Land held for sale	$ 7,401,379	9,118,528
Land held for construction sites	11,620,906	22,221,434
Construction in progress	92,614,523	75,666,116
Total	**$ 111,636,808**	**107,006,078**

For the years ended December 31, 2023 and 2022, the inventory costs recognized as cost of goods sold were $9,513,791 thousand and $16,620,619 thousand, respectively, and there were no inventory impairment losses or reversals of inventory write-downs recognized for the years ended December 31, 2023 and 2022.

For the years ended December 31, 2023 and 2022, the Company has changed the usage of partial assets, and reclassified properties and land held for sale to construction in progress and investment property and property, plant and equipment according to definition, please refer to note 6(h) and 6(j).

(Continued)

HIGHWEALTH CONSTRUCTION CORP.
Notes to the Parent Company only Financial Statements

For the years ended December 31, 2023 and 2022, construction in progress of the company is calculated using a capitalization rate 2.37% and 1.98%, respectively. For capitalized interest, please refer to note 6(x).

As of December 31, 2023 and 2022, the inventories of the Company had been pledged as collateral for bank borrowings, please refer to note 8.

(f) Investments accounted for using equity method

The components of investments accounted for using the equity method at the reporting date were as follows:

	December 31, 2023	December 31, 2022
Subsidiaries	$ 12,846,633	11,900,907

(i) Subsidiaries

Please refer to consolidated financial statement of 2023.

The Board of Directors made a resolution in 2022 to invest in BI JIANG ENTERPRISE CO., LTD., BO-YUAN CONSTRUCTION Co., Ltd., SHING FU FA CONSTRUCTION CO., LTD., WELL RICH INTERNATIONAL CO., LTD. and Ju Feng Hotel Management Consultant Co.,Ltd. with 150,000 thousand shares, 150,000 thousand shares, 25,000 thousand shares, 10,000 thousand shares, and 1,300 thousand shares, respectively. The price per share is $10.

Resolution was passed during the general meeting of shareholders held in 2023 and 2022 that CHYI YUH CONSTRUCTION CO., LTD. for the issuance at $1.31 and $0.94 pere share using retained earnings, respectively, with an amount totaling 50,700 thousand and 33,500 thousand shares.

HIGHWEALTH PROPERTY MANAGEMENT CO., LTD. refund of capital reduction by $18,000 thousand in 2022.

BO-YUAN CONSTRUCTION CO., LTD. resolved to eliminate loss by reducing capital by $570,000 thousand in 2022.

(ii) Guarantees

As of December 31, 2023 and 2022, the investments accounted for using equity method had been pledged as collateral for bank borrowings, please refer to note 8.

(g) Changes in a parent's ownership interest in a subsidiary

For the year ended December 31, 2023 and 2022, the Company acquired 651 thousand and 3,311 thousand shares of RUN LONG CONSTRUCTION CO., LTD., at the amounts of $48,580 thousand and $231,239 thousand, and disposed 6,914 thousand and 0 shares, at the amounts of $556,931 thousand and $0 thousand, respectively.

HIGHWEALTH CONSTRUCTION CORP.
Notes to the Parent Company only Financial Statements

The effects of the changes in shareholdings were as follows:

	For the years ended December 31	
	2023	2022
Carrying amount of non-controlling interest on acquisition	$ 9,565	46,158
Consideration paid to non-controlling interests	(48,580)	(231,239)
Retained earnings	**$ (39,015)**	**(185,081)**

	For the years ended December 31	
	2023	2022
Book value of the non-controlling interests	$ (137,515)	-
Consideration transferred from non-controlling interests	556,931	-
Capital surplus-differences between the consideration and the carrying amounts of subsidiaries acquired or disposal	**$ 419,416**	**-**

(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:

	Land	Buildings and construction	Other equipment	Total
Cost or deemed cost:				
Balance on January 1, 2023	$ 267,760	235,468	55,513	558,741
Additions	-	-	2,938	2,938
Disposals	-	-	(2,608)	(2,608)
Balance on December 31, 2023	**$ 267,760**	**235,468**	**55,843**	**559,071**
Balance on January 1, 2022	$ 247,050	219,368	55,155	521,573
Transfer from inventory	33,346	32,051	-	65,397
Additions	-	-	8,850	8,850
Disposals	(12,636)	(15,951)	(8,492)	(37,079)
Balance on December 31, 2022	**$ 267,760**	**235,468**	**55,513**	**558,741**
Depreciation and impairments loss:				
Balance on January 1, 2023	$ -	71,713	31,626	103,339
Depreciation	-	4,276	9,610	13,886
Disposals	-	-	(2,608)	(2,608)
Balance on December 31, 2023	**$ -**	**75,989**	**38,628**	**114,617**
Balance on January 1, 2022	$ -	65,709	30,708	96,417
Depreciation	-	6,773	9,386	16,159
Disposals	-	(769)	(8,468)	(9,237)
Balance on December 31, 2022	**$ -**	**71,713**	**31,626**	**103,339**
Carrying amounts:				
Balance on December 31, 2023	**$ 267,760**	**159,479**	**17,215**	**444,454**
Balance on December 31, 2022	**$ 247,050**	**153,659**	**24,447**	**425,156**
Balance on January 1, 2022	**$ 267,760**	**163,755**	**23,887**	**455,402**

As of December 31, 2023 and 2022, the property, plant and equipment of the Company had been pledged as collateral for bank borrowings, please refer to note 8.

(Continued)

HIGHWEALTH CONSTRUCTION CORP.
Notes to the Parent Company only Financial Statements

(i) Right-of-use assets

The Company leases assets including land, buildings and construction and transportation equipment. Information about leases for which the Company as a lessee was presented below:

	Land	Buildings and construction	Total
Cost:			
Balance on January 1, 2023	$ -	64,951	64,951
Additions	3,008	8,905	11,913
Balance on December 31, 2023	**$ 3,008**	**73,856**	**76,864**
Balance on January 1, 2022	$ -	59,062	59,062
Additions	-	5,889	5,889
Balance on December 31, 2022	**$ -**	**64,951**	**64,951**
Depreciation and impairment losses:			
Balance on January 1, 2023	$ -	23,440	23,440
Depreciation	2,005	14,711	16,716
Balance on December 31, 2023	**$ 2,005**	**38,151**	**40,156**
Balance on January 1, 2022	$ -	10,738	10,738
Depreciation	-	12,702	12,702
Balance on December 31, 2022	**$ -**	**23,440**	**23,440**
Carrying amounts:			
Balance on December 31, 2023	**$ 1,003**	**35,705**	**36,708**
Balance on January 1, 2022	**$ -**	**48,324**	**48,324**
Balance on December 31, 2022	**$ -**	**41,511**	**41,511**

(j) Investment Property

	Self-owned property					
	Land and improvement	**Buildings and construction**	**Other equipment**	**Investment property constructed in progress**	**Right-of-use assets**	**Total**
Cost or deemed cost:						
Balance on January 1, 2023	$ 3,452,885	3,147,651	50,066	1,664,112	21,439	8,336,153
Additions	-	-	-	810,845	-	810,845
Transfer from inventory	35,383	35,602	-	-	-	70,985
Disposals	(22,712)	(21,147)	-	-	-	(43,859)
Balance on December 31, 2023	**$ 3,465,556**	**3,162,106**	**50,066**	**2,474,957**	**21,439**	**9,174,124**
Balance on January 1, 2022	$ 3,231,866	2,937,960	50,139	540,772	21,439	6,782,176
Additions	-	-	-	1,123,340	-	1,123,340
Transfer from inventory	221,019	209,691	-	-	-	430,710
Disposals	-	-	(73)	-	-	(73)
Balance on December 31, 2022	**$ 3,452,885**	**3,147,651**	**50,066**	**1,664,112**	**21,439**	**8,336,153**

(Continued)

HIGHWEALTH CONSTRUCTION CORP.
Notes to the Parent Company only Financial Statements

	Self-owned property					
	Land and improvement	Buildings and construction	Other equipment	Investment property constructed in progress	Right-of-use assets	Total
Depreciation and impairments loss:						
Balance on January 1, 2023	$ 40,818	327,358	16,694	-	4,339	389,209
Depreciation	-	61,949	16,689	-	3,063	81,701
Disposals	-	(1,136)	-	-	-	(1,136)
Balance on December 31, 2023	**$ 40,818**	**388,171**	**33,383**	**-**	**7,402**	**469,774**
Balance on January 1, 2022	$ 40,818	267,314	-	-	1,276	309,408
Depreciation	-	60,044	16,713	-	3,063	79,820
Disposals	-	-	(19)	-	-	(19)
Balance on December 31, 2022	**$ 40,818**	**327,358**	**16,694**	**-**	**4,339**	**389,209**
Carrying amounts:						
Balance on December 31, 2023	**$ 3,424,738**	**2,773,935**	**16,683**	**2,474,957**	**14,037**	**8,704,350**
Balance on January 1, 2022	**$ 3,191,048**	**2,670,646**	**50,139**	**540,772**	**20,163**	**6,472,768**
Balance on December 31, 2022	**$ 3,412,067**	**2,820,293**	**33,372**	**1,664,112**	**17,100**	**7,946,944**
Fair value:						
Balance on December 31, 2023						**$ 11,578,318**
Balance on December 31, 2022						**$ 9,452,032**

The investment property includes the Company's own assets, assets under construction and right-of-use assets held in recongnized of lease rights that leased to third parties under operating leases. Please refer to note 6 (q) and 6(v) for more information.

The fair value measurement of investment property is based on the website of Department of Land Administration and estate agency' s website or the close deal in similar district. The fair value measurement for investment property has been categorized as a level 3 fair value based on the inputs to the valuation technique used.

The investment property under construction included the real estate property constructed by the Company and the real estate property constructed together with its subsidiary BO-YUAN CONSTRUCTION Corp., which is expected to be leased out under operating leases and calculated using the interest rate of 2.37% and 1.98% in 2023 and 2022, respectively. Please refer to note 7 for more information.

As of December 31, 2023 and 2022, the Company' s investment property had been pledged as collateral for bank borrowings, please refer to note 8.

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

	December 31, 2023	December 31, 2022
Other current financial assets	$ 8,655,432	9,318,709
Current incremental costs of obtaining a contract-current	1,891,752	1,641,114
Other non-current financial assets	3,048,970	3,801,981
	$ 13,596,154	**14,761,804**

(Continued)

HIGHWEALTH CONSTRUCTION CORP.
Notes to the Parent Company only Financial Statements

(i) Other financial asset

Other financial assets include Trust account for presale of properties, reserve account for borrowing, performance guarantee, reserve account for corporation bonds and construction deposit.

(ii) Incremental costs of obtaining a contract-current

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. For the years ended December 31, 2023 and 2022, the Company recognized $373,257 thousand and $515,046 thousand of selling expenses, respectively.

(iii) As of December 31, 2023 and 2022, the other financial assets of the Company had pledged as collateral for long-term borrowings, please refer to note 8.

(l) Short-term borrowings

	December 31, 2023	December 31, 2022
Unsecured bank loans	$ 5,043,333	10,037,333
Secured bank loans	68,506,656	63,247,595
Less：Syndicated Loan Expense	(12,951)	(17,815)
Total	**$ 73,537,038**	**73,267,113**
Range of interest rates	**1.95%~3.165%**	**1.70%~3.25%**

(i) The issue of bank loan and repayment

For the years ended December 31, 2023 and 2022, the incremental amounts are $11,209,330 thousand and $15,197,950 thousand, respectively; the repayment amounts are $10,944,269 thousand and $10,947,560 thousand, respectively. Please refer to note 6(x) for interest expense.

(ii) Collateral for Bank Loans

For the collateral for short-term borrowings, please refer to note 8.

(m) Short-term notes and bills payable

	December 31, 2023		
	Guarantee or acceptance institute	**Range of interest rate**	**Amount**
Commercial paper payable	Financial institute	1.498%~2.738%	$ 2,648,500
Less: Discount on short-term notes and bills payable			(10,481)
Total			**$ 2,638,019**

(Continued)

HIGHWEALTH CONSTRUCTION CORP.
Notes to the Parent Company only Financial Statements

	December 31, 2022			
	Guarantee or acceptance institute	**Range of interest rate**		**Amount**
Commercial paper payable	Financial institute	1.548%~2.838%	$	3,022,200
Less: Discount on short-term notes and bills payable				(12,011)
Total			$	**3,010,189**

For the collateral for short-term notes and bills payable, please refer to note 8.

(n) Long-term borrowings

The Company's long-term borrowings details, conditions, and provisions were as follows:

	December 31, 2023				
	Currency	**Range of interest rate**	**Maturity**		**Amount**
Unsecured bank loans	TWD	2.68%	2026	$	250,000
Secured bank loans	TWD	2.30%~2.82%	2024~2038		5,462,532
Less: current portion					(2,298,119)
Total				$	**3,414,413**

	December 31, 2022				
	Currency	**Range of interest rate**	**Maturity**		**Amount**
Secured bank loans	TWD	2.18%~2.57%	2024~2038	$	3,785,502
Less: current portion					(70,929)
Total				$	**3,714,573**

(i) The issue of bank loan and repayment

The amount issued for the years ended December 31, 2023 and 2022 are $2,048,000 thousand and $2,042,000 thousand, respectively; the repayment amounts are $120,970 thousand and $552,228 thousand, respectively, please refer to note 6(x) for interest expense.

(ii) Collateral for Bank Loans

For the collateral for long-term borrowings, please refer to note 8.

HIGHWEALTH CONSTRUCTION CORP.
Notes to the Parent Company only Financial Statements

(o) Bonds payable/ current portion of bonds payable

The details of the Company's bonds payable were as follows:

	December 31, 2023	December 31, 2022
Total ordinary corporate bonds issiued	$ 12,450,000	16,500,000
Unamortized discounted corporate bonds payable	(72,261)	(98,525)
Coporate bonds issued balance at year-end	**$ 12,377,739**	**16,401,475**
Secured ordinary corporate bonds - current	$ 1,999,129	2,489,554
Secured ordinary corporate bonds- non-current	10,378,610	13,911,921
Total	**$ 12,377,739**	**16,401,475**

(i) The Company issued the secured ordinary corporate bonds amounting to 1,450,000 thousand, $2,000,000 thousand, $3,000,000 thousand, $4,000,000 thousand, $5,000,000 thousand, and $2,500,000 thousand, with an interest rate of 1.70%, 0.90%, 0.55%, 0.50%~0.52%, 0.53%, and 0.90% respectively,and in December 2023, April 2022, September 2021, January 2021, December 2020, and May 2018. The secured ordinary corporate bonds were issued for 3 to 5 years, interest paid annually, repayment of principal at maturity. The repayment amounts for the year ended December 31, 2023, are $5,500,000 thousand. Among the repayment amounts in 2023, $3,000,000 thousand that classified as other accounts payable was paid on January 2, 2024.

(ii) The Company's details of secured convertible bonds were as follows:

	December 31, 2023	December 31, 2022
Secured convertible bonds	$ -	10,577,820
Accumulated convertible amount	-	(10,564,280)
Repayment of principal at maturity	-	(13,540)
Ending balance: bonds payable	**$ -**	**-**

In June 2017, the Company issued a secured 5-year convertible bond with zero interest for $10,577,820 thousand with the following conditions:

1) The conversion price was $57.1 per share, when it comes to adjusting conversion price of subsidiary's common share, it should adhere to the Company's conversion rules. The conversion price change with formula within issuance details. The secured convertible bond does not have reset terms.

2) At any time within three months after the issuance date till 40 days before maturity date, the subsidiary would repurchase the bond at the face value if the close of the subsidiary's ordinary share price exceeded 30% of the bond's conversion price for successive 30 days, or the outstanding value of the bond was lower than 10% of the total issuance value.

3) The bondholders can execute put options after three years from the issuance date, the redemption value is 103.7971% of the bonds value (the real yield is 1.25%).

(Continued)

4) Unless the bond has been redeemed before maturity, repurchased and cancelled or converted, the bond will be redeemed by the Company on the maturity date at 106.4082% of the face value of the bond (the real yield is 1.25%). On June 8, 2022, the Company's convertible bonds expired.

(iii) Please refer to the note 6(x) for the interest expense for the years ended December 31, 2023 and 2022. For the details of collateral of secured convertible bonds and bonds payable, please refer to note 7 and 8.

(p) Lease liabilities

The carrying amount of lease liabilities were as follows：

	December 31, 2023	December 31, 2022
Current	$ 44,455	40,905
Non-current	$ 76,814	109,680

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

The amounts recognized in profit or loss were as follows：

	For the years ended December 31	
	2023	2022
Interest on lease liabilities	$ 2,501	3,087
Expenses relating to short-term and low-value leases	$ 46,594	45,772

The amounts 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	$ 90,324	86,081

(i) Real estate leases

As of December 31, 2023 and 2022, the Company leases land and buildings for the construction of its reception center and parking lot. The leases for land and buildings run for a period of 5 and a half years to 7 years. The leases for reception center and parking lot typically run for a period of 1 and a half years to 3 years.

(ii) Other leases

The Company leases office equipment, short-term reception center, and outdoor advertising. These leases are short-term and leases of low-value items. The Company has elected not to recognize its right-of-use assets and lease liabilities for these leases.

(Continued)

HIGHWEALTH CONSTRUCTION CORP.
Notes to the Parent Company only Financial Statements

(q) Operating lease

The Company leases out its investment 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(j) for investment property.

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

	December 31, 2023	December 31, 2022
Less than one year	$ 120,052	119,775
One to two years	93,333	86,212
Two to three years	83,486	74,743
Three to four years	77,239	67,021
Four to five years	70,426	60,506
More than five years	321,088	409,101
Total undiscounted lease payments	**$ 765,624**	**817,358**

For the years ended December 31, 2023 and 2022, rental income from investment properties were $142,777 thousand and $125,572 thousand, respectively.

(r) Employee benefits

(i) Defined benefit plans

The expenses recognized in profit or loss for the Company were as follows:

	December 31, 2023	December 31, 2022
The present value of defined benefit plans	$ 50,630	54,895
Fair value of plan asset	(34,071)	(32,783)
Net defined benefit liability	**$ 16,559**	**22,112**

1) Composition of plan assets

The Company allocates pension funds in accordance with the Regulations for Revenues, Expenditures, Safeguard and Utilization of the Labor Retirement Fund, and such funds are managed by the Bureau of Labor Funds, Ministry of Labor. With regard to the utilization of the funds, minimum earnings shall be no less than the earnings attainable from two-year time deposits with interest rates offered by local banks.

The Company’s Bank of Taiwan labor pension reserve account balance amounted to $34,071 thousand as of December 31, 2023. For information on the utilization of the labor pension fund assets, including the asset allocation and yield of the fund, please refer to the website of the Bureau of Labor Funds, Ministry of Labor.

HIGHWEALTH CONSTRUCTION CORP.

Notes to the Parent Company only Financial Statements

2) Movements in present value of the defined benefit obligations

The movement in present value of the defined benefit obligations for the Company were as follows:

	For the years ended December 31	
	2023	**2022**
Defined benefit obligations at January 1	$ 54,895	55,411
Current service cost and interest	817	346
Remeasurement of net define benefit liabilities (assets)		
—Return on plan assets excluding interest income	(5,082)	(53)
Benefits paid	-	(809)
Defined benefit obligations at December 31	**$ 50,630**	**54,895**

3) Change of fair value of plan asset

The amounts included in the parent company only balance sheets in respect of the Company's fair value of plan asset for the years ended December 31, 2023 and 2022 were as follows:

	For the years ended December 31	
	2023	**2022**
Fair value of plan asset January 1	$ 32,783	30,462
Remeasurement of net defined benefit liabilities (assets)		
—Return on plan assets (excluding interest income)	212	2,364
Amount that has been allocated to the plan	586	574
Expected return on plan asset	490	192
Benefits paid	-	(809)
Fair value of plan assets, December 31	**$ 34,071**	**32,783**

4) Expenses recognized in profit or loss

The expenses recognized in profit or loss for the Company were as follows:

	For the years ended December 31	
	2023	**2022**
Net interest of net liabilities for defined benefit obligations	**$ 327**	**154**
Administration expense	**$ 327**	**154**

HIGHWEALTH CONSTRUCTION CORP.
Notes to the Parent Company only Financial Statements

5) Actuarial valuations

The principal actuarial assumptions at the reporting date were as follows:

	2023.12.31	2022.12.31
Discount rate	1.375 %	1.500 %
Future salary increase rate	2.00 %	3.00 %

The expected allocation payment to be made by the Company to the defined benefit plans for the one-year period after the reporting date is $588 thousand.

The weighted average lifetime of the defined benefit plans is 8.39 years.

6) Sensitivity analysis

If the actuarial assumptions had changed, the impact on the present value of the defined benefit obligation shall be as follows:

	Defined benefit obligation	
	Increase 0.25%	Decrease 0.25%
December 31, 2023		
Discount rate (0.25% difference)	$ (803)	823
Future salary increase rate (0.25% difference)	791	(776)
December 31, 2022		
Discount rate (0.25% difference)	(1,005)	1,032
Future salary increase rate (0.25% difference)	987	(967)

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown above. The method used in the sensitivity analysis is consistent with the calculation of pension liabilities in the balance sheets.

There is no change in the method and assumptions used in the preparation of sensitivity analysis for 2023 and 2022.

(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 these defined contribution plans, the Company allocates a fixed amount to the Bureau of Labor Insurance without additional legal or constructive obligation.

The pension costs incurred from the contributions to the Bureau of the Labor Insurance for the years ended December 31, 2023 and 2022 amounted to $10,861 thousand and $11,076 thousand, respectively.

HIGHWEALTH CONSTRUCTION CORP.
Notes to the Parent Company only Financial Statements

(s) Income tax

(i) Income tax expenses

The components of income tax expenses for the years ended December 31, 2023 and 2022 were as follows:

	For the years ended December 31	
	2023	2022
Current tax expense		
Current period	$ 145,431	717,693
Land value increment tax	37,708	50,237
Additional surtax on unappropriated earnings	19,000	-
Adjustment for prior periods	(1,634)	354
Tax expense	**$ 200,505**	**768,284**

The reconciliation of tax expense and income before tax for the years ended December 31, 2023 and 2022 are as follows:

	For the years ended December 31	
	2023	2022
Income before tax	$ 2,637,877	4,509,282
Income tax expense at domestic statutory tax rate	527,575	901,856
Land tax exempt income	(166,945)	(124,922)
Book –tax difference between recognition time	54,629	129,708
Book –tax difference of capitalization	(85,462)	(87,486)
Profit or loss from investment accounted for using equity method	(168,462)	(78,202)
Book –tax difference between deferred sales commission	11,169	6,663
Land value increment tax	37,708	50,237
Financial assets measured at fair value through profit and loss	(12,532)	1,523
Realized loss from investment	-	(131,742)
Unrealized profit or loss from associated company	(7,907)	(8,020)
Additional surtax on unappropriated earnings	19,000	-
Adjustment for prior periods	(1,634)	354
Others	(6,634)	108,315
Total	**$ 200,505**	**768,284**

(Continued)

HIGHWEALTH CONSTRUCTION CORP.
Notes to the Parent Company only Financial Statements

(ii) Deferred tax asset and liability recognized

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

Deferred tax assets:

	Investment property impairment	Others	Total
Balance on January 1, 2023	**$ 11,242**	**3,302**	**14,544**
Balance on December 31, 2023	**$ 11,242**	**3,302**	**14,544**
Balance on January 1, 2022	**$ 11,242**	**3,302**	**14,544**
Balance on December 31, 2022	**$ 11,242**	**3,302**	**14,544**

Deferred tax liabilities:

	Others
Balance on January 1, 2023	**$ 340**
Balance on December 31, 2023	**$ 340**
Balance on January 1, 2022	**$ 340**
Balance on December 31, 2022	**$ 340**

(iii) The Company’s income tax had been examined by the tax authorities till 2021, except for 2019.

(t) Capital and other equity

As of December 31, 2023 and 2022, the total value of authorized ordinary shares was $20,000,000 thousand, with a par value of $10 per share. The paid-in capital were $18,841,415 thousand and $17,146,741 thousand, respectively.

(i) Ordinary shares

Reconciliation of shares outstanding during 2023 and 2022 was as follows:

	Ordinary Shares	
	2023	**2022**
Balance on January 1	1,714,674	1,392,753
Capital increase by retained earning	169,467	154,289
Convertible bonds transfer	-	167,632
Balance on December 31	**1,884,141**	**1,714,674**

HIGHWEALTH CONSTRUCTION CORP.
Notes to the Parent Company only Financial Statements

A resolution was passed during the general meeting of shareholders held on June 13, 2023 and June 14, 2022, for the issuance new shares by retained earnings, amounting to $1,694,674 thousand and $1,542,891 thousand, respectively. The Company had received approval from the Financial Supervisory Commission for this capital increase on July 27, 2023 and July 28, 2022, respectively. And a resolution was passed during the board meeting, to set October 2, 2023, and October 2, 2022 as the base date for the capital increase, and the registration was completed on October 17, 2023 and October 14, 2022.

For the years ended December 31, 2022, due to the convertible bondholders' exercised the convert option, the Company issued 167,632 thousand new shares, at par value, amounting to $1,676,319 thousand. The relevant legal registration procedures had been completed.

(ii) Capital surplus

The balance of capital surplus as of December 31, 2023 and 2022, were as follows:

	December 31, 2023	December 31, 2022
Treasury share transactions	$ 618,660	608,590
Difference arising from subsidiary’s equity	33,573	34,675
Difference arising from subsidiary’s share price and its carrying value	419,416	-
Conversion premium of convertible bonds	7,747,840	7,747,840
Capital surplus-premium from merger	62	62
Donation from shareholders	3,284	3,284
Other	13,743	13,743
	$ 8,836,578	**8,408,194**

According to the R.O.C. Company Act, 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.

(iii) Retained earnings

In accordance with the Company’s articles of incorporation, after paying the income taxes, the Company’s net earnings should first be used to offset the prior years’ deficits. Of the remaining balance, 10% is to be appropriated as legal reserve, which in accordance with the regulations of the competent authority or reversal appropriated retained earnings. And then any remaining profit, together with any undistributed retained earnings, shall not be distributed less than 20% as shareholders’dividends proposed by the Board of Directors to be submitted to the stockholders’ meeting for approval. The cash dividends should not be less than 10% of the total dividends.

(Continued)

HIGHWEALTH CONSTRUCTION CORP.
Notes to the Parent Company only Financial Statements

As the Company distributes dividends or legal reserves and part or all paid-in capital in cash, the Company should hold a Board meeting to pass the resolution by more than half of the directors present at Board meeting, which requires a quorum of two-third of all the directors. The resolution should be submitted to the shareholder's 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 issued by the FSC, 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. Amounts of subsequent reversals pertaining to the net reduction of other shareholders' equity shall qualify for additional distributions.

3) Earnings distribution

The amounts of cash dividends on the appropriations of earnings for 2022 and 2021 had been approved during the board meeting on April 11, 2023 and April 6, 2022, as well as the shareholders' meeting on June 13, 2023 and June 14, 2022, respectively. The relevant dividend distributions to shareholders were as follows:

	For the years ended December 31			
	2022		2021	
	Amount per share (dollars)	Total amount	Amount per share (dollars)	Total amount
Dividends distributed to ordinary shareholders:				
Cash dividends	$ 0.50	847,337	4.01	6,171,566
Stock dividends	1.00	1,694,674	1.0	1,542,891
Total		$ 2,542,011		7,714,457

(iv) Treasury shares

1) In accordance with the Securities and Exchange Act requirements as stated above, to encourage employees and improve their work performance, the board has decided to repurchase the treasury shares at the price ranging from $40~$60 per share and transfer the shares to employees. During 2021, the total amount of repurchase shares were 20,000 thousand shares at the price of $884,908 thousand.

HIGHWEALTH CONSTRUCTION CORP.
Notes to the Parent Company only Financial Statements

2) Prior to Company ACT amendment in 2001, Subsidiaries of the Company, Ju Feng Hotel Management Consultant Co.,Ltd., HIGHWEALTH PROPERTY MANAGEMENT CO., LTD., and CHYI YUH CONSTRUCTION CO., LTD. held part of the Company's shares for investment purpose. RUN LONG CONSTRUCTION CO., LTD., a subsidiary the Company has control over, acquired 145 thousand of the Company' s shares for investment purpose in the public market in 2023. As of December 31, 2023 and 2022, the market price per share were $40.10 and $40.30, respectively.

The details of the treasury shares held by subsidiaries are as followed:

	December 31, 2023		December 31, 2022	
Subsidiary	**Shares (thousand)**	**Book value**	**Shares (thousand)**	**Book value**
Ju Feng Hotel Management Consultant Co.,Ltd.	5,541	$ 1,733	5,037	1,733
HIGHWEALTH PROPERTY MANAGEMENT CO., LTD.	10,709	10,850	9,736	10,850
CHYI YUH CONSTRUCTION CO., LTD.	3,321	-	3,020	-
RUN LONG CONSTRUCTION CO., LTD.	16,053	74,385	14,462	79,729
	35,624	**$ 86,968**	**32,255**	**92,312**

(v) Other equity items

	Exchange differences on translation of foreign financial statements	**Unrealized gains (losses) from financial assets measured at fair value through other comprehensive income**	**Total**
Balance on January 1, 2023	$ 268	-	268
Exchange differences on foreign operations	(54)	-	(54)
Balance on December 31, 2023	**$ 214**	**-**	**214**
Balance on January 1, 2022	$ 221	538,526	538,747
Exchange differences on foreign operations	47	-	47
Unrealized gains (losses) from financial assets measured at fair value through other comprehensive income	-	2,814	2,814
Disposal of investments in equity instruments designated at fair value through other comprehensive income	-	(541,340)	(541,340)
Balance on December 31, 2022	**$ 268**	**-**	**268**

(Continued)

HIGHWEALTH CONSTRUCTION CORP.
Notes to the Parent Company only Financial Statements

(u) Earnings per share

(i) Basic earnings per share

The Company's basic earnings per share is calculated by profit attributable to ordinary shareholders of the Company for 2023 and 2022 were $2,437,372 thousand and $3,740,998 thousand, respectively, and both the weighted average number of ordinary shares outstanding for 2023 and 2022 were 1,828,650 thousand and 1,802,439 thousand shares, respectively, calculated as follows:

1) Profit attributable to ordinary shareholders of the Company

	For the years ended December 31	
	2023	**2022**
Profit attributable to ordinary shareholders of the Company	**$ 2,437,372**	**3,740,998**

2) Weighted-average number of ordinary shares

	For the years ended December 31	
	2023	**2022**
Ordinary shares outstanding on January 1	1,714,674	1,392,753
Effect of treasury stock	(55,491)	(55,479)
Effect of conversion of convertible bonds	-	141,409
Effect of stock dividends	169,467	323,756
Weighted-average number of ordinary shares on December 31	**1,828,650**	**1,802,439**

(ii) Diluted earnings per share

The Company's diluted earnings per share is calculated by profit attributable to ordinary shareholders of the Company for 2023 and 2022 were $2,437,372 thousand and $3,754,605 thousand respectively. After adjusting the effect of dilution of ordinary share, the weighted average number of ordinary shares for 2023 and 2022 were 1,829,777 thousand and 1,830,385 thousand shares, respectively. The related calculations are as follows:

1) Profit attributable to ordinary shareholders of the Company (diluted)

	For the years ended December 31	
	2023	**2022**
Profit attributable to ordinary shareholders of the Company (diluted)	**$ 2,437,372**	**3,754,605**

(Continued)

HIGHWEALTH CONSTRUCTION CORP.
Notes to the Parent Company only Financial Statements

2) Weighted-average number of ordinary shares (diluted)

	For the years ended December 31	
	2023	**2022**
Weighted-average number of ordinary shares (basic)	1,828,650	1,802,439
Effect of conversion of convertible bonds	-	26,761
Effect of employee share bonus	1,127	1,185
Weighted-average number of ordinary shares (diluted) on December 31	**1,829,777**	**1,830,385**

(v) Revenue from contracts with customers

(i) Disaggregation of revenue

	For the years ended December 31	
	2023	**2022**
Primary geographical markets:		
Taiwan	**$ 13,241,365**	**23,785,809**
Major products/services lines:		
Sales of real estate	$ 13,098,588	23,660,237
Other revenue	142,777	125,572
	$ 13,241,365	**23,785,809**
Timing of revenue recognition:		
Revenue transferred over time	$ 142,777	125,572
Products and services transferred at a point in time	13,098,588	23,660,237
	$ 13,241,365	**23,785,809**

(ii) Contract balances

	December 31, 2023	**December 31, 2022**	**January 1, 2022**
Contract liabilities-sales of real estate	$ 8,820,287	7,011,892	6,405,472
Contract liabilities-advance receipt	9,165	11,814	7,632
Total	**$ 8,829,452**	**7,023,706**	**6,413,104**

For details on accounts receivable and allowance for impairment, please refer to note 6(d).

The amount of revenue recognized for the years ended December 31, 2023 and 2022. that was included in the contract liability balance at the beginning of the period were $2,044,021 thousand and $3,263,429 thousand, respectively.

HIGHWEALTH CONSTRUCTION CORP.
Notes to the Parent Company only Financial Statements

The major change in the balance of contract assets and liabilities is the difference between the time frame in the performance obligation to be satisfied and the payment to be received. There were no other significant changes for the years ended December 31, 2023 and 2022.

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

In accordance with the articles of incorporation the Company should contribute no less than 0.1%of the profit as employee compensation and less than 1% as directors' and supervisors' remuneration when there is profit for the year. 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.

For the years ended December 31, 2023 and 2022, the Company estimated its employee remuneration amounting to $38,000 thousand, and directors' and supervisors' remuneration amounting to $8,000 thousand, respectively. 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, 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 2023 and 2022. Related information would be available at the Market Observation Post System website. The amounts, as stated in the parent company only financial statements, are identical to those of the actual distributions for 2023 and 2022.

(x) Non-operating income and expense

(i) Interest income

The details of interest income were as follows:

	For the years ended December 31	
	2023	**2022**
Interest income	$ 105,662	28,491
Others	264	1,386
	$ 105,926	**29,877**

(ii) Other income

The details of other income were as follows:

	For the years ended December 31	
	2023	**2022**
Contract termination income	$ 34,116	16,737
Dividend income	9,961	26,882
Other income	52,577	44,287
	$ 96,654	**87,906**

HIGHWEALTH CONSTRUCTION CORP.
Notes to the Parent Company only 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
Gains on disposal of property, plant and equipment	$ -	22,378
(Gains) losses on disposal of investment properties	77,992	(54)
Gains (losses) on financial assets (liabilities) at fair value through profit or loss	62,658	(7,617)
Other expenses	(2,675)	(37,097)
	$ 137,975	**(22,390)**

(iv) Finance costs

The details of finance costs were as follows:

	For the years ended December 31	
	2023	2022
Interest expense		
Bank loans and collateral	$ 2,031,522	1,552,320
Interest and fee on corporate bond	255,894	311,823
Other finance expenses	2,501	3,087
Less: capitalized interest	(1,447,804)	(1,169,999)
	$ 842,113	**697,231**

(y) Financial instruments

(i) Credit risk

1) Credit risk exposure

The financial instrument’ s biggest credit risk exposure is the same as the carrying amount of the financial assets.

2) Concentration of credit risk

The Company has a vast client base that is not connected; thus, the ability to concentrate the credit risk is limited.

3) Receivables and debt securities

For credit risk exposure of note and trade receivables, please refer to note 6(d).

Other financial assets at amortized cost are other receivables (classified as other current financial assets). All these financial assets are considered to have low risk, and thus, the impairment provision recognized during the period was limited to 12 months expected losses.

(Continued)

HIGHWEALTH CONSTRUCTION CORP.
Notes to the Parent Company only Financial Statements

The loss allowance provisions were determined as follows:

	Other receivables
Balance on December 31, 2023(as opening balance)	$ 8,235
Balance on December 31, 2022(as opening balance)	$ 8,235

(ii) Liquidity risk

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

	Contractual cash flows	Within 1 year	1-5 years	Over 5 years
December 31, 2023				
Non derivative financial liabilities:				
Secured loans	$ 78,952,973	13,064,517	48,375,671	17,512,785
Unsecured loans	5,552,931	3,073,555	1,183,411	1,295,965
Short-term investment payables	2,648,500	2,648,500	-	-
Ordinary corporate bonds (including current portion)	12,645,892	2,055,856	10,590,036	-
Notes payable, accounts payable and other payables	6,989,530	6,989,530	-	-
Lease liability	124,841	44,901	79,940	-
	$ 106,914,667	27,876,859	-	18,808,750
December 31, 2022				
Non derivative financial liabilities:				
Secured loans	$ 72,502,329	5,713,502	49,707,334	17,081,493
Unsecured loans	10,253,282	8,401,239	1,852,043	-
Short-term investment payables	3,022,200	3,022,200	-	-
Ordinary corporate bonds (including current portion)	16,769,022	2,590,510	14,178,512	-
Notes payable, accounts payable and other payables	3,915,280	3,915,280	-	-
Lease liability	156,369	41,310	110,022	5,037
	$ 106,618,482	23,684,041	65,847,911	17,086,530

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

HIGHWEALTH CONSTRUCTION CORP.
Notes to the Parent Company only Financial Statements

(iii) Market risk

1) Currency risk exposure: None

2) 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 exposure to the interest rate risk of derivative and non-derivative financial instruments on the reporting date. Regarding assets with variable interest rates, the analysis is based on the assumption that the amount of assets outstanding at the reporting date was outstanding throughout the year. The rate of change is expressed as the interest rate increases or decreases by 0.5% when reporting to management internally, which also represents the Company management's assessment of the reasonably possible interest rate change.

If the interest rate had increased / decreased by 0.5% basis points, the Company’s interest expenses would have increased / decreased by $409,438 thousand and $400,314 thousand for the years ended December 31, 2023 and 2022, with another variable factors remaining constant. Considering that capitalized interest of profit may decrease or increase by $150,570 thousand and $149,479 thousand. This is mainly due to the Company’s borrowing at variable rates.

3) Other market price risk

For the years ended December 31, 2023 and 2022, the sensitivity analyses for the changes in the securities price at the reporting date were performed using the same basis for the profit and loss as illustrated below:

	For the years ended December 31			
	2023		2022	
Prices of securities at the reporting date	**Comprehensive Income (Loss) (net of tax)**	**Net Income (Loss) (net of tax)**	**Comprehensive Income (Loss) (net of tax)**	**Net Income (Loss) (net of tax)**
Increase 10%	$ 500	32,790	500	26,524
Decrease 10%	$ (500)	(32,790)	(500)	(26,524)

(iv) Information of fair value

1) Valuation techniques for financial instruments measured at fair value

The fair value of financial assets and liabilities at fair value through profit or loss, and financial assets at fair value through other comprehensive income is 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:

HIGHWEALTH CONSTRUCTION CORP.
Notes to the Parent Company only Financial Statements

	December 31, 2023				
		Fair Value			
	Book Value	Level 1	Level 2	Level 3	Total
Financial assets at fair value through profit or loss					
Non-derivative financial assets mandatorily measured at fair value through profit or loss	$ 327,895	327,895	-	-	327,895
Financial assets at fair value through other comprehensive income					
Stocks in unlisted company	$ 5,000	-	5,000	-	5,000
Financial assets measured at amortized cost					
Cash and cash equivalents	$ 7,615,548	-	-	-	-
Notes and accounts receivable	1,404,246	-	-	-	-
Other financial assets - current	8,655,432	-	-	-	-
Other financial assets - non-current	3,048,970	-	-	-	-
Subtotal	$ 20,724,196	-	-	-	-
Financial liabilities measured at amortized cost					
Short-term loans	$ 73,537,038	-	-	-	-
Short-term investment payables	2,638,019	-	-	-	-
Notes payable, accounts payable and other payables	6,989,530	-	-	-	-
Lease liabilities	121,269	-	-	-	-
Other financial liabilities- current	226,134	-	-	-	-
Corporate bonds payable (Current portions)	12,377,739	-	-	-	-
Long-term loans (Current portions)	5,712,532	-	-	-	-
Subtotal	$ 101,602,261	-	-	-	-

	December 31, 2022				
		Fair Value			
	Book Value	Level 1	Level 2	Level 3	Total
Financial assets at fair value through profit or loss					
Non-derivative financial assets mandatorily measured at fair value through profit or loss	$ 265,237	265,237	-	-	265,237
Financial assets at fair value through other comprehensive income					
Stocks in unlisted company	$ 5,000	-	5,000	-	5,000
Financial assets measured at amortized cost					
Cash and cash equivalents	$ 8,448,964	-	-	-	-
Notes and accounts receivable	2,065,905	-	-	-	-
Other financial assets- current	9,318,709	-	-	-	-
Other financial assets- non-current	3,801,981	-	-	-	-
Subtotal	$ 23,635,559	-	-	-	-

(Continued)

HIGHWEALTH CONSTRUCTION CORP.
Notes to the Parent Company only Financial Statements

	December 31, 2022				
		Fair Value			
	Book Value	Level 1	Level 2	Level 3	Total
Financial liabilities measured at amortized cost					
Short-term loans	$ 73,267,113	-	-	-	-
Short-term investment payables	3,010,189	-	-	-	-
Notes payable, accounts payable and other payables	3,915,280	-	-	-	-
Lease liabilities	150,585	-	-	-	-
Other financial liabilities- current	226,291	-	-	-	-
Corporate bonds payable	16,401,475	-	-	-	-
Long-term loans (Current portions)	3,785,502	-	-	-	-
Subtotal	$ 100,756,435	-	-	-	-

2) Valuation techniques for financial instruments not measured at fair value

The Company's valuation techniques and assumptions used for financial instruments not measured at fair value are as follows:

a) Financial assets measured at amortized cost (debt investment that has no active markets) and financial liabilities measured at amortized cost.

If there is quoted price generated by transactions, the recent transaction price and quoted price data is used as the basis for fair value measurement. However, if no quoted prices are available, the discounted cash flows are used to estimate fair values.

3) Valuation techniques for financial instruments measured at fair value

a) Non-derivative financial instruments

A financial instrument is regarded as being quoted in an active market if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency and those prices represent actual and regularly occurring market transactions on an arm' s-length basis. Whether transactions are taking place 'regularly' is a matter of judgment and depends on the facts and circumstances of the market for the instrument.

Quoted market prices may not be indicative of the fair value of an instrument if the activity in the market is infrequent, the market is not well-established, only small volumes are traded, or bid-ask spreads are very wide. Determining whether a market is active involves judgment.

Measurements of fair value of financial instruments without an active market are based on a valuation technique or quoted price from a competitor. Fair value measured by a valuation technique can be extrapolated from similar financial instruments, the discounted cash flow method, or other valuation technique including a model using observable market data at the reporting date.

b) Derivative financial instruments

Measurement of the fair value of derivative instruments is based on the valuation techniques generally accepted by market participants such as the discounted cash flow or option pricing models. Fair value of forward currency is usually determined by the forward currency exchange rate.

4) Transfers between Level 1 and Level 2

Stock held by the Company quoted in an active market is sorted to Level 1. There is no difference regarding valuation techniques between 2023 and 2022. There is no transfer between first and second level measured at fair value in 2023 and 2022.

(z) Financial risk management

(i) Overview

The Company has 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.

(ii) Structure of risk management

The Company' s risk management policies are established to identify and analyze the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

(iii) Credit risk

Credit risk is the risk of financial loss to 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) Account receivable and other receivable

The Company is credit risk is affected by its clients. Accounts receivable generated by selling real estate has a lower credit risk since the payment is completed by the masses with transferring, check, or loans form the bank.

The Company discloses the estimation of accounts receivables' and other receivables' loss with allowance for bad debt account. Allowance for bad debt account is composed with specific losses and batch of unrecognized losses components. Unrecognized losses components are determined by historically statistical data from similar financial assets.

2) Investments

The exposure to credit risk for the bank deposits, fixed income investments, and other financial instruments is measured and monitored by the Company's finance department. The Company only deals with banks, other external parties, corporate organizations, government agencies and financial institutions with good credit rating. The Company does not expect any counterparty above fails to meet its obligations hence there is no significant credit risk arising from these counterparties.

3) Guarantees

The Company's policy is to provide financial guarantees to subsidiaries that directly or indirectly hold more than 50% of voting shares and companies with business relations. At December 31, 2023 and 2022, the situation about the Company provided guarantees to wholly owned subsidiaries, please refer to note 7(b).

(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 managing liquidity is to ensure, as far as possible, that it always has 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's 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.

(aa) Capital management

The Company's objectives for managing capital to safeguard the capacity to continue to operate, to continue to provide a return on shareholders, to maintain the interest of other 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 to the shareholders, reduce the capital for redistribution to shareholders, issue 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 capital. This ratio is the total net debt divided by the total capital. The net debt from the balance sheet is derived from the total liabilities less cash and cash equivalents. The total capital and equity include share capital, capital surplus, retained earnings, and other equity plus net debt.

(Continued)

HIGHWEALTH CONSTRUCTION CORP.
Notes to the Parent Company only Financial Statements

As of 2023, the Company’s capital management strategy is consistent with the prior year as of 2022. The gearing ratio is maintained so as to ensure an “A” credit rating and ensure financing at reasonable cost. The Company’s debt-to-equity ratio at the end of the reporting period as of December 31, 2023, were as follows:

	December 31, 2023	December 31, 2022
Total liabilities	$ 110,851,321	108,745,889
Less: cash and cash equivalents	(7,615,548)	(8,448,964)
Net debt	103,235,773	100,296,925
Total Equity	46,574,568	44,584,107
Total adjusted capital	**$ 149,810,341**	**144,881,032**
Debt-to-equity ratio	**68.91%**	**69.23%**

(ab) Investing and financing activities not affecting the current cash flow

The Company investing and financing activities, which did not affect the current cash flow in the years ended December 31, 2023 and 2022, were as follows:

(i) By the lease to get the right-of-use asset, please refer to note 6(i).

(ii) For conversion of convertible bonds to ordinary shares, please refer to note 6(o) and 6(t).

(7) Related-party transactions:

(a) Names and relationship with related parties

The following are entities that have had transactions with related parties and the Company's subsidiaries during the periods covered in the parent company only financial statements.

Name of related party	Relationship with the Company
CHYI YUH CONSTRUCTION CO., LTD.	Subsidiary company
Ju Feng Hotel Management ConsultantCo.,Ltd.	Subsidiary company
HIGHWEALTH PROPERTY MANAGEMENT CO., LTD.	Subsidiary company
JIN JYUN CONSTRUCTION CO., LTD.	Subsidiary company
BO-YUAN CONSTRUCTION CO., LTD.	Subsidiary company
GUANGYANG INVESTMENT CONSTRUCTION CO., LTD.	Subsidiary company
QUANXIANG TRADING (SHANGHAI) CO., LTD.	Subsidiary company
XINGFUYU TRADING (XIAMEN) CO., LTD.	Subsidiary company
WELL RICH INTERNATIONAL CO., LTD.	Subsidiary company

(Continued)

HIGHWEALTH CONSTRUCTION CORP.
Notes to the Parent Company only Financial Statements

Name of related party	Relationship with the Company
RUN LONG CONSTRUCTION CO., LTD.	Subsidiary company
YEH KEE ENTERPRISE CO., LTD.	Subsidiary company
BI JIANG ENTERPRISE CO., LTD.	Subsidiary company
SHING FU FA CONSTRUCTION CO., LTD.	Subsidiary company
Taichung Highwealth Culture and Art Foundation	Same president with the Company
○○,Fan and other 7 people	Key management personnel and their secend immeditate family of the Company

(b) Significant transactions with related parties

(i) Operating revenue

For the year ended December 31, 2023 and 2022, the Company entered into separate sales agreements with different related parties for the disposal of its real estates, at the amounts of $89,270 thousand and $67,350 thousand (both including tax) in accordance with the employee purchase policy, resulting in the amounts of $32,181 thousand and $13,806 thousand to be recognized as sales revenue, as well as the advance real estate receipts of $7,814 thousand and $11,512 thousand, respectively, as contract liabilities, with the approval of its board. There were no difference between the conditions for related parties stated in the contract mentioned and those of non-related parties.

(ii) Purchase

Significant purchasing amount to related parties and the remaining balance were as follows:

	Purchasing		Accumulated amount	
	For the years ended December 31			
	2023	2022	2023	2022
Subsidiary:				
CHYI YUH CONSTRUCTION CO., LTD.	$ 10,487,192	7,777,590	20,085,953	17,941,413

The contract prices for related parties are based on the conditions stated in their agreements, wherein the payments are made based on the progress of the project.

There were no significant difference of the price and conditions for related parties and ordinary contract mentioned above.

Note: Among the purchases in 2023 and 2022, $625,710 thousand and $1,040,673 thousand are Investment real estate under construction.

(Continued)

HIGHWEALTH CONSTRUCTION CORP.
Notes to the Parent Company only Financial Statements

(iii) Receivables from related parties

The details of receivables from related parties were as follows:

Accounted items	Categories	December 31, 2023	December 31, 2022
Accounts receivable	Subsidiaries	$ 1,174	10,670
Other receivables (other financial assets-current)	Subsidiaries	$ 12,792	1,894

(iv) Prepayments

The details of prepayments from related parties were as follows:

Accounted items	Categories	December 31, 2023	December 31, 2022
Prepayments	Subsidiaries	$ 4,484	3,630

(v) Payables to related parties

The payables to related parties were as follows:

Accounted items	Categories	December 31, 2023	December 31, 2022
Accounts payable	Subsidiaries:		
	CHYI YUH CONSTRUCTION CO., LTD.	$ 1,806,198	1,342,413
〃	Subsidiaries	16,139	16,256
		$ 1,822,337	1,358,669
Other payables	Subsidiaries	$ 23,455	25,112

(vi) Contract liabilities

The details of contract liabilities from related parties were as follows:

Categories	Note	December 31, 2023	December 31, 2022
Subsidiaries	Unearn rents and administration fees	$ 6,113	5,833

(vii) Guarantees

The Company provided guarantees to subsidiary company. As of December 31, 2023 and 2022 , the guarantee ceiling was $17,359,000 thousand and $16,059,000 thousand, respectively, and the amount of $12,236,000 thousand and $10,216,173 thousand has been used, respectively, and property pledged for guarantees and endorsements amount was $1,648,000 thousand and $1,248,000thousand, respectively.

Subsidiaries provided land for guarantees to the Company. As of December 31, 2023 and 2022,the guarantee ceiling and used was $1,153,750 thousand and $1,907,700 thousand, respectively.

(Continued)

HIGHWEALTH CONSTRUCTION CORP.
Notes to the Parent Company only Financial Statements

(viii) Others

1) The Details of the Company renting offices from related parties is as follows:

	Guarantee deposit paid		Rental expense	
			For the years ended December 31	
	December 31, 2023	December 31, 2022	2023	2022
Subsidiaries	$ 1,614	1,614	11,240	11,302

2) Recognizing rental revenue due to renting offices to related parties:

	Guarantee deposit received		Rental Revenue	
			For the years ended December 31	
	December 31, 2023	December 31, 2022	2023	2022
Subsidiaries	$ 5,776	5,956	38,754	29,968

3) Recognizing other income due to signing entrusted administration contract with related parties:

	For the years ended December 31	
	2023	2022
Subsidiaries	$ 20,695	8,886

4) Paying consulting and service fee to related parties for selling real estate on consignment:

	For the years ended December 31	
	2023	2022
Subsidiary company－Ju Feng Hotel Management Consultant Co.,Ltd.	$ 69,779	75,598

5) Paying administration expense to related parties for administrating constructing site:

	For the years ended December 31	
	2023	2022
Subsidiaries	$ 4,596	9,831

6) The related expense about selling activities with related parties as follows:

	For the years ended December 31	
	2023	2022
Subsidiaries	$ 7,418	11,428

7) As of December 31, 2023 and 2022, cooperation cases with related parties were as follows:

Case Name	Categories	Type	Security
December 31, 2023			
Buo Shao Section	Landowner-subsidiary company-YEH KEE ENTERPRISE CO., LTD.	Cooperation cases	Refundable deposit $143,150
Buo Shao Section	Landowner-subsidiary company-BI JIANG ENTERPRISE CO., LTD.	Cooperation cases	Refundable deposit 122,140
Wu Fu Section	Builder-subsidiary company-BO-YUAN CONSTRUCTION CO., LTD.	Cooperation cases	Guarantee deposit 25,000
Chunglu Fifth class	〃	Cooperation cases	Guarantee deposit 100,000
〃	〃	〃	Guarantee deposit 7,250,000
Hui An Fourth	Builder-subsidiary company-RUN LONG CONSTRUCTION CO., LTD.	Cooperation cases	Guarantee deposit 100,000
〃	〃	〃	Guarantee deposit 200,000
December 31, 2022			
Buo Shao Section	Landowner-subsidiary company-YEH KEE ENTERPRISE CO., LTD.	Cooperation cases	Refundable deposit $143,150
Buo Shao Section	Landowner-subsidiary company-BI JIANG ENTERPRISE CO., LTD.	Cooperation cases	Refundable deposit 122,140
Wu Fu Section	Builder-subsidiary company-BO-YUAN CONSTRUCTION CO., LTD.	Cooperation cases	Guarantee deposit 25,000
Chunglu Fith class	Builder-subsidiary company-RUN LONG CONSTRUCTION CO., LTD.	Cooperation cases	Guarantee deposit 100,000
〃	〃	〃	Guarantee deposit 7,250,000
Hui An Fourth	〃	Cooperation cases	Guarantee deposit 100,000
〃	〃	〃	Guarantee deposit 200,000

8) Performance bond received from related parties for contract work:

	December 31, 2023	December 31, 2022
Subsidiaries	$ 41,377	200,311

9) In September, 2008, the Company sold a portion of land to Mr. Tsai, ○○ with a land developing plan at 5 million dollars, recognized as other payables. The Company would repurchase the land without any interest if the plan was not completed within three years. Both parties agreed lengthening the expiry date unconditionally indefinitely. As of December 31, 2023 and 2022, other payables are both 5 million dollars.

HIGHWEALTH CONSTRUCTION CORP.
Notes to the Parent Company only Financial Statements

10) In 2022, the Company donated 713 thousand shares (which had a book value of $554,272 thousand) of Li Shuo Investment Co., Ltd., $21,246 thousand to Taichung Highwealth Culture and Art Foundation for its promotion and development.

(c) Key management personnel transactions

	For the years ended December 31	
	2023	**2022**
Short-term employee benefits	$ 68,714	48,218

(8) Pledged assets:

Pledged assets	Object	December 31, 2023	December 31, 2022
Financial assets at FVTPL	Mortgage	$ 209,100	177,600
Notes receivable	Mortgage and issuing commercial paper	1,058,236	1,316,466
Inventories (construction)	Mortgage, issuing commercial paper and bonds payable	97,682,482	87,759,106
Other financial assets- current and non-current	Mortgage, issuing commercial paper, performance bond, real estate trust account, and bonds payable	10,543,691	11,900,780
Investment accounted for using equity method	Issuing commercial paper	245,631	89,383
Property, plant and equipment	Long-term borrowings	427,239	431,515
Investment property at net value	Mortgage, issuing commercial paper, and bonds payable	8,604,550	7,513,890
		$ 118,770,929	109,188,740

As of December 31, 2023 and 2022, the book value of pledged assets providing undrawn guaranteed loan are $1,953,275 thousand and $1,482,026thousand, respectively.

For the years ended December 31, 2023 and 2022, the Company provided notes receivable of presale cases $2,913,451 thousand and $1,599,580 thousand, respectively, as collateral for the bank loans.

(9) Commitments and contingencies:

(a) Unrecognized contractual commitments

(i) Contract price signed with clients were as follows:

	December 31, 2023	December 31, 2022
Amount of signed contracts	$ 84,242,723	74,693,851
Received amount from contracts	$ 8,820,287	7,011,892
Outstanding checks received from presale cases	$ 5,783,285	5,234,386

(Continued)

HIGHWEALTH CONSTRUCTION CORP.
Notes to the Parent Company only Financial Statements

(b) Others

(i) As of December 31, 2023 and 2022 the refundable deposit paid for cooperation and urban renewal cases is $985,676 thousand. For the partial above-mentioned joint construction projects, the Company committed to provide a certain minimum recovery amount for the houses allocated by the landowners, and will settle the amount on the date agreed by both parties.

(ii) On February 8, 2022, the parent company entered into an agreement with Kaohsiung City Government for the (urban renewal project) and entrustment implementation of "Kaohsiung Multifunctional Commerce and Trade Park Special Trade III (North Base) Land", based on a resolution approved during the board meeting on December 27, 2021.

(10) Losses due to major disasters: None

(11) Subsequent events: None

(12) Other:

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

By function / By item	For the year ended December 31					
	2023			2022		
	Operating cost	Operating Expense	Total	Operating cost	Operating Expense	Total
Employee benefits						
Salary	$ -	299,161	299,161	-	425,132	425,132
Labor and health insurance	-	25,547	25,547	-	29,527	29,527
Pension	-	11,188	11,188	-	11,230	11,230
Remuneration of directors	-	16,043	16,043	-	15,518	15,518
Others	-	-	-	-	-	-
Depreciation	81,701	30,602	112,303	79,820	28,861	108,681
Depletion	-	-	-	-	-	-
Amortization	-	7,780	7,780	-	6,065	6,065

For the years ended December 31, 2023 and 2022, the information on the number of employees and employee benefit expense of the Company is as follows：

	2023	2022
Number of employees	290	307
Number of directors who were not employees	3	4
The average employee benefit	$ 1,170	1,538
The average salaries and wages	$ 1,042	1,403
Percentage of average employee salary expense	(25.73)%	10.91 %
Remuneration to supervisors	$ -	-

(Continued)

HIGHWEALTH CONSTRUCTION CORP.
Notes to the Parent Company only Financial Statements

The items of the Company’s salary and remuneration of directors, independent director, managers, and employees are as follows:

(i) Independent directors

1) Regardless of the Company’s profit or loss, independent directors’ salary and remuneration need to be paid on monthly basis (or quarterly, half yearly) and be adjusted according to the value of his/her participation in the contribution to Company’s operation.

2) The independent directors cannot participate in the distribution of director's compensation and other bonus distribution.

3) According to the needs of the actual execution of the business, the Company has to pay for the traffic allowance.

(ii) Other directors

1) The Company pays other directors’ remuneration, according to the value of his/her participation in the contribution to Company’s operation and refer to peer remuneration levels.

2) Other directors’ remuneration is allocated at a rate specified in the Company’s articles of incorporation.

3) According to the needs of the actual execution of the business, the Company has to pay for the traffic allowance.

(iii) Managerial officer

1) The monthly fixed salary is determined by salary level of each rank.

2) According to the result of the operation performance assessment, the Company distributes the peformance bonus.

3) Year-end bonuses will be paid based on the results of employee performance appraisal.

4) Employees’ remuneration is allocated at a rate specified in the Company’s articles of incorporation.

5) Traffic allowance and supervisor allowance are paid in accordance to duties and standards.

(iv) Other employees

1) The salary of the Company’s employees is handled in accordance with the regulations of the “post ranks table” and “post salary benchmark table”. The employee salary is divided into recurring and non-recurring salaries.

2) Recurring salaries include basic salaries, duties allowance, construction site allowance, professional allowance, meal allowance and other allowances.

3) Non-recurring salaries include overtime pay, Dragon Boat Festival bonus, Mid-Autumn Festival bonus and year-end bonus.

(Continued)

(b) Others

The Company and its subsidiary, CHYI YUH CONSTRUCTION CO., LTD., signed an arbitration agreement with the Taichung City Government, Taichung MRT Co., Ltd. and certain professional manufacturers on July 20, 2023 due to the accident that occurred in one of the Taichung MRT Stations, whose project had been executed by a professional manufacturer on May 10, 2023.

After the above incident, the Chinese Arbitration Association, Taipei, ordered the Company to pay for the damage of $262,223 thousand, which was paid in advance by the subsidiary to the Taichung City Government.

Furthermore, the Chinese Arbitration Association, Taipei , demanded the Company and its subsidiary, as well as the aforesaid professional manufacturers, to jointly pay the compensation of $224,819 thousand to the petitioner on January 16, 2024, wherein the amount to be paid by the Company was still in agreement as of the reporting date.

HIGHWEALTH CONSTRUCTION CORP.
Notes to the Parent Company only 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:

(i) Loans to other parties: None

(ii) Guarantees and endorsements for other parties:

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										
0	The company	Chyi Yuh Construction Co., Ltd.	2	$ 46,574,568	7,846,000	7,846,000	6,669,000	-	16.85 %	93,149,136	Y	N	N
0	The company	Bo-yuan Construction Co., Ltd.	2	46,574,568	4,028,000	4,028,000	2,422,000	1,648,000	8.65 %	93,149,136	Y	N	N
0	The company	Well Rich International Co., Ltd.	2	46,574,568	540,000	540,000	-	-	1.16 %	93,149,136	Y	N	N
0	The Company	BI JIANG ENTERPRISE CO., LTD.	2	46,574,568	3,145,000	3,145,000	3,145,000	-	6.75 %	93,149,136	Y	N	N
0	The Company	SHING FU FA CONSTRUCTION CO., LTD.	2	46,574,568	350,000	350,000	-	-	0.75 %	93,149,136	Y	N	N
0	The Company	YEH KEE ENTERPRISE CO., LTD.	2	46,574,568	1,450,000	1,450,000	-	-	3.11 %	93,149,136	Y	N	N
1	YEH KEE ENTERPRISE CO., LTD.	The Company	3	1,973,395	1,907,700	1,088,875	1,088,875	1,088,875	1,379.44 %	2,368,074	N	Y	N
2	BI JIANG ENTERPRISE CO., LTD.	The Company	3	2,483,898	64,875	64,875	64,875	64,875	5.22 %	4,967,795	N	Y	N
2	BI JIANG ENTERPRISE CO., LTD.	BO-YUAN CONSTRUCTION CO., LTD.	4	2,483,898	1,000,000	1,000,000	400,000	400,000	80.52 %	4,967,795	N	N	N
3	JIN JYUN CONSTRUCTION CO., LTD.	RUN LONG CONSTRUCTION CO., LTD.	3	3,709,345	1,000,000	1,000,000	400,000	400,000	53.92 %	7,418,690	N	Y	N
4	RUN LONG CONSTRUCTION CO., LTD.	JIN JYUN CONSTRUCTION CO., LTD.	2	2,702,125	100,000	100,000	-	-	0.74 %	6,755,312	Y	N	N

Note 1: The numbering is as follows:

1.“0” represents the parent company.

2. Subsidiaries are sequentially numbered from 1 by company.

Note 2: The relationship between the guarantee and the guarantor are as follows:

1. Transactions between the companies.
2. The Company directly or indirectly holds more than 50% voting right.
3. When other companies directly or indirectly hold more than 50% voting rights of the Company.
4. The Company directly or indirectly holds more than 90% voting right.
5. A company that is mutually protected under contractual requirements based on the needs of the contractor.
6. A company that is endorsed by all the contributing shareholders in accordance with their shareholding ratio due to joint investment relationship.
7. Under the Consumer Protection Act, performance guarantees for pre-sale contracts for companies in the same industry.

HIGHWEALTH CONSTRUCTION CORP.
Notes to the Parent Company only Financial Statements

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. The guarantee amount for a single enterprise endorsement shall not exceed 100% of the current net value of the company.

Note 4: RUN LONG CONSTRUCTION CO., LTD. endorsed the operation method for the total amount of guarantee s and the limit for endorsement of a single enterprise;

1. The total amount of guarantee for external endorsement shall not exceed 50% of the net value of RUN LONG CONSTRUCTION CO., LTD..
2. The guarantee amount for a single enterprise endorsement shall not exceed 20% of the current net value of RUN LONG CONSTRUCTION CO., LTD.

Note 5: JIN JYUN CONSTRUCTION CO., LTD. and BI JIANG ENTERPRISE CO., LTD. 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 400% of the net value of the company.
2. The guarantee amount for a single enterprise endorsement shall not exceed 200% of the current net value of the company

Note 6: YEH KEE ENTERPRISE CO., LTD. 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 3,000% of the net value of YEH KEE ENTERPRISE CO., LTD.
2. The guarantee amount for a single enterprise endorsement shall not exceed 2,500% of the current net value of YEH KEE ENTERPRISE CO., LTD.

(iii) Securities held as of December 31, 2023 (excluding investment in subsidiaries, associates and joint ventures):

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	Stock-Shin Kong Real Estate Management Co., Ltd.		Total non-current financial assets at fair value through other comprehensive income	550,000	$ 5,000	1.67 %	5,000	
〃	Stock- Da-Li Development Co., Ltd.		Financial assets at fair value through profit or loss-current	9,408,745	327,895	2.31 %	327,895	
Ju Feng Hotel Management Consultant Co.,Ltd.	Stock-HIGHWEALTH CONSTRUCTION CORP.	Ultimate Parent Company	Total non-current financial assets at fair value through other comprehensive income	5,540,619	222,179	0.29 %	222,179	
HIGHWEALTH PROPERTY MANAGEMENT CO., LTD.	Stock-HIGHWEALTH CONSTRUCTION CORP.	Ultimate Parent Company	Total non-current financial assets at fair value through other comprehensive income	10,709,224	429,440	0.57 %	429,440	
CHYI YUH CONSTRUCTION CO., LTD.	Stock-HIGHWEALTH CONSTRUCTION CORP.	Ultimate Parent Company	Total non-current financial assets at fair value through other comprehensive income	3,321,457	133,190	0.18 %	133,190	
〃	Corporate bond-China Rebar Co., Ltd.	—	Financial assets at amortized cost-current	3	-	- %	-	Note
RUN LONG CONSTRUCTION CO., LTD.	Stock-HIGHWEALTH CONSTRUCTION CORP.	Ultimate Parent Company	Financial assets at fair value through profit or loss-current	16,052,801	643,717	0.85 %	643,717	
WELL RICH INTERNATIONAL CO., Ltd.	Corporate bond-Shin Kong Life Insurance Co., Ltd.	—	Financial assets at amortized cost-non current	-	30,000	- %	30,000	

Note: Recognized as impairment loss.

HIGHWEALTH CONSTRUCTION CORP.
Notes to the Parent Company only Financial Statements

(iv) Individual securities acquired or disposed of with accumulated amount exceeding the lower of NT$300 million or 20% of the capital stock:

Name of company	Category and name of security	Account name	Name of counter-party	Relationship with the company	Beginning Balance		Purchases		Sales				Ending Balance	
					Shares	Amount	Shares	Amount	Shares	Price	Cost	Gain (loss) on disposal	Shares	Amount
RUN LONG CONSTRUCTION CO., LTD.	Stock-JIN JYUN CONSTRUCTION	Investments accounted for using equity method, net	Capital increase	The subsidiary	70,000,000	$ 580,477	100,000,000	1,000,000	-	-	-	-	170,000,000	1,655,454

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

Name of company	Name of property	Transaction date	Transaction amount	Status of payment	Counter-party	Relationship with the Company	If the counter-party is a related party, disclose the previous transfer information				References for determining price	Purpose of acquisition and current condition
							Owner	Relationship with the Company	Date of transfer	Amount		
RUN LONG CONSTRUCTION CO., LTD	Wensang Section., Xitun Dist., Taichung City	June 30,2023	$ 2,265,650	2,265,650	OO ,Yuan	Not related parties	-	-	-	-	Appraisal	Construction

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

Name of company	Type of property	Transaction date	Acquisition date	Book value	Transaction amount	Amount actually receivable	Gain from disposal	Counter-party	Nature of relationship	Purpose of disposal	Price reference	Other terms
The Company	Real estate for sale	October 16, 2023	N/A to the sale of inventory	N/A	$ 768,990	191,893	N/A	Zhong ○○○○○ CO., Ltd.	Non-related party	sale of inventory	Appraisal	None
〃	Real estate for sale	October 16, 2023	N/A to the sale of inventory	N/A	784,890	195,694	N/A	Huan ○○○ CO., Ltd.	Non-related party	〃	〃	〃
〃	Real estate for sale	July 28, 2023	N/A to the sale of inventory	N/A	343,020	51,141	N/A	Lian ○ CO., Ltd.	Non-related party	〃	〃	〃

(vii) Related-party transactions for purchases and sales with amounts exceeding the lower of NT$100 million or 20% of the capital stock:

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	Chyi Yuh Construction Co., Ltd.	Investee accounted for using equity method of the company	Contracting project	$ 9,861,482	76.85%	Pay by contract terms	-	-	(1,806,198)	(80.73)%	Note 2
Chyi Yuh Constrution Co.,Ltd.	The Company	Ultimate parent company	Contracted project	(9,717,801)	(84.52)%	Receive by contract tems	-		1,806,198	79.47%	Note 1
〃	Bo-yuan Construction Co., Ltd.	The associate of the company	Contracted project	(1,761,037)	(15.32)%	Receive by contract terms	-		459,854	20.26%	Note 1
Bo-yuan Construction Co., Ltd.	Chyi Yuh Constrution Co.,Ltd.	The associate of the company	Contracting project	1,238,550	89.70%	Pay by contract terms	-		(459,854)	(82.70)%	Note 2
Run Long Construction Co., Ltd.	Jin Jyun Construction Co., Ltd.	Investee accounted for using equity method of the company	Contracting project and administration fee	4,614,536	54.49%	Pay by contract terms	-		(588,393)	(43.00)%	Note 2
Jin Jyun Construction Co., Ltd.	Run Long Construction Co., Ltd.	The ultimate parent of the company	Contracted project	(4,781,609)	(98.13)%	Receive by contract terms	-		588,393	97.63%	Note 1

Note 1: The contracted company recognizes its construction revenue through percentage of completion method, and the amount of sales included.

Note 2: The contracting company records its import price through estimates of amount of purchase through number of trials.

HIGHWEALTH CONSTRUCTION CORP.
Notes to the Parent Company only Financial Statements

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

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		
Chyi Yuh Construction Co., Ltd.	The company	Ultimate parent Company	1,806,198	6.18	-	-	1,649,474	-
〃	Bo Yuan Construction Co., Ltd.	The associate of the company	459,854	6.52	-	-	459,854	-
JIN JYUN CONSTRUCTION CO., LTD.	RUN LONG CONSTRUCTION CO., LTD.	The ultimate parent of the company	588,393	8.36	-		498,968	-

(ix) Trading in derivative instruments: None

(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):

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	Ju Feng Hotel Management Consultantco.,ltd.	Taiwan	Real estate brokerage, residential and building development, rental and sales etc.	$ 25,000	25,000	2,500,000	100.00 %	60,412	1,238	(1,281)	
〃	Highwealth Property Managementco., Ltd.	Taiwan	Real estate brokerage, real estate trading	7,000	7,000	700,000	100.00 %	6,811	4,972	104	
〃	Chyi Yuh Construction Co., Ltd.	Taiwan	Construction, residential and building development, rental and sales etc.	3,030,041	3,030,041	439,200,000	100.00 %	5,532,201	974,911	809,044	
〃	Run Long Construction Co., Ltd.	Taiwan	Real estate development, rental and sales industries etc.	658,119	940,853	23,698,288	5.25 %	625,917	7,701,546	423,717	
〃	Yeh Kee Enterprise Co., Ltd.	Taiwan	Residential and building development, rental and sales etc.	2,423,152	2,423,152	2,200,000	100.00 %	2,397,264	(5,042)	(5,042)	
〃	Bi Jiang Enterprise Co., Ltd.	Taiwan	Residential and building development, rental and sales etc.	2,802,900	2,802,900	150,720,000	100.00 %	2,541,326	(122,966)	(122,562)	
〃	SHING FU FA CONSTRUCTION CO., LTD.	Taiwan	Construction,residential and building development, rental and sales etc.	265,000	265,000	26,500,000	100.00 %	270,997	7,827	7,827	
〃	BO-YUAN CONSTRUCTION CO., LTD.	Taiwan	Residential and building development, rental and sales etc.	2,430,000	2,430,000	122,900,000	100.00 %	1,209,596	(230,450)	(230,450)	
〃	Well Rich International Co., Ltd.	Taiwan	Wholesale of construction material and motels etc.	245,621	245,621	18,100,000	100.00 %	199,591	(43,913)	(38,978)	
CHYI YUH CONSTRUCTION CO., LTD.	GUANGYANG INVESTMENT CONSTRUCTION CO., LTD.	Taiwan	Investment industry	284,050	284,050	29,900,000	100.00 %	958,695	480,490	Expempt from disclosure	
〃	RUN LONG CONSTRUCTION CO., LTD.	Taiwan	Real estate development, rental and sales industries etc.	639,321	864,938	20,838,755	4.62 %	623,299	7,701,546	〃	
〃	Goyu Building Material Co., Ltd	Taiwan	Wholesale of construction materials	120,000	120,000	12,000,000	30.00 %	114,034	17,627	〃	
GUANGYANG INVESTMENT CONSTRUCTION CO., LTD.	Run Long Construction Co., Ltd.	Taiwan	Real estate development, rental and sales industries etc.	618,533	618,533	28,759,103	6.37 %	903,274	7,701,546	〃	
RUN LONG CONSTRUCTION CO., LTD.	JIN JYUN CONSTRUCTION CO., LTD.	Taiwan	Construction, residential and building development, rental and sales etc.	1,718,300	718,300	170,000,000	100.00 %	1,655,454	65,128	〃	

(c) Information on investment in mainland China:

(i) The names of investees in Mainland China, the main businesses and products, and other information:

Name of investee	Main businesses and products	Total amount of paid-in capital	Method of investment	Accumulated outflow of investment from Taiwan as of January 1, 2022	Investment flows		Accumulated outflow of investment from Taiwan as of December 31, 2023	Net income (losses) of the investee	Percentage of ownership	Investment income (losses) (Note 2)	Book value	Accumulated remittance of earnings in current period
					Outflow	Inflow						
QUANXIANG TRADING (SHANGHAI) CO., LTD.	Construction material, furniture, metal parts	$ 26,555 USD 900,000	(Note 1)	26,555 USD 900,000	-	-	26,555 USD 900,000	62	100.00%	62	1,060	-
XINGFUYU TRADING (XIAMEN) CO., LTD.	Construction material wholesale	27,104 USD 900,000	(Note 1)	27,104 USD 900,000	-	-	27,104 USD 900,000	(130)	100.00%	(130)	1,458	-

(Continued)

HIGHWEALTH CONSTRUCTION CORP.
Notes to the Parent Company only Financial Statements

(ii) Limitation on investment in Mainland China:

Accumulated Investment in Mainland China as of December 31, 2023	Investment Amounts Authorized by Investment Commission, MOEA	Upper Limit on Investment
$ 53,659 （USD1,800,000）	53,659 （USD1,800,000）	27,944,741 (Note)

Note 1: Three types of investment method are as follows:

1. Directly investing in the mainland area
2. Investing in the mainland through companies in another country (Please note the name of the investing company from the other country)
3. Other methods

Note 2: Profit and loss recognized from investment for the current period:

1. If it is in preparation, and has no investment profit or loss, it should be noted
2. The basis for profit or loss from investment are as follows:
   A. The international accounting firm which has cooperative relationships with the CPA in the Republic of China verifies its financial statements
   B. Financial statement of the parent company is verified by the Taiwanese accountant
   C. Others

(iii) Significant transactions: None

(d) Major shareholders:

Shareholding Shareholder’s Name	Shares	Percentage
Xing Ri-Sheng Investment Co., Ltd	118,756,325	6.30 %
Ear Winner Investment Co., Ltd	117,608,664	6.24 %

(14) Segment information:

Please refer to the consolidated financial statements.

Highwealth Construction Corp.

Statement of cash and cash equivalents

December 31, 2023

(Expressed in thousands of New Taiwan Dollar)

Item	Summary	Amount
Cash and petty cash		$ 3,766
Bank deposit		
Demand deposit		7,605,682
Checking deposit		242
Foreign currency deposit	USD168,663.36 and HKD2,600.77	5,858
		7,611,782
		$ 7,615,548

Highwealth Construction Corp.

Statement of inventories

December 31, 2023

(Expressed in thousands of New Taiwan Dollar)

Item	Summary	Amount	Note
Land for construction	Hui Guo Section	$ 8,407,708	
	Sin Sing Section	1,585,408	
	Sin Sing Section, Subsection 3	1,420,885	
	Others	230,220	
	Less: Allowance to reduce inventory to market	(23,315)	
		11,620,906	
Construction in progress	Fu Dou Sin Sixth	10,751,300	
	Ching Sheng Second	7,664,678	
	Jhong Gang Huei Min Second	6,729,311	
	Tan Hai Fifth	5,999,707	
	Fuxing N.Rd.	5,797,930	
	Shan Jieh Second	5,499,907	
	Fong Kong Section	4,743,012	
	Hui Shun Second	4,044,334	
	Hui Guo Fifth	3,813,188	
	Shih Jheng Hui Min Third	3,110,697	
	Chunglu Fifth	3,008,329	
	Hui Shun Third	2,847,530	
	Fu Shan Section	2,754,171	
	Hui An Fourth	2,711,133	
	Hui Guo Second	2,691,066	
	Hui Guo Section	2,639,752	
	Shih Jheng Hui Min Second	2,595,561	
	Yu Guang 891	2,589,795	
	Xitun Section	2,583,700	
	Da Gang Section	1,865,372	
	Buo Shao Second	1,672,814	
	Shin Do Section	1,670,424	
	Zhong Zheng Section	1,214,924	
	Gong Jian Seciton	1,016,481	
	Others	2,599,900	
	Less: Allowance to reduce inventory to market	(493)	
		92,614,523	
Real estate for sale	An Kang Section	4,285,954	
	Long Fu Section	747,878	
	Liu He Section	490,504	
	Jin Tai Ninth	387,367	
	Hui An Third	262,979	
	Hui Shun Section	137,757	
	Shan Jie Section	130,508	
	Long Zhong Sixth	121,528	
	He Nan Hui Min	113,753	
	Min Zu Section	112,548	
	Hui Sin Section	106,923	
	Others	504,680	
	Less: Allowance to reduce inventory to market	(1,000)	
		7,401,379	
Total		**$ 111,636,808**	

Highwealth Construction Corp.

Statement of other receivables

December 31, 2023

(Expressed in thousands of New Taiwan Dollar)

Item	Summary	Amount	Note
Bank deposit	Bank accounts for real estate value trust services, performance guarantee, reserve accounts, certificates of deposit and etc.	$ 7,520,907	
Refundable deposit for construction	Guarantee deposit for cooperating construction and etc.	1,069,962	
Others	Interest receivable and other receivables	64,563	
		$ 8,655,432	

Statement of other non-current financial assets

Item	Summary	Amount	Note
Bank deposit	Reserve accounts for corporation bonds	$ 3,022,784	
Refundable deposit	Guarantee deposit of rental and office etc.	26,186	
		$ 3,048,970	

Statement of changes in investment property

For the relevent information, please refer to Note 6(j)。

Highwealth Construction Corp.

Statement of changes in investments accounted for using the equity method

December 31, 2023

(Expressed in thousands of New Taiwan Dollar)

Entity	Balance on January 1, 2022		Increase in current period (note 1)		Decrease in current period (note 2)		Balance on December 31, 2022			Market price or total equity amount		Details of collateral	Note
	Number of shares (in thousand)	Amount	Number of shares (in thousand)	Amount	Number of shares (in thousand)	Amount	Number of shares (in thousand)	Percentage of voting interest	Amount	Price per share	Total amount		
Ju Feng Hotel Management Consultant Co.,Ltd.	2,500	$ 59,175	-	2,518	-	(1,281)	2,500	100.00 %	60,412	112.97	282,427	None	
HIGHWEALTH PROPERTY MANAGEMENT CO., LTD.	700	36,136	-	4,972	-	(34,297)	700	100.00 %	6,811	623.14	436,197	〃	
CHYI YUH CONSTRUCTION CO., LTD.	388,500	4,534,895	50,700	1,036,812	-	(39,506)	439,200	100.00 %	5,532,201	14.91	6,549,974	〃	
RUN LONG CONSTRUCTION CO., LTD.	27,289	262,280	-	447,227	(3,591)	(83,590)	23,698	5.25 %	625,917	100.00	2,369,829	Issuing commercial paper	
BO-YUAN CONSTRUCTION CO., LTD.	122,900	1,440,046	-	-	-	(230,450)	122,900	100.00 %	1,209,596	9.84	1,209,596	None	
YEH KEE ENTERPRISE CO., LTD.	2,200	2,402,306	-	-	-	(5,042)	2,200	100.00 %	2,397,264	35.88	78,936	〃	
BI JIANG ENTERPRISE CO., LTD.	150,720	2,663,888	-	-	-	(122,562)	150,720	100.00 %	2,541,326	8.24	1,241,949	〃	
XINGFUYU TRADING (XIAMEN) CO., LTD.	-	1,620	-	-	-	(162)	-	100.00 %	1,458	-	1,458	〃	
QUANXIANG TRADING (SHANGHAI) CO., LTD.	-	1,020	-	62	-	(22)	-	100.00 %	1,060	-	1,060	〃	
SHING FU FA CONSTRUCTION CO., LTD.	26,500	263,170	-	7,827	-	-	26,500	100.00 %	270,997	10.23	270,997	〃	
WELL RICH INTERNATIONAL CO., LTD.	18,100	236,371	-	2,198	-	(38,978)	18,100	100.00 %	199,591	10.69	193,420	〃	
Total		$ 11,900,907		1,501,616		(555,890)			12,846,633		12,635,843		

Note 1: Increase in current period due to investment income recognized under equity method $1,240,754 thousand, deferred credits $39,533 thousand, adjusting capital surplus due to distributing cash dividend to subsidiaries $10,070 thousand, adjusting capital surplus with the difference of prices of acquiring or disposing subsidiary company and carrying amount $204,500 thousand, equity-accounted investee of comprehensive income $473 thousand and changes of voting interest percentage resulting in regarding subsidiary company purchasing parent company stock as treasury stock $6,286 thousand.

Note 2: Decrease in current period due to investment loss recognized under equity method $398,443 thousand, cash dividend received $48,516 thousand, adjusting retained earnings with the difference of prices of acquiring subsidiary company and carrying amount $39,015 thousand, the carrying value of the disposal subsidiary was $67,818 thousand, equity change in subsidiaries $1,102 thousand, the stock subsidiary company purchased from parent company as treasury stock $942 thousand and the exchange difference in the translation of the financial statements of foreign operating institutions was $54 thousand.

Highwealth Construction Corp.

Statement of short-term borrowings

December 31, 2023

(Expressed in thousands of New Taiwan Dollar)

Type of borrowings	Ending balance	Contract period	Range of interest rates	Mortgages	Notes
Unsecured loan	$ 840,000	2023.10.26～2024.10.26	Note 2	-	
〃	750,000	2022.10.28～2024.10.28	〃	-	
〃	200,000	2023.09.28～2024.03.28	〃	-	
〃	100,000	2023.05.19～2024.05.19	〃	Other current financial assets	
〃	400,000	2023.05.03～2024.05.02	〃	-	
〃	550,000	2023.10.18～2024.10.18	〃	Other current financial assets	
〃	33,333	2023.05.13～2024.05.13	〃	-	
〃	1,288,000	2022.04.01～2029.04.01	〃	-	
〃	304,000	2022.01.24～2027.01.24	〃	-	
〃	578,000	2023.05.02～2025.05.02	〃	-	
Secured loan	400,000	2023.07.06～2024.07.06	〃	Notes receivable, Other current financial assets	
〃	50,000	2023.08.08～2024.08.07	〃	Notes receivable, Other current financial assets	
〃	485,000	2023.07.19～2028.07.28	〃	Notes receivable, Other current financial assets	
〃	150,000	2023.01.19～2024.01.20	〃	Notes receivable, Other current financial assets	
〃	700,000	2023.09.11~2025.09.11	〃	Notes receivable, Other current financial assets	
〃	238,000	2023.10.18～2024.10.18	〃	Investment property	
〃	400,000	2021.10.20～2024.10.20	〃	Investment property	
〃	999,559	2022.09.01～2025.09.01	〃	Real estate for sale, Investment property	
〃	66,667	2023.05.13～2024.05.13	〃	Stock	
〃	17,014	2023.05.13～2024.05.13	〃	Real estate for sale, Investment property	
〃	3,936,900	2019.08.19～2026.08.19	〃	Construction in progress	
〃	3,803,000	2020.07.29～2026.07.29	〃	Construction in progress	
〃	192,000	2016.07.21～2024.07.21	〃	Construction in progress	
〃	1,857,000	2021.04.28～2026.04.28	〃	Construction in progress	
〃	828,000	2021.06.15～2026.06.15	〃	Construction in progress	
〃	1,669,000	2022.01.07～2026.11.29	〃	Construction in progress	
〃	5,532,239	2022.04.01～2029.04.01	〃	Construction in progress	
〃	2,395,000	2019.07.15～2026.01.22	〃	Construction in progress	
〃	1,437,200	2022.08.10～2024.03.14	〃	Construction in progress	
〃	1,741,000	2018.08.31～2024.03.14	〃	Construction in progress	
〃	2,847,350	2019.06.12～2024.06.12	〃	Construction in progress	
〃	4,482,350	2020.02.25～2025.02.25	〃	Construction in progress	
〃	10,973,000	2022.03.01～2029.03.01	〃	Land for construction, Construction in progress	
〃	2,836,421	2021.09.14～2026.09.14	〃	Construction in progress	
〃	1,672,000	2022.01.24～2027.01.25	〃	Construction in progress	
〃	1,609,000	2019.10.28～2026.10.28	〃	Construction in progress	
〃	2,190,000	2020.11.27～2025.11.27	〃	Construction in progress	
〃	1,793,000	2021.06.08～2026.06.08	〃	Construction in progress	
〃	1,914,209	2020.09.01～2025.09.01	〃	Construction in progress	
〃	2,158,000	2020.10.21～2025.10.21	〃	Construction in progress	
〃	450,000	2015.03.03～2026.03.03	〃	Construction in progress	
〃	430,880	2022.08.15～2026.08.15	〃	Construction in progress	
〃	859,500	2016.11.15～2026.11.15	〃	Construction in progress	
〃	204,630	2022.09.28～2027.09.28	〃	Construction in progress	
〃	600,000	2017.11.24～2026.11.24	〃	Construction in progress	
〃	532,000	2017.02.20～2026.02.20	〃	Construction in progress	
〃	860,150	2022.07.01～2026.07.01	〃	Construction in progress	
〃	956,000	2018.03.06～2027.03.06	〃	Construction in progress	
〃	639,300	2022.08.01～2027.08.01	〃	Construction in progress	
〃	995,000	2022.07.13～2024.07.13	〃	Land for construction	
〃	700,000	2020.03.24～2026.05.31	〃	Construction in progress	
〃	1,240,000	2021.08.05～2026.08.05	〃	Land for construction, Other current financial assets	
〃	145,599	2022.05.06～2024.05.06	〃	Real estate for sale	
〃	42,117	2023.01.18～2024.01.18	〃	Real estate for sale	
〃	35,530	2024.10.26～2024.10.26	〃	Real estate for sale	
〃	430,090	2023.05.16～2024.05.16	〃	Real estate for sale	
	$ 73,537,038				

Note 1: All the money is borrowed from the bank.

Note 2: The range of interest rate is 1.950%～3.165%.

Highwealth Construction Corp.

Statement of bonds payable

December 31, 2023

(Expressed in thousands of New Taiwan Dollar)

					Amount						
Name of bonds	Trustee	Date of issuance	Date of interest paid	Interest rate	Total amount of issuance	Amount converted	Balance on December 31,2019	Amount unamortized	Carrying amount	Method for repayment	Details of collateral
Corporate bonds seventh	Taipei Fubon Bank	2020.12.30	Yearly	0.53 %	$ 2,000,000	-	2,000,000	(20,910)	1,979,090	Paid at maturity	Other financial assets
Corporate bonds eighth	Land bank of Taiwan	2021.01.14	Yearly	0.52 %	2,000,000	-	2,000,000	(1,594)	1,998,406	Paid at maturity	Other financial assets, investment property and real estate for sale
Corporate bonds ninth	Taipei Fubon Bank	2021.01.14	Yearly	0.50 %	2,000,000	-	2,000,000	(871)	1,999,129	Paid at maturity	Other financial assets and investment property
Corporate bonds tenth	Land Bank of Taiwan	2021.09.15	Yearly	0.55 %	3,000,000	-	3,000,000	(22,957)	2,977,043	Paid at maturity	Other financial assets
Convertible bonds eleventh	Land Bank of Taiwan	2022.04.18	Yearly	0.90 %	2,000,000	-	2,000,000	(7,686)	1,992,314	Paid at maturity	Other financial assets
Corporate bonds twelfth	Mega International Commercial Bank	2023.12.11	Yearly	1.70 %	1,450,000	-	1,450,000	(18,243)	1,431,757	Paid at maturity	Other financial assets
Less:Redeemble bonds due within one year					(2,000,000)	-	(2,000,000)	871	(1,999,129)		
					$ 10,450,000	**-**	**10,450,000**	**(71,390)**	**10,378,610**		

Highwealth Construction Corp.

Statement of prepayments

December 31, 2023

(Expressed in thousands of New Taiwan Dollar)

Item	Summary	Amount	Note
Advance real estate receipts	Ching Sheng Second	$ 1,541,955	
	Fu Shan Section	1,268,309	
	Fong Gong Section	919,308	
	Shan Jieh Second	720,763	
	Hui Shun Second	720,322	
	Buo Shao Second	572,467	
	An Kang Section	456,340	
	Shin Jheng Hui Min Third	439,793	
	Yu Guang 891	426,314	
	Zhong Zheng Section	348,065	
	Xitun Section	333,684	
	Hui Shun Third	305,318	
	Da Gang Section	302,480	
	Hui An Fourth	202,226	
	Shin Do 310	134,158	
	Others	128,785	
Subtotal		8,820,287	
Advance receipts- rent		6,308	
Advance receipts, other		2,857	
		$ 8,829,452	

Highwealth Construction Corp.

Statement of operating revenue

For the year ended December 31, 2023

(Expressed in thousands of New Taiwan Dollar)

Item	Amount	Note
Land revenue	$ 7,832,633	
Building revenue	5,265,955	
Rental revenue	142,777	
Total	**$ 13,241,365**	

Statement of operating costs

Item	Amount	Note
Land cost	$ 3,819,109	
Building cost	5,694,682	
Rental cost	82,197	
Total	**$ 9,595,988**	

Highwealth Construction Corp.

Statement of selling expenses

For the year ended December 31, 2023

(Expressed in thousands of New Taiwan Dollar)

Item	Summary	Amount	Note
Salaries		$ 64,004	
Rental		34,449	
Advertising		71,669	
Depreciation		5,635	
Commission		309,253	
Other expense		107,892	
		$ 592,902	

Statement of administrative expenses

Item	Summary	Amount	Note
Salaries		$ 251,200	
Pension		11,188	
Rental		12,145	
Repair and maintenance		5,433	
Insurance		29,709	
Entertainment		9,052	
Donation		5,032	
Tax expense		253,959	
Depreciation		24,967	
Amortization		7,780	
Board expense		8,084	
Employee benefit		23,567	
Expected credit gains		(1,672)	
Charge of service		39,274	
Other expense		115,166	
		$ 794,884	