Stock Code: 2543

HWANG CHANG GENERAL CONTRACTOR CO., LTD. AND SUBSIDIARIES

Consolidated Financial Statements for the Years Ended December 31, 2022 and 2021 and Independent Auditors' Report

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※ Table of Contents ※

HWANG CHANG GENERAL CONTRACTOR CO., LTD.

Declaration Letter

The companies required to be included in the consolidated financial statements of affiliates in accordance with the “Criteria Governing the Preparation of Affiliation Reports, Consolidated Business Reports and Consolidated Financial Statements of Affiliated Enterprises” for the year ended December 31, 2022 are the same as the companies required to be included in the consolidated financial statements of parent and subsidiary companies as provided in International Financial Reporting Standards 10 “Consolidated Financial Statements”. Relevant information that should be disclosed in the combined financial statements of affiliates has all been disclosed in the consolidated financial statements of parent and subsidiary companies. Hence, we have not prepared a separate set of combined financial statements of affiliates.

Very truly yours,

HWANG CHANG GENERAL CONTRACTOR CORPORATION

By

Chairman: JIANG, CHENG-JIN

March 15,2023

Independent Auditors' Report

To the Board of Directors of Hwang Chang General Contractor Co., Ltd.:

Opinion

We have audited the accompanying consolidated financial statements of Hwang Chang General Contractor Corporation and its subsidiaries (hereinafter collectively referred to as "the Group"), which comprise the consolidated balance sheets as of December 31, 2022 and 2021, the consolidated statements of comprehensive income, changes in equity and cash flows for the years ended December 31, 2022 and 2021, and the notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as of December 31, 2022 and 2021, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

Basis for Opinion

We conducted our audits in accordance with the Regulations Governing Auditing and Attestation of financial statements by Certified Public Accountants and the Standards on Auditing of the Republic of China. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated financial statements section of our report. We are independent of the Group in accordance with the Certified Public Accountant Code of Professional Ethics in the Republic of China (the "Code") and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, are of most significance in our audit of the consolidated financial statements for the year ended December 31, 2022. These matters were addressed in the context of our audit of the consolidated financial statements as a whole and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matters for the Group's consolidated financial statements for the year ended December 31, 2022 are stated as follows:

Revenue Recognition

The Group recognized construction revenue of 7,829,974 thousand in 2022. Revenue recognition is generally subject to significant risks, and the construction revenue is calculated in accordance with the percentage of completion method, by which the degree of completion is evaluated based on the proportion of the incurred contract cost to the estimated total contract cost, involving significant accounting estimates and judgments of the Management; therefore, revenue recognition is listed as one of the key audit matters. For relevant information on revenue recognition and loss assessment, please refer to Note 4 and 6.

The audit procedures performed with respect to the above-mentioned key audit matter include (but are not limited to) the following:

1. We obtained an understanding of the internal controls related to revenue recognition of the Management, and evaluated whether the application of revenue recognition is consistent with the corresponding accounting policies.

2. We reviewed the significant terms and conditions in the contracts, inspected the total amount of the contracts and examined whether the amount reached the standard of recognition.

3. We performed cutoff tests with respect to the incurred costs to check whether the revenues were recognized in the correct accounting period.

Responsibilities of the Management and Those charged with Governance for the Consolidated financial statements

The Management is responsible for the preparation and the fair presentation of the consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China, and for sustaining essential internal control to ensure that the consolidated financial statements are free from material misstatements, whether due to fraud or error.

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

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

Auditor's Responsibilities for the Audit of the Consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is 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 consolidated financial statements.

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

1. Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than such risk 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 to express an opinion on the effectiveness of the Group's internal control.

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

4. Conclude on the appropriateness of the Management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether there exists a material uncertainty related to events or conditions that may cast significant doubt on the Group'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 consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.

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

6. Obtain sufficient and appropriate audit evidence regarding the financial information about the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision, and performance of the group 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 communicate with Those charged with Governance all relationships and other matters, including related protective measures, that may reasonably be thought to affect our independence.

From the matters communicated with Those charged with Governance, we determine the key matters that were of most significance in the audit of the consolidated financial statements for the year ended December 31, 2022. 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.

Others

For reference, Hwang Chang General Contractor Co., Ltd. has prepared the parent company only financial statements for the years ended December 31, 2022 and 2021, for which we have issued an independent auditors' report with an unqualified opinion.

Benison Associated C.P.AS' Firm

LIN, YU-YA

LI, HAN

Taipei, Taiwan (Republic of China)

Date: March 15, 2023

Notice to Readers

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

For the convenience of readers, the independent auditors' report and the accompanying consolidated financial statements have been translated into English from the original Chinese version prepared and used in the Republic of China. If there is any conflict between the English version and the original Chinese version or any difference in the interpretation of the two versions, the Chinese-language independent auditors' report and consolidated financial statements shall prevail.

HWANG CHANG GENERAL CONTRACTOR CO., LTD. AND SUBSIDIARIES
Consolidated Balance Sheets
December 31, 2022 and 2021

Unit: NT$ Thousands

ASSETS	December 31, 2022		December 31, 2021	
ITEMS	Amount	%	Amount	%
CURRENT ASSETS				
Cash and cash equivalents (Note 6(1))	$ 573,126	4	$ 330,233	4
Financial assets at amortized cost - current (Note 6(2))	741,697	6	488,775	5
Contract assets - current (Note 6(4))(Note 6(14))	2,625,126	20	2,725,267	30
Notes receivable - net amount (Note 6(3))	16,989	0	10,493	0
Accounts receivable - net amount (Note 6(3))	1,429,202	11	1,539,776	17
Other receivables (Note 6(3))	22,060	0	18,045	0
Current income tax assets (Note 6(17))	5,446	0	111	0
Inventories (Note 6(4))	6,354	0	5,613	0
Prepayments	317,842	3	307,667	3
Other financial assets (Note 6(2))	3,048,505	24	682,725	8
Refundable deposits on construction contracts (Note 6(5))	217,638	2	95,924	1
Other Current Assets	679	0	1,427	0
Total Current Assets	9,004,664	70	6,206,056	68
NON-CURRENT ASSETS				
Property, plant and equipment (Note 6(6))	2,755,918	21	2,311,594	25
Right-of-use assets (Note 6(7))	243,614	2	153,680	2
Investment properties-net (Note 6(8))	200,428	2	310,771	3
Intangible assets	2,711	0	3,565	0
Prepayments for equipment	698,961	5	54,334	1
Refundable deposits (Note 6(5))	7,235	0	99,250	1
Overdue receivables(Note 6(3))	-	0	-	0
Total non-current assets	3,908,867	30	2,933,194	32
Total assets	$ 12,913,531	100	$ 9,139,250	100

LIABILITIES AND EQUITY	December 31, 2022		December 31, 2021	
ITEMS	Amount	%	Amount	%
CURRENT LIABILITIES				
Short-term loans (Notes 6(9))	$ 2,035,543	16	$ 1,560,337	17
Contract liabilities (Notes 6(4))(Notes 6(14))	4,045,156	31	401,051	4
Notes payable	377,083	3	574,756	6
Accounts payable	2,135,448	17	2,500,584	27
Other payables (Note 6(10))	468,061	4	416,697	5
Current income tax liabilities (Note 6(17))	8,311	0	13,792	0
Lease liabilities - current (Note 6(7))	74,619	1	84,084	1
Provision - current (Note 6(11))	23,746	0	48,382	0
Long-term loans - current portion (Note 6(9))	64,923	1	63,395	1
Current portion of long-term notes payable(Note 6(9))	78,626	1	78,673	1
Other current liabilities	53,971	0	54,466	1
Total current liabilities	9,365,487	74	5,796,217	63
NON-CURRENT LIABILITIES				
Long-term loans (Note 6(9))	416,672	3	480,087	5
Lease liabilities - non-current (Note 6(7))	171,943	1	72,802	1
Long-term notes payable (Note 6(9))	30,855	0	109,481	1
Accrued pension liabilities (Note 6(12))	51,838	0	68,254	1
Other non-current liabilities	46,864	0	48,859	1
Total non-current liabilities	718,172	4	779,483	9
Total liabilities	10,083,659	78	6,575,700	72
EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY				
Share capital (Note 6(13))				
Ordinary shares	2,374,837	19	2,374,837	26
Capital surplus (Note 6(13))	37,701	0	37,701	1
Retained Earnings (Note 6(13))				
Legal reserve	24,167	0	24,167	0
Unappropriated earnings(Accumulated losses)	167,416	1	(72,781)	(1)
Total retained earnings	191,583	1	(48,614)	(1)
Treasury stock(Note 6(13))	-	0	-	0
NON-CONTROLLING INTERESTS	225,751	2	199,626	2
Total equity	2,829,872	22	2,563,550	28
Total liabilities and equity	$ 12,913,531	100	$ 9,139,250	100

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

HWANG CHANG GENERAL CONTRACTOR CO., LTD. AND SUBSIDIARIES
Consolidated Statements of Comprehensive Income
(In Thousands of New Taiwan Dollars, Except Earnings Per Share)
For the Years Ended December 31, 2022 and 2021

Unit: NT$ Thousands

Items	For the Year Ended December 31, 2022 Amount		%	For the Year Ended December 31, 2021 Amount		%
OPERATING REVENUE (Note 6(14))	$	8,448,320	100	$	8,002,544	100
OPERATING COSTS		(8,067,124)	(95)		(7,930,758)	(99)
GROSS PROFIT		381,196	5		71,786	1
OPERATING EXPENSES						
Selling and marketing expenses		(2,961)	(0)		(2,916)	(0)
General and administrative expenses		(208,103)	(3)		(171,764)	(2)
Expected credit gain		180,000	2		-	0
Total operating expenses		(31,064)	(1)		(174,680)	(2)
PROFIT(LOSS) FROM OPERATIONS		350,132	4		(102,894)	(1)
NON-OPERATING INCOME AND EXPENSES						
Interest income (Note 6(15))		6,376	0		718	0
Other income (Note 6(15))		16,807	0		10,301	0
Other income - others (Note 7)(Note 9(4))		-	0		563,345	7
Other gains and losses (Note 6(15))		(4,431)	(0)		12,354	0
Finance costs (Note 6(15)		(80,596)	(1)		(67,777)	(1)
Total non-operating income and expenses		(61,844)	(1)		518,941	6
INCOME BEFORE INCOME TAX		288,288	3		416,047	5
INCOME TAX EXPENSE (Note 6(17))		(15,213)	(0)		(13,792)	(0)
NET INCOME		273,075	3		402,255	5
OTHER COMPREHENSIVE INCOME						
Items that will not be reclassified subsequently to profit or loss:						
Remeasurement of defined benefit obligation (Note 6(12))		(1,808)	0		(10,411)	0
Income taxes relating to items that will not be reclassified subsequently		-	0		-	0
Other comprehensive income/(loss) for the period, net of income tax		(1,808)	0		(10,411)	0
TOTAL COMPREHENSIVE INCOME/(LOSS) FOR THE PERIOD	$	271,267	3	$	391,844	5
NET INCOME ATTRIBUTABLE TO:						
Shareholders of the parent company	$	242,201		$	369,582	
Non-controlling interests	$	30,874		$	32,673	
OTHER COMPREHENSIVE INCOME ATTRIBUTABLE TO:						
Shareholders of the parent company	$	240,197		$	359,211	
Non-controlling interests	$	31,070		$	32,633	
EARNINGS PER SHARE (Note 6(18))						
Basic	$	1.02		$	1.56	
Diluted	$	1.02		$	1.56	

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

HWANG CHANG GENERAL CONTRACTOR CO., LTD. AND SUBSIDIARIES
Consolidated Statements of Changes in Equity
For the Years Ended December 31,2022 and 2021

Unit: NT$ Thousands

ITEMS	Equity Attributable to Owners of the Company						Non-Controlling Interests	Total Equity
			Retained Earnings					
	Share Capital	Capital Surplus	Legal Reserve	Retained earnings	Treasury Stock	Total		
BALANCE AT JANUARY 1, 2021	$ 2,419,837	$ 37,087	$ 24,167	$ (431,992)	$ (44,386)	$ 2,004,713	$ 166,993	$ 2,171,706
Net income for the year ended December 31, 2021	-	-	-	369,582	-	369,582	32,673	402,255
Other comprehensive income (loss) for the year ended December 31, 2021	-	-	-	(10,371)	-	(10,371)	(40)	(10,411)
Total comprehensive income (loss) for the year ended December 31, 2021	-	-	-	359,211	-	359,211	32,633	391,844
Cancellation of Treasury Stock	(45,000)	614	-	-	44,386	-	-	-
BALANCE AT DECEMBER 31, 2021	2,374,837	37,701	24,167	(72,781)	-	2,363,924	199,626	2,563,550
Net income for the year ended December 31, 2022	-	-	-	242,201	-	242,201	30,874	273,075
Other comprehensive income (loss) for the year ended December 31, 2022	-	-	-	(2,004)	-	(2,004)	196	(1,808)
Decrease in Non-Controlling Interests							(4,945)	(4,945)
Total comprehensive income (loss) for the year ended December 31, 2022	-	-	-	240,197	-	240,197	26,125	266,322
BALANCE AT DECEMBER 31, 2022	$ 2,374,837	$ 37,701	$ 24,167	$ 167,416	$ -	$ 2,604,121	$ 225,751	$ 2,829,872

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

HWANG CHANG GENERAL CONTRACTOR CO., LTD. AND SUBSIDIARIES
Consolidated Statements of Cash Flows
For the Years Ended December 31, 2022 and 2021

Unit: NT$ Thousands

ITEMS	For the Year Ended December 31, 2022 Amount	For the Year Ended December 31, 2021 Amount
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	$ 288,288	$ 416,047
Adjustments for:		
Income and expense items that do not affect cash flows		
Depreciation expenses	275,800	253,921
Amortization expenses	1,189	895
Expected credit loss recognized/(reversed)	(180,000)	-
Interest expense	80,091	67,383
Interest income	(6,376)	(718)
Gain on disposal of property, plant and equipment	(507)	(12,354)
Lease Modification Benefit	(20)	-
Compensation income	-	(563,345)
Total amount of income and expense items that do not affect cash flows	170,177	(254,218)
Changes in operating assets and liabilities:		
Net changes in operating assets:		
Contract assets	100,141	210,311
Notes receivable	(6,496)	7,005
Accounts receivables	110,574	(535,091)
Inventories	(741)	42
Other receivables	126,130	(2,097)
Prepayments	(10,175)	71,314
Refundable deposits on construction contracts	(121,714)	(23,055)
Other current assets	197	(778)
Other financial assets	(2,365,780)	165,407
Net changes in operating assets:	(2,167,864)	(106,942)
Net changes in operating liabilities:		
Contract liabilities	3,644,105	150,093
Notes payable	(197,673)	142,399
Accounts payable	(365,188)	466,963
Other payables	49,939	84,525
Provision	(24,636)	48,382
Other current liabilities	4,785	(68,173)
Accrued pension liabilities	(18,224)	(7,114)
Net changes in operating liabilities:	3,093,108	817,075
Total changes in operating assets and liabilities:	925,244	710,133

(Continued)

Total adjustment amounts	1,095,421	455,915
Cash generated from/(used in) operations	1,383,709	871,962
Interest received	56,231	699
Interest paid	(74,285)	(62,627)
Income tax recieved	(26,029)	114
Net cash generated from/(used in) operating activities	1,339,626	810,148
CASH FLOWS FROM INVESTING ACTIVITIES		
(Decrease)/increase in financial assets at amortized cost - current	(252,922)	(16,606)
Payments for property, plant and equipment	(223,278)	(199,515)
Proceeds from the disposal of property, plant and equipment	46,645	25,735
Increase in refundable deposits	92,015	(29)
Payments for intangible assets	(334)	(2,211)
Payments for Investment properties	-	(44,816)
Increase in prepayments for equipment	(977,944)	(158,450)
Net cash used in investing activities	(1,315,818)	(395,892)
CASH FLOWS FROM FINANCING ACTIVITIES		
(Decrease)/increase in short-term borrowings	475,206	(238,050)
Increase in long-term borrowings	(140,560)	80,554
(Decrease)/increase in deposits received	(7,275)	9,620
Decrease in Non-Controlling Interests	(4,945)	-
Repayment of the principal portion of lease liabilities	(103,341)	(100,451)
Net cash (used in)/generated from financing activities	219,085	(248,327)
NET INCREASE IN CASH AND CASH EQUIVALENTS	242,893	165,929
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	330,233	164,304
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	$ 573,126	$ 330,233

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

HWANG CHANG GENERAL CONTRACTOR CO., LTD. AND SUBSIDIARIES
Notes to Consolidated Financial Statements
For the Years Ended December 31, 2022 and 2021
(Amounts in Thousands of New Taiwan Dollars, Unless Otherwise Specified)

1. Company History

(1) Hwang Chang General Contractor Co., LTD. (hereinafter referred to as "the Corporation") was established under the provisions of the Company Act of the Republic of China (R.O.C.) in January, 1981. The Corporation, whose shares have been traded on the Taiwan Stock Exchange since October 15, 1999, is mainly engaged in the contracting business of civil engineering projects. The major construction projects contracted by the Group in 2022 are listed as follows:

- The segment CQ860 of MRT Wanda-Zhonghe-Shulin Line
- The reconstruction of Huannan Public Market
- The turnkey project of public housing (bid D) of Guangci-Boai Park overall development plan
- The turnkey city-owned land readjustment project of Caoluo overall development unit (section 1,3,6) in Guanyin District, Taoyuan City
- The new freeway construction project from Dayuan Interchange (National Freeway 2) to Provincial Highway 15
- The port and embankment construction project of The Third Liquefied Natural Gas Terminal
- The new turnkey project of Zhonghe Anbang youth social housing
- The construction of the new system interchange from National Freeway 3 to Provincial Highway 66
- Taoyuan City Zhongli Sports Park Section Expropriation Project
- Kwun Tong Receiving Station Extrapolation Plan Outline Breakwater New Construction
- Increased installation of gate improvement Construction at Wugu Interchange on National Highway 1.
- Taipei Circular Line Section bid Y20-Y23: Civil construction &Hydropower environmental control.

(2) The Corporation and the subsidiaries included in the consolidated financial statements are collectively referred to as "the Group" hereinafter.

2. Approval Date and Procedures of the Consolidated financial statement

The consolidated financial statements have been approved by the board of directors on March 15, 2023.

3. Applications of Newly Issued and Revised Standards and Interpretations

(1) The impact of the International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) (collectively, the "IFRSs") endorsed and issued into effect by the Financial Supervisory Commission (FSC):

The initial application of the amendments to the IFRSs endorsed and issued into effect by the FSC did not have a significant effect on the Company's accounting policies.

(2) The IFRSs issued by International Accounting Standards Board (IASB) and endorsed by the Financial Supervisory Commission (FSC) for application starting from 2022

New, Revised or Amended Standards and Interpretations	Effective Date Announced by IASB
Amendments to IAS 1 "Disclosure of Accounting Policies"	January 1, 2023 (Note 1)
Amendments to IAS 8 "Definition of Accounting Estimates"	January 1, 2023 (Note 2)
Amendments to IAS 12 "Deferred Tax related to Assets and Liabilities arising from a Single Transaction"	January 1, 2023 (Note 3)

Note 1: The amendments to IAS 1 will be applied on or after the annual reporting periods beginning on or after January 1, 2023.

Note 2: The amendments to IAS 8 will be applied on or after the annual reporting periods beginning on or after January 1, 2023.

Note 3: The amendment applies to transactions occurring after January 1, 2023, except for the recognition of deferred income tax on temporary differences in lease and decommissioning obligations on January 1, 2022.

The Group is continuously assessing the possible impacts that the application of other standards and interpretations will have on the Group's financial position and financial performance and will disclose relevant impacts when the assessment is completed.

(3) The IFRSs issued by IASB but yet to be endorsed and issued into effect by the FSC

New, Revised or Amended Standards and Interpretations	Effective Date Announced by IASB (Note 1)
Amendments to IFRS 10 and IAS 28 "Sale or Contribution of Assets between An Investor and Its Associate or Joint Venture"	To be determined by IASB
Amendments to IFRS16 "Requirements for Sale and Leaseback Transactions"	January 1, 2024 (Note 2)
IFRS 17 "Insurance Contracts"	January 1, 2023
Amendments to IFRS 17	January 1, 2023
Amendments to IFRS 17 "Initial Application of IFRS 17 and IFRS 9 – Comparative Information "	January 1, 2023
Amendments to IAS 1 "Classification of Liabilities as Current or Non-current"	January 1, 2023
Amendments to IAS 1 "Noncurrent Liabilities with Covenants"	January 1, 2024

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

Note 2: The seller and lessee shall apply the amendments of IFRS 16 retroactively to the sale and leaseback transactions signed after the date of initial application of IFRS 16.

The Group is continuously assessing the possible impact that the application of other standards and interpretations will have on the Group's financial position and financial performance and will disclose the relevant impact when the assessment is completed.

4. Summary of Significant Accounting Policies

(1) Statement of compliance

The consolidated financial statements have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and IFRSs as endorsed and issued into effect by the FSC.

(2) Basis of preparation

a. The consolidated financial statements have been prepared on the historical cost basis except for financial instruments measured at fair value. Historical cost is generally based on the fair value of the consideration given in exchange for the assets.

b. Significant accounting estimates are required in order to prepare consolidated financial statements in accordance with the IFRSs endorsed by the FSC, and the judgments of the Management are essential in the process of applying the Group's accounting policies as well. For the items involving a high degree of subjective judgment or complexity, or those involving significant assumptions and estimates of the financial reports, please refer to the explanation in note 5.

(3) Basis of consolidation

a. Preparation Principle of Consolidated Financial Statements

The consolidated financial statements incorporate the financial statements of the Corporation and those of the entities controlled by the Corporation (i.e. the subsidiaries). Control refers to the Corporation's power to direct a specific entity's financial and operating policies with a view to gaining economic benefits from its activities.

Income and expenses of subsidiaries acquired or disposed of are incorporated fairly into the consolidated statements of comprehensive income from the effective date of acquisition and up to the effective date of disposal. Total comprehensive income of subsidiaries is attributed to the shareholders of the parent and to the non-controlling interests even if the attribution results in the deficit in the balance of non-controlling interests.

Adjustments are made to the financial statements of subsidiaries to make their accounting policies in line with those used by the Corporation.

All intra-group transactions, balances, income and expenses are eliminated in full on consolidation.

Changes in the Corporation's ownership interest in a subsidiary, which do not cause the Corporation to lose control over the subsidiary, are accounted for as equity transactions. The carrying amounts of the Corporation's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognized directly in equity and attributed to shareholders of the Corporation.

b. The subsidiaries incorporated in the consolidated financial statements are as follows:

Investor Company	Investee Company	Main Businesses and Products	Percentage of Ownership (2022.12.31)	Percentage of Ownership (2021.12.31)	Note
The Corporation	Ho Chang International Contractor Co., Ltd.	Manufacturing of ready-mix concrete	49.00%	49.00%	Note 1

Note 1: Through Ho Chang International Contractor Co., Ltd.'s reelection of directors and supervisors on June 28, 2007, the Corporation has acquired more than half of the seats on the board of directors, thus obtaining substantial control. As a result, Ho Chang International Contractor Co., Ltd. is incorporated in consolidated financial statements thenceforth.

c. The shares of Ho Chang International Contractor Co., Ltd. held by other minor shareholders are reported as Non-controlling interests.

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

The normal operating cycle applies when considering the classification of the Group's construction-related assets and liabilities. For the remaining items, the classification criteria were as follows:

Assets that meet one of the following conditions are classified as current assets, and all other assets that are not current assets are classified as non-current assets:

a. The asset is expected to be realized within normal operating cycle, or it is intended to be sold or depleted;
b. The asset is held mainly for trading purposes;
c. The asset is expected to be realized within 12 months after the reporting period; or
d. The asset belongs to cash or cash equivalents which are not restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period or subject to other restrictions.

Liabilities that meet one of the following conditions are classified as current liabilities, and all other liabilities that are not current liabilities are classified as non-current liabilities:

a. The liability is expected to be settled within normal operating cycle;

b. The liability is held primarily for the trading purposes;
c. The liability is expected to be settled within 12 months after the reporting period; or
d. The liability belongs to those of which the Group has no unconditional right to defer the settlement for at least 12 months after the reporting period. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issuance of equity instruments do not affect its classification.

(5) Cash and cash equivalents

Cash and cash equivalents include cash on hand, demand deposit and check deposit. Cash equivalents refer to the short-term and highly liquid investment that can be converted into a fixed amount of cash at any time with little value volatility. Time deposits are classified as cash equivalents only when they satisfy the aforementioned definition, and the purpose of holding them is for meeting the short-term cash commitments instead of investment or other purposes.

(6) Financial Instruments

Financial assets and financial liabilities are primitively recognized in the balance sheets when the Group becomes a party to the contractual provisions of the instrument. At initial recognition, the Group measures a financial asset or a financial liability at its fair value plus or minus, in the case of financial asset or liability not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issue of the financial asset or the financial liability. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognized immediately in profit or loss.

a. Measurement categories of financial assets

By conventional practices, all purchases or sales of financial derivatives are recognized and derecognized using the settlement date basis, whereas other financial assets are recognized and derecognized using the trade date basis.

The financial assets currently held by the Group consist of three categories, namely financial assets measured at fair value through profit or loss (FVTPL), financial assets measured at amortized cost, and investments in equity instruments measured at fair value through other comprehensive income (FVTOCI).

a) Financial assets at FVTPL

Financial assets at fair value through profit or loss can be either mandatorily required or designated to be measured at FVTPL. The financial assets that are mandatorily measured at FVTPL include debt instruments that do not meet the criteria of amortized cost or FVTOCI and equity instruments that are not designated to be measured at fair value through other comprehensive income.

The financial assets at FVTPL are measured at their fair values. The net gains or losses arising from remeasurement, excluding any interest or dividends earned on the financial asset, are recognized in profit or loss. For the method to determine the fair value, please refer to Note 12(2).

b) Financial assets at amortized cost

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

I. The financial asset is held under a business model whose purpose is to hold financial assets in order to collect contractual cash flows; and

II. The contractual terms of the financial asset generate cash flows on specific dates, and the cash flows are solely used to pay for the principal and interest of the outstanding principal amount.

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

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

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

c) Investments in equity instruments at FVTOCI.

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

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

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

b. Impairment of financial assets

The Group recognizes a loss allowance for expected credit losses on financial assets at amortized cost (including account receivables).

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

Expected credit losses reflect the weighted average of credit losses with respect to the default risks. Lifetime ECLs represent the expected credit losses resulting from all possible default events over the expected life of a financial instrument. In contrast, 12-month ECLs represent the expected credit losses resulting from the possible default events within 12 months after the reporting date.

The impairment losses of all financial assets reduce their carrying amounts through the corresponding loss allowance accounts.

c. Derecognition of financial assets

The Group derecognizes a financial asset only when the contractual rights to the cash flows from the asset expire or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. When a financial asset at amortized cost is derecognized entirely, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognized in profit or loss. When an investment in equity instrument at FVTOCI is derecognized entirely, the cumulative gain or loss which had been recognized in other comprehensive income is transferred directly to retained earnings, without the reclassification to profit or loss.

d. Financial liabilities and equity instruments

a) Classification of financial liabilities or equity instruments

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

b) Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Group are recognized at the proceeds received, net of direct issuance costs.

c) Financial liabilities

Financial liabilities are subsequently measured at amortized cost using the effective interest method when they are not held for trading or designated as at fair value through profit or loss.

Financial liabilities at fair value through profit or loss are measured at fair value at the end of each reporting period, with any gains or losses arising on remeasurement recognized in other profit or loss in the comprehensive income statement.

d) Other financial liabilities

Financial liabilities are initially recognized at fair value plus any directly attributable transaction costs if they are not held for trading or designated as at fair value through profit or loss (including short-term and long-term loans, bonds payable, accounts payable and other payables), and they are subsequently measured at amortized cost by the effective interest method. The interest expense which is not capitalized as the costs of an asset is reported in the finance costs item in non-operating income and expense.

e) Derecognition of financial liabilities

The Group derecognizes a financial liability only when the contractual obligations are discharged, cancelled or terminated.

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

f) Offsetting of Financial Assets and Financial Liabilities

Financial assets and financial liabilities shall be offset against each other and expressed in the net amount in the balance sheet only when the Group currently has a legally enforceable right of set-off and intends either to settle on a net basis or to realize the financial assets and settle the financial liabilities simultaneously.

(7) Inventories

Inventories are recorded at cost and adjusted to weighted-average cost through the perpetual inventory method. At the end of the reporting period, the Group states the inventories at the lower of cost or net realizable value, applying the item-by-item method for all inventories except for those from identical categories.

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

(8) Property, plant and equipment

a. Recognition and measurement

Property, plant and equipment are initially measured at cost and subsequently measured at cost less accumulated depreciation and accumulated impairment. Costs include any incremental costs that are directly attributable to the construction or acquisition of the item of property, plant and equipment. The cost of self-constructed asset includes direct materials, direct labor expense, the estimated cost of future disassembly, removal of the asset and recover of the location, the funding costs that meet the criteria of asset capitalization, and any other costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Additionally, the cost also includes the effective portion of cash flow hedge transferred from equity for the purchase of property, plant and equipment denoted in foreign currency, and the software purchased in order to integrate the function of relevant equipment shall also be capitalized as a part of the equipment.

When an item of property, plant and equipment consists of distinct parts, and their costs, in relation to the total cost of the item, are so significant that it is more appropriate to apply different depreciation rates or depreciation methods, the parts shall be treated as separate items (main components) of property, plant, and equipment.

Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in profit or loss in net.

b. Reclassification to investment property

When the property for own use is reclassified as investment property, the carrying amount of the property on the date of transfer is used as the initial carrying value of the investment property.

c. Subsequent costs

Subsequent costs are considered a part of the carrying amount of the property, plant and equipment only when their future economic benefits are likely to flow into the Group, and the amount can be reliably measured; meanwhile, the carrying amount of the parts replaced shall be derecognized. The costs incurred on a regular basis to keep the property, plant and equipment in healthy condition are expensed in profit or loss immediately.

d. Depreciation

Depreciation is calculated by deducting the residual value from the asset cost and is recognized in profit or loss within the estimated useful life of each component using the straight-line method. Each significant part is depreciated separately. If the estimated useful life of a part of an asset differs significantly from those of other parts of the asset, the part shall be depreciated individually. Depreciation is recognized in profit or loss.

The leased assets of which there is reasonable assurance the Group will obtain the ownership by the end of the lease term are depreciated over their estimated useful lives. Other leased assets are depreciated over the shorter of the lease terms and the useful lives.

No depreciation shall be recognized for land.

The estimated useful life of the current period and comparative periods were as follows:

a) Houses and buildings: 20 to 55 years
b) Building improvements: 10 years
c) Machinery: 1.58 to 20 years
d) Transportation equipment: 2 to 14 years
e) Furniture and fixtures: 3 to 12 years
f) Other equipment: 3 to 18 years
g) Vessels: 10 to 15 years
h) Construction equipment: amortized evenly over the life of the construction contract
i) Leasehold improvements: 5 to 15years

The estimated useful lives, residual values and depreciation methods are reviewed and adjusted, if necessary, at the end of each reporting period, and any changes in the estimates are accounted for on a prospective basis.

(9) Investment properties

a. Investment properties are properties held to earn rental and/or for capital appreciation.

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

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

(10) Lease

The Group evaluates whether the contract is a lease or contains a lease on the contract establishment date.

a. The Group as lessor

Rental income from operating lease is recognized on a straight-line basis over the term of the lease.

b. The Group as lessee

Except for payments for low-value asset leases and short-term leases, which are recognized as expenses on a straight-line basis, the Group recognizes right-of-use assets and lease liabilities for all leases on the commencement date of the lease.

Right-of-use assets are measured at cost. The cost of right-of-use assets comprises the initial measurement of lease liabilities adjusted for lease payments less any lease incentives received and initial direct costs made at or before the commencement date, plus an estimate of costs needed to restore the underlying assets. Subsequent measurement is calculated as cost less accumulated depreciation and accumulated impairment loss and adjusted for changes in lease liabilities as a result of lease term modifications or other related factors. Right-of-use assets are presented separately in the balance sheets.

Right-of-use assets are depreciated using the straight-line method from the commencement dates to the earlier of the end of the useful lives of the right-of-use assets or the end of the lease terms.

Lease liabilities are initially measured at the present value of the lease payments. If the implicit interest rate can be readily determined, the lease payments are discounted at the implicit rate. Otherwise, the lease payments are discounted at the lessee’ s incremental borrowing rate.

Lease liabilities are subsequently measured at amortized costs using the effective interest method, and the interest expenses are allocated over the lease terms. If the modification of the lease term leads to a change in future lease payments, the Group will remeasure the lease liability and adjust the right-of-use asset accordingly. Nonetheless, if the carrying amount of the right-of-use asset has been reduced to zero, the remaining remeasurement amount is recognized in profit or loss. Lease liabilities are presented independently in the balance sheets.

(11) Intangible assets

Separately acquired intangible assets with finite useful lives are measured at cost less accumulated amortization and accumulated impairment losses. Amortization is recognized using the straight-line method over the following estimated useful lives: Technology license fees - the estimated life of the technology or the term of the technology transfer contract; software and system design costs – 3 to 5 years; patent and others - the economic life or the contract period. The estimated useful lives and amortization methods are reviewed and adjusted, if necessary, at the end of each reporting period, and any changes in the estimates are accounted for on a prospective basis.

(12) Impairment of non-financial assets

At the end of each reporting period, the Group reviews the carrying amounts of its assets to determine whether there is any indication that those assets have suffered an impairment loss. If such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss. When it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. If the corporate assets can be allocated to the individual cash-generating units on a reasonable and consistent basis, they will be allocated to the individual cash-generating units; otherwise, they will be allocated to the smallest group of cash-generating units on a reasonable and consistent basis of allocation.

The recoverable amount is the higher of fair value less costs to sell and value in use. When assessing the value in use, the Group discounts the estimated future cash flows using the pre-tax discount rate, which reflects the current market assessment of the following: the time value of money and the risk specific to the assets of which the future cash flow estimates have yet to be adjusted.

If the recoverable amount of an asset or cash-generating unit is estimated to be less than its carrying amount, the carrying amount of the asset or cash-generating unit is reduced to its recoverable amount, with the resulting impairment loss recognized in profit or loss.

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

(13) Provisions

A provision is recognized when the Group is charged with a current obligation (whether legal or constructive) as a result of a past event, and it is likely that the Group has to settle the obligation, whose amount can be reliably estimated.

When recognizing the amount of the provisions, the Group measures them at the best estimate of the payments required to settle the obligations at the end of the reporting period, taking into consideration the obligations' uncertainty and risks. If the provision is measured at the estimated cash flows to settle the current obligation, its carrying amount equals the present value of the cash flows.

Onerous contracts are those in which the Group's unavoidable costs of meeting the contractual obligations exceed the economic benefits expected to be received from the contract. The present obligations arising under onerous contracts are recognized and measured as provisions.

(14) Treasury stock

When the Group repurchases some of its outstanding stock, the after-tax amount of the consideration paid for the repurchase (including the directly attributable costs) is recognized as "Treasury stock", a contra-equity account. If the disposal price of the treasury stock is higher than its carrying amount, the difference is recognized as Capital surplus – treasury stock transactions. If the disposal price is lower, on the other hand, then the difference shall be offset against the capital surplus generated from the transactions of similar treasury stock. If the balance of the capital surplus is insufficient to offset the difference, the remainder is recorded as a reduction of retained earnings. The carrying amount of Treasury stock is computed separately based on the reason for reacquisition using the weighted-average method.

Upon retirement, Ordinary shares and Capital surplus – treasury stock transactions are debited in proportion to the ratio of the shares retired. If the carrying amount of the retired treasury stock is higher than the sum of the par value and premium of them, the difference shall be offset against the capital surplus generated from the transactions of similar treasury stock. If the capital surplus is insufficient to offset the difference, the remainder is recorded as a reduction of retained earnings. If the carrying amount is lower than the sum, on the other hand, the capital surplus generated from the transactions of similar treasury stock is credited.

(15) Revenue recognition

The Group identifies the performance obligations from customer contracts, allocates the transaction price to each performance obligation, and recognizes revenue when each obligation is satisfied. The details of the Group's major sources of revenue were as follows:

a. Revenue from the sale of goods

The revenue from the sale of goods is mainly generated from the sale of ready-mix concrete. The Group recognizes revenue and accounts receivable either when the Group has transferred all the risks regarding the ready-mix concrete to the customer and the customer has collected the products in accordance with the sales contract, or when the Group has obtained objective evidence supporting that all inspection conditions had been satisfied.

b. Revenue from construction contracts

For the construction contracts that are under the control of clients at the time of construction, the revenue is gradually recognized over time. Since the costs invested in the construction are directly related to the degree of completion of the performance obligations, the Group measures the degree of completion on the proportion of the costs invested to the total estimated cost. The Group gradually recognizes contract assets over the period of construction, and reclassifies them to account receivables at the point when the customer is invoiced. If the payments received exceed the revenues recognized to date, then the Group recognizes contract liabilities for the difference. The retention receivable, certain payments retained by the customer as specified in the contract to ensure that the Group adequately completes all of its contractual obligations, are recognized as contract assets until the Group satisfies its performance obligations.

When the outcome of a performance obligation cannot be reasonably measured, contract revenue is recognized only to the extent of contract costs incurred in satisfying the performance obligation of which the costs are expected to be recovered.

(16) Joint arrangements

A joint arrangement is an arrangement over which more than two parties have joint control. Joint arrangement includes joint operation and joint venture, and has the following characteristics: (a) the participants are bound by the contractual arrangement; (b) the arrangement confers at least two parties the joint control over the arrangement. IFRS 11 "Joint Arrangement" defines joint control as the contractual agreement to share control over an arrangement. It only exists when decisions related to relevant activities (i.e. activities that have a material impact on the remuneration of the arrangement) must be agreed by all parties sharing control.

A joint operation is a joint arrangement, by which the parties having joint control over the arrangement (that is, the joint operators) have rights to the assets and are obligated to the liabilities related to the arrangement. The joint operators shall recognize and measure assets and liabilities related to its equity in the arrangement (and recognize relevant income and expenses) under relevant IFRSs applicable to specific assets, liabilities, income, and expenses.

The Group shall consider the structure of the arrangement, the legal form of the separate vehicle, the terms of the contractual arrangement, and other facts or circumstances when evaluating the classification of joint arrangements.

(17) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets are added to the acquisition costs of those assets, and the exchange gains or losses of loans denoted in non-functional currencies are recorded as the adjusting amount of the aforementioned costs. Borrowing costs that are not directly attributable to qualifying assets are recorded as the acquisition costs of those assets based on the related costs calculated at the weighted average interest rate.

(18) Retirement benefits

The contribution obligation of a defined contribution plan is recognized as an expense during the period of service provided by the employee. The benefit expenses of a defined benefit pension plan are recognized as defined benefit costs in accordance with the actuarial result.

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

Net defined benefit liabilities represent the actual deficit in the Group’s defined benefit plans.

(19) Income tax

Income tax expense represents the sum of the current and deferred income tax.

a. Current tax

Current income tax is calculated based on the taxable income (loss) of the current year. As part of the profits or losses belong to taxable or deductible items in other reporting periods, or do not belong to taxable or deductible items, the taxable income is different from the net income reported in the statements of comprehensive income. The current income tax-related liabilities of the Group are calculated in accordance with the tax rate that has been legislated or substantively legislated at the end of the reporting period.

According to the Income Tax Law in the ROC, a surtax on unappropriated earnings is reported as Income tax expense in the year when the shareholders passed the approval of retained earnings.

b. Deferred tax

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

Deferred tax liabilities are recognized for taxable temporary differences associated with investments in subsidiaries and associates and interests in joint arrangements, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognized to the extent that it is probable that there will be sufficient taxable profits against which the benefits of the temporary differences can be utilized and are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the assets to be recovered. Previously unrecognized deferred tax assets are also reviewed at the end of each reporting period and recognized to the extent that it has become probable that future taxable profit will allow the Group to recover the deferred tax asset.

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

c. Current and deferred taxes for the year

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

(20) Earnings per share

The Group presents the basic and diluted earnings per share attributable to the Corporation's common equity holders. Basic earnings per share of the Group are calculated by dividing the profit and loss attributable to the Corporation's common equity holders by the weighted average number of outstanding common shares in the current period. Diluted earnings per share are calculated by adjusting the profit and loss attributable to the common equity holders of the Corporation and the weighted average number of outstanding common shares to the effects of all potentially dilutive securities. The Group's diluted earnings per share are calculated taking into account the convertible bonds and employee bonuses distributable through issuance of shares.

(21) Segment information

The operating segment is an integral part of the Group, engaged in business activities that may generate revenues and incur expenses (including revenues and expenses related to the transactions among other components of the Group). The operating results of all operating segments are periodically reviewed by the major operating decision-makers of the Group to make decisions on the allocation of resources to the segments and to evaluate their performance. Every operation segment has its individual financial information.

(22) Finance income and finance costs

Finance income comprises the interest income and dividend income generated from investments in financial assets, the impairment reversal gains on financial assets, the disposal gains on available-for-sale financial assets, the net gains on financial assets (liabilities) at FVTPL, and the gains on hedging instruments that should be recognized in profit or loss. Interest income is recognized as profit or loss using the effective interest method on an accrual basis. Dividend income is recognized on the date when the Group obtains the right to collect the dividend. Interest income and dividend income are presented in Other income, a component of Non-operating income and expenses, while the gains and losses on other items are recognized at net amount in Other gains and losses, a component of Non-operating income and expenses.

Finance costs comprise the interest expense of loans, interest expenses recognized over time from changes in the present value of provisions, dividends paid on preferred stock classified as liabilities (reported in interest expense), the net losses on financial assets (liabilities) at FVTPL, the impairment losses on financial assets, the disposal losses on available-for-sale financial assets, and the losses on hedging instruments that should be recognized in profit or loss. Finance costs other than interest expense are reported with relevant gains in Other gains and losses, a component of Non-operating income and expenses.

Borrowing costs that are not directly attributable to qualifying assets are recognized in profit or loss using the effective interest method.

Gains and losses on exchange are reported in net amounts in Other gains and losses, a component of Non-operating income and expenses.

5. Critical Accounting Judgments and Key Sources of Estimation Uncertainty

In the application of the Group’s accounting policies in Note 4, the Management is required to make judgments, estimations, and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experiences and other factors that are considered relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period when the estimates are revised if the revisions affect only that period; alternatively, they are recognized in the period of the revisions and future periods if they affect both current and future periods.

The following is the information about the major assumptions made for the future and other major sources of uncertainty in the estimates at the end of the financial report period. These assumptions and estimates have the risk of causing significant adjustments in the carrying amounts of assets and liabilities in the next financial year.

(1) Recognition of operating income

The Group's construction contract revenues are recognized using the percentage-of-completion method, and the percentage of completion is estimated by the proportion of the costs invested to the total estimated cost.

(2) Estimated impairment of financial assets

a. The estimated impairment of accounts receivable and investments in debt instruments is based on assumptions about risk of default and expected loss rates made by the Group, taking into consideration the Group's historical experiences as well as existing market conditions. If the actual cash flows are less than expected, a material impairment loss may arise.

b. For relevant information on the possible adjustments of the consolidated financial statements of the next period, due to the accounts receivable and other receivables to which the Group has taken corresponding legal actions, please refer to Note 6(3), Note 9(3) and Note 12.

(3) Realizability of deferred tax assets

Deferred tax assets are only recognized to the extent that it is probable that there will be sufficient taxable profits against which the benefits of the temporary differences can be utilized. Assessment of the realizability of the deferred tax assets involves subjective critical accounting judgments and estimates of the Management; thus, any change in global economic environment, industrial trends and relevant laws could result in significant adjustments in the deferred tax assets.

(4) Calculation of defined benefit obligation

The pension costs of the retirement benefit plan and the present value of defined benefit obligations are determined via actuarial valuation. The process of actuarial valuation involves various assumptions, including those for the discount rate, future salary growth, mortality rate and potential increases in future pension payments. For details of the assumptions used to evaluate pension costs and defined benefit obligations, please refer to Note 6(12).

6. Descriptions of Significant Accounting Items

(1) Cash and cash equivalents

	2022.12.31	2021.12.31
Cash and petty cash	$ 2,374	$ 2,344
Demand deposits	570,732	327,869
Check deposits	20	20
Time deposits	--	--
	$ 573,126	**$ 330,233**

Please refer to Note 12(2) for the disclosure of interest rate risk and sensitivity analysis of financial assets and liabilities of the Group.

(2) Financial assets

a. The details were as follows:

	2022.12.31	2021.12.31
Current:		
Financial assets measured at FVTPL		
Mutual funds	$ --	$ --
Financial assets measured at amortized cost		
Time deposits	741,697	488,775
Joint contract distribution	--	--
Total	741,697	488,775
Other financial assets		
Demand deposits	3,048,271	681,951
Joint contract distribution	234	774
Total	3,048,505	682,725
	$ 3,790,202	**$ 1,171,500**
Non-current		
Financial assets measured at amortized cost		
Time deposits	**$ --**	**$ --**

b. Other information was as follows:

	For the Years Ended December 31			
	2022		2021	
	Interest Rate Interval	Year of Maturity	Interest Rate Interval	Year of Maturity
Financial assets measured at amortized cost	0.05%～1.44%	2023	0.05%～1.07%	2022

c. Explanations of the evaluation adjustments of the Group's investments at FVTPL were as follows:

	For the Years Ended December 31	
	2022	2021
Balance on January 1	$ --	$ --
Increase during the period	--	--
Write-off during the period	--	--
Balance on December 31	$ --	$ --

d. The Group discloses the exposures to risks of credits, foreign currencies and interest rates related to financial instruments in Note 12(2).

e. As of December 31, 2022 and 2021, the restricted prepayment account funds(Listed in other financial assets) were 2,530,998 and 32,804 thousand dollars respectively; the purpose of the special account funds is limited to pay the project costs and expenses (including equipment).

f. Please refer to Note 8 for the information regarding the Group's financial assets pledged as collateral as of December 31, 2022 and 2021.

(3) Accounts receivable, other receivables and overdue receivables

a. The details were as follows:

	For the Years Ended December 31	
	2022	**2021**
Notes receivable	$ 17,389	$ 10,893
Less: Allowance for impairment loss	(400)	(400)
	16,989	**10,493**
Account receivables:		
Account receivables for ready-mix concrete	243,897	213,599
Construction contract receivables	1,187,225	1,328,097
Joint contract distribution	--	--
Total	1,431,122	1,541,696
Less: Allowance for impairment loss	(1,920)	(1,920)
	$ 1,429,202	**$ 1,539,776**
Other receivables:		
Other notes receivable		
Non-related parties	$ --	$ --
Less: Allowance for impairment loss	--	--
Other notes receivable, net amount	--	--
Other receivables:		
Interest receivable	726	112,174
Advance payments under joint contract	--	129,496
Others	21,639	18,273
Total	22,365	259,943
Less: Allowance for impairment loss (Note 9(3))	(305)	(241,898)
Other receivables, net amount	22,060	18,045

	$ 22,060	**$ 18,045**
Overdue receivables:		
Overdue receivables	$ 2,907	$ 2,907
Less: Allowance for impairment loss	(2,907)	(2,907)
	$ --	**$ --**

b. The recognition of Other receivables - Advance payments under joint contract results from the contributions paid in advance for the joint contractor, HWASUN ENGINEERING & CONSTRUCTION CO., LTD., of the jointly contracted project, the CO3 segment of Kaohsiung MRT. For relevant explanations of this advance payment and the allowance for impairment loss on its interest payable, please refer to Note 9(3).

c. The Group's Allowance for impairment loss of accounts receivable and other receivables:

a) The loss allowances evaluated by the Group were as follows:

2022.12.31	**Not Past Due**	**Past Due Over 365 Days**	**Total**
Gross carrying amount	$ 1,470,876	$ 2,907	$ 1,473,783
Loss allowance	(2,625)	(2,907)	(5,532)
	$ 1,468,251	**$ --**	**$ 1,468,251**

2021.12.31	**Not Past Due**	**Past Due Over 365 Days**	**Total**
Gross carrying amount	$ 1,570,939	$ 244,500	$ 1,815,439
Loss allowance	(2,625)	(244,500)	(247,125)
	$ 1,568,314	**$ --**	**$ 1,568,314**

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

	For the Years Ended December 31	
	2022	**2021**
Balance on January 1	$ 247,125	$ 247,125
Add: Expected credit loss	--	--
Less: Amounts written off	(61,953)	--
Less: Reversal	(180,000)	--
Balance on December 31	**$ 5,532**	**$ 247,125**

d. The impairment recognized in loss allowance evaluation represents the difference between the carrying amount of the account receivable and the expected recovery amount. For the information related to credit risks, please refer to Note 12(2). The Group does not possess any collateral for the balance.

e. As of December 31, 2022 and 2021, none of the accounts receivable of the Group has been pledged as collateral.

(4) Inventories and construction in progress

a. Inventories & currently under construction

a) The details were as follows:

	2022.12.31		2021.12.31	
Raw materials	$	4,122	$	3,169
Materials		2,232		2,444
Less: Allowance for obsolete inventory		--		--
	$	**6,354**	**$**	**5,613**

b) The inventory costs recognized as expenses by the subsidiary for the years ended December 31, 2022 and 2021, amounted to 554,947 thousand and 668,724 thousand dollars, respectively.

c) none of the inventories mentioned above has been pledged as collateral.

b. Construction contracts

a) The Corporation reported as Contract assets the contract consideration it has yet to obtain the unconditional right to receive, and as Contract liabilities the consideration received in advance for which the Corporation is obliged to offer construction service subsequently, as specified in the contract. As of December 31, 2022 and 2021, the details of the accounts ,please refer to Note 6(14).

b) For information on the credit risks regarding the construction retention receivables, please refer to Note 12(2).

c) Joint operations

I. The Corporation jointly contracted the port and embankment construction project of The Third Liquefied Natural Gas Terminal with PAN ASIA (ENGINEERS & CONSTRUCTORS) CO., LTD. and DREDGING INTERNATIONAL N.V. TAIWAN BRANCH (BELGIUM), in the form of joint operation. The capital contribution ratio between the Corporation and the joint contractors (respectively, PAN ASIA and DREDGING) is 40:45:15. Each of the joint contractors bears the costs incurred in proportion to its capital contribution and shares the project income and common expenses. The corporation recognizes its direct rights (and its share) to the assets, liabilities, income and expenses of the joint operation, which have been included in the applicable accounts of the financial statements.

II. The above construction project did not pass the referendum on "Three Connections Removal" on December 18, 2021. The owner will adopt an extrapolated plan and handle the contract change, but DREDGING INTERNATIONAL N.V. TAIWAN BRANCH (BELGIUM) ceased to continue to perform the contract on December 17, 2021. Accordingly, the joint contractor ratio between the Corporation and PAN ASIA (ENGINEERS & CONSTRUCTORS) CO., LTD. changed to 47.06:52.94 from that date.

III. The Corporation and PAN ASIA (ENGINEERS & CONSTRUCTORS) CO., LTD. jointly undertake the new project of the outer outline breakwater of Kwun Tong Receiving Station in the form of joint operation. The joint contractor ratio between the Corporation and the joint contractor is 73.83:26.17. Each of the joint contractors bears the costs incurred in proportion to its capital contribution and shares the project income and common expenses. The corporation recognizes its direct rights (and its share) to the assets, liabilities, income and expenses of the joint operation, which have been included in the applicable accounts of the financial statements.

(5) Refundable deposits

a. The details were as follows:

	2022.12.31	2021.12.31
Warranty deposits	$ 118,432	$ 59,520
Contract security deposits	53,615	5,770
Loans deposits	7,500	15,000
Deposit for construction in progress	20,000	--
Other refundable deposits	18,091	15,634
	$ 217,638	**$ 95,924**
Deposits lodged to court (Note)	$ --	$ 93,400
Other refundable deposits	7,235	5,850
	$ 7,235	**$ 99,250**

Note: The deposits include the amount lodged to Taipei District Court to petition for the provisional attachment regarding the litigation of advance payments for HWASUN ENGINEERING & CONSTRUCTION CO., LTD. Please refer to Note 9(3) for relevant information.

b. As of December 31, 2022 , the loans deposits has been pledged as collateral for Leasing Company loans. Please refer to Note 8 for relevant information.

(6) Property, plant and equipment

a. The details of the costs, depreciation and impairment of the Group's Property, plant and equipment were as follows:

Cost or deemed cost

	Balance on January 1, 2022	Additions	Disposals	Reclassification and Others	Balance on December 31, 2022
Land	$ 683,975	$ --	$ (6,630)	$ 70,443	$ 747,788
Buildings	410,468	42,762	--	38,626	491,856
Machinery	624,093	66,110	(3,303)	71,609	758,509
Miscellaneous equipment	969,817	26,320	(28,316)	2,001	969,822
Vessels	497,818	276	--	220,288	718,382
Other equipment	421,490	87,810	(8,978)	4,483	504,805
	$ 3,607,661	**$ 223,278**	**$ (47,227)**	**$ 407,450**	**$ 4,191,162**

Accumulated depreciation

	Balance on January 1, 2022	Additions	Disposals	Reclassification and Others	Balance on December 31, 2022
Buildings	$ 72,767	$ 12,627	$ --	$ 689	$ 86,083
Machinery	438,053	36,010	(2,875)	--	471,188
Miscellaneous equipment	515,601	40,011	(26,644)	--	528,968
Vessels	67,427	52,621	--	--	120,048
Other equipment	202,219	33,793	(7,055)	--	228,957
	$ 1,296,067	**$ 175,062**	**$ (36,574)**	**$ 689**	**$ 1,435,244**
Net amount	**$ 2,311,594**				**$ 2,755,918**

Cost or deemed cost

	Balance on January 1, 2021	Additions	Disposals	Reclassification and Others	Balance on December 31, 2021
Land	$ 468,731	$ 215,244	$ --	$ --	$ 683,975
Buildings	292,499	117,969	--	--	410,468
Machinery	589,995	24,319	(13,420)	23,199	624,093
Miscellaneous equipment	1,018,997	126,768	(237,368)	61,420	969,817
Vessels	487,207	--	--	10,611	497,818
Other equipment	413,288	12,605	(18,554)	14,151	421,490
	$ 3,270,717	**$ 496,905**	**$ (269,342)**	**$ 109,381**	**$ 3,607,661**

Accumulated depreciation

	Balance on January 1, 2021	Additions	Disposals	Reclassification and Others	Balance on December 31, 2021
Buildings	$ 62,246	$ 10,521	$ --	$ --	$ 72,767
Machinery	424,236	27,094	(13,277)	--	438,053
Miscellaneous equipment	699,702	40,159	(224,260)	--	515,601
Vessels	22,360	45,067	--	--	67,427
Other equipment	184,989	35,654	(18,424)	--	202,219
	$ 1,393,533	**$ 158,495**	**$ (255,961)**	**$ --**	**$ 1,296,067**
Net amount	**$ 1,877,184**				**$ 2,311,594**

b. The land and buildings added in 2021include the compensation for house division and related taxes and fees derived from the joint construction transaction with the related party, besides, The Corporation purchase parking spaces from the related party, please refer to Note 9(4) and Note 7.

c. Building improvements are included in Buildings account. The significant components of Other equipment include Transportation equipment, Furniture and fixtures, Leasehold improvements, Construction materials such as piers and molds for prestressed beams, all of which are depreciated in accordance with their useful lives. For the information on the useful lives, please refer to Note 4(8).

d. As of December 31, 2022 and 2021, part of the property, plant and equipment has been pledged as collateral for borrowings, please refer to Note 8.

(7) Lease agreement

a. Right-of-use assets

The details of the costs and depreciation of the land, buildings, machinery leased by the Group were as follows:

	Land	Buildings	Machinery	Transportation Equipment	Total
Cost					
Balance on January 1, 2022	$ 308,960	$ 58,111	$ 6,955	$ 3,662	$ 377,688
Additions	72,339	116,826	--	--	189,165
Disposals	(8,108)	(9,847)	--	--	(17,955)
Balance on December 31, 2022	**$ 373,191**	**$ 165,090**	**$ 6,955**	**$ 3,622**	**$ 548,898**

Depreciation

	Land	Buildings	Machinery	Transportation Equipment	Total
Balance on January 1, 2022	$ 176,638	$ 41,188	$ 4,244	$ 1,939	$ 224,008
Recognition	76,686	19,453	1,415	1,221	98,775
Derecognition	(8,108)	(9,391)	--	--	(17,499)
Balance on December 31, 2022	**$ 245,215**	**$ 51,250**	**$ 5,659**	**$ 3,160**	**$ 305,284**
Carrying amount					
December 31, 2022	**$ 127,976**	**$ 113,840**	**$ 1,296**	**$ 502**	**$ 243,614**

	Land	Buildings	Machinery	Transportation Equipment	Total
Cost					
Balance on January 1, 2021	$ 264,997	$ 45,841	$ 6,955	$ 3,662	$ 321,455
Additions	43,963	12,270	--	--	56,233
Disposals	--	--	--	--	--
Balance on December 31, 2021	**$ 308,960**	**$ 58,111**	**$ 6,955**	**$ 3,662**	**$ 377,688**
Depreciation					
Balance on January 1, 2021	$ 99,248	$ 25,787	$ 2,829	$ 718	$ 128,582
Recognition	77,390	15,400	1,415	1,221	95,426
Derecognition	--	--	--	--	--
Balance on December 31, 2021	**$ 176,638**	**$ 41,187**	**$ 4,244**	**$ 1,939**	**$ 224,008**
Carrying amount					
December 31, 2021	**$ 132,322**	**$ 16,924**	**$ 2,711**	**$ 1,723**	**$ 153,680**

b. Lease liabilities

The lease liabilities of the Group were as follows:

	December 31, 2022		
	Future Minimum Lease Payments	Interest	Present Value of Minimum Lease Payments
Within 1 year	$ 80,696	$ 6,077	$ 74,619
1 – 5 years	92,791	14,749	78,042
Later than 5 years	105,534	11,633	93,901
	$ 279,021	**$ 32,459**	**$ 246,562**
Current	**$ 80,696**	**$ 6,077**	**$ 74,619**
Non-current	**$ 198,325**	**$ 26,382**	**$ 171,943**

	December 31, 2021		
	Future Minimum Lease Payments	Interest	Present Value of Minimum Lease Payments
Within 1 year	$ 87,450	$ 3,366	$ 84,084
1 – 5 years	74,340	1,538	72,802
Later than 5 years	--	--	--
	$ 161,790	**$ 4,904**	**$ 156,886**
Current	**$ 87,450**	**$ 3,366**	**$ 84,084**
Non-current	**$ 74,340**	**$ 1,538**	**$ 72,802**

The amount recognized in profit or loss was as follows:

	For the Years Ended December 31	
	2022	2021
Interest expense of lease liabilities	$ 4,330	$ 5,131
Expenses relating to short-term leases	$ 2,094	$ 5,929
Expenses relating to low-value asset leases (excluding the short-term ones)	$ 2,901	$ 4,319

The amount recognized in statements of cash flows was as follows:

	For the Years Ended December 31	
	2022	2021
Total cash outflow for leases	$ 108,336	$ 110,699

The intervals of the discount rates of the lease liabilities were as follows:

	December 31, 2022	December 31, 2021
Land	1.94%～3.08%	1.92%～3.08%
Buildings	1.92%～3.08%	1.92%～3.08%
Machinery	3.08%	3.08%
Transportation equipment	2.04%	2.04%

c. Significant leasing activities and terms

The Group leases a number of land, buildings and machinery for the operating of offices, branches, staff dormitories and storage yards, and the lease terms for these assets range from 1 to 15 years. Upon the lease maturity date, the Group does not possess the rights of first refusal for these assets.

d. Others

Part of the office equipment leased by the Group is classified as short-term leases, whose terms are within 1 year, or low-value asset leases. For these leases, The Group has elected to apply the recognition exemption, and thus did not recognize right-of-use assets and lease liabilities for these leases.

(8) Investment properties-net

a. The details of the costs, depreciation and impairment of the Group's Investment properties were as follows:

Cost or deem cost：

	Balance on January 1, 2022	Additions	Disposals	Reclassification and Others	Balance on December 31, 2022
Land	$ 200,801	$	$ --	$ (70,443)	$ 130,358
Buildings	109,970		--	(38,626)	71,344
2022.12.31	$ 310,771	$	$ --	$ (109,069)	$ 201,702
Accumulated depreciation and impairment：					
Buildings	$ --	$ 1,963	$ --	$ (689)	$ 1,274
2022.12.31	$ --	$ 1,963	$ --	$ (689)	$ 1,274
Net	$ 310,771				$ 200,428

Cost or deem cost：

	Balance on January 1, 2021	Additions	Disposals	Reclassification and Others	Balance on December 31, 2021
Land	$ --	$ 200,801	$ --	$ --	$ 200,801
Buildings	--	109,970	--	--	109,970
2021.12.31	$ --	$ 310,771	$ --	$ --	$ 310,771
Accumulated depreciation and impairment：					
Buildings	$ --	$ --	$ --	$ --	$ --
2021.12.31	$ --	$ --	$ --	$ --	$ --
Net	$ --				$ 310,771

b. The land and buildings added in 2021 include the compensation for house division and related taxes and fees derived from the joint construction transaction with the related party, besides, The Corporation purchase parking spaces from the related party, please refer to Note 9(4) and Note 7.

c. Investment properties is not measured at fair value, but only discloses information about its fair value. The land and buildings added in 2021 has been subdivided and traded at a fair value of 308,840 thousand dollars; and as of December 31, 2022 the fair value of Investment properties was 210,547 thousand dollars which is based on the evaluation results using the comparison method and the income method. of independent evaluation experts.

d. Rental benefit：

	For the Years Ended December 31	
	2022	2021
Rental income	$ --	$ --
Direct operating expenses-- No rental income generated in the current period	(1,561)	--
Net	**$** (1,561)	$ --

e. Collateral

As of December 31, 2022 and 2021 , the investments properities has been pledged as collateral, please refer to Note 8.

(9) Financial liabilities and loans

a. The details on the amount, terms and provisions of the loans were as follows:

	December 31, 2022		
	Interest Rate Interval	**Year of Maturity**	**Amount**
Collateralized loans	1.00%～4.005%	2023～2038	$ 1,961,888
Non-collateralized loans	2.00%～3.125%	2023～2027	555,250
Leasing Company Guaranteed loans	3.20%～3.50%	2023～2024	109,481
			$ 2,626,619

Recognized as:

Current

Short-term loans	$ 2,035,543
Long-term loans - current portion	64,923
Long-term notes payable - current portion	78,626
Non-current	
Long-term loans	416,672
Long-term notes payable	30,855
	$ 2,626,619

	December 31, 2021		
	Interest Rate Interval	**Year of Maturity**	**Amount**
Collateralized loans	1.00%～3.48%	2022～2038	$ 1,208,279
Non-collateralized loans	2.00%～2.80%	2022～2027	895,540
Leasing Company Guaranteed loans	3.20%～3.50%	2023～2024	188,154
			$ 2,291,973

Recognized as:	
Current	
Short-term loans	$ 1,560,337
Long-term loans - current portion	63,395
Long-term notes payable - current portion	78,673
Non-current	
Long-term loans	480,087
Long-term notes payable	109,481
	$ 2,291,973

b. Due to the need for construction guarantees and operating funds, the Corporation entered a joint credit contract arranged by Mega bank in April, 2020, which is for the guarantee of contract security, guarantee of advance payments and mid-term loans, with the amounts limited to 440,000, 810,000 and 400,000 thousand dollars, respectively.

Within the duration of this case, the Corporation shall maintain the following financial indicators, which are reported in the annual and semiannual consolidated financial statements verified/audited by the auditors:

a)	Current ratio	≧	100%
b)	Debt ratio	≦	250%
c)	Time interest earned	≧	2
d)	Total equity	＞	1,900,000 thousand dollars

The financial indicators mentioned above are reviewed semiannually. If any of the indicators fails to meet the corresponding requirement, the interest rates will increase by 0.1% from the day after the end of the reporting period to the day before the requirement is met again. As of December 31, 2022, part of the financial indicators of the Corporation did not meet the requirements; therefore, the Group will pay for the guarantee fees of 1,823 thousand .

c. In May 2012, due to the need for working capital, the Corporation signed a loan contract with the Land Bank, with an amount of 100,000 thousand dollars. The Corporation made a written commitment to ensure that its related matters such as environmental protection, pollution prevention, and waste disposal were in compliance with relevant laws and regulations at all times. During the continuation of this case, if any violation of the above-mentioned relevant laws and regulations (based on the Corporation ’s listed pollution projects listed on the website of the Environmental Protection Administration), the interest rate of the loan should be increased by 0.01%.

d. The details of notes payable of the leasing loans were as follows:

	2022.12.31			
Item	Notes Period	Notes Payable	Discount	Net
Guaranteed loans	2021.12.27~2023.12.27	$ 38,460	$ 503	$ 37,957
Repurchase after sale	2021.10.20~2024.10.20	32,087	962	31,125
Repurchase after sale	2021.10.05~2024.10.05	41,680	1,281	40,399
		112,227	2,746	109,481
Less：current portion		(80,902)	(2,276)	(78,626)
Net		$ 31,325	470	30,855

	2021.12.31			
Item	Notes Period	Notes Payable	Discount	Net
Guaranteed loans	2021.12.27~2023.12.27	$ 76,920	$ 1,920	$ 75,000
Repurchase after sale	2021.10.20~2024.10.20	49,589	2,238	47,351
Repurchase after sale	2021.10.05~2024.10.05	68,980	3,177	65,803
		195,489	7,335	188,154
Less：current portion		(83,262)	(4,589)	(78,673)
Net		$ 112,227	$ 2,746	$ 109,481

e. In January, 2019, the subsidiary applied for financing from Taiwan Cooperative Bank due to the construction of new plants in Guanyin. The subsidiary planned to use the funds for the purchase of land, machinery and vehicles, the construction of plants. The lines of credit for mid-long-term loans were 336,000 thousand dollar, with the credit periods ranging from 2 to 7 years, and the interest of the loans were calculated using the floating interest rates. Part of the loans, amounting to 225,000 thousand dollars, were long-term collateralized loans, whose credit period set as 15 January, 2020~2038. According to the terms of the loan, the subsidiary shall pay the monthly interests in the first 2 years of the loan, and pay the principal and interests, evenly amortized in 192 monthly installments, starting from the third year of the loan.

f. For the information on the Group's exposures to interest rate and liquidity risk, please refer to Note 12(2). For the information on the pledged assets, please refer to Note 8.

g. As of December 31, 2022 and 2021, the loan quotas yet to be used by the Group are 2,245,139 and 2,067,155 thousand dollars, respectively.

(10) Other payables

The details were as follows:

	December 31, 2022	**December 31, 2021**
Salary expense	$ 199,549	$ 149,534
Remuneration of employees	7,646	2,489
Remuneration of directors and supervisors	6,463	3,048
Interest expense	4,187	2,710
Accounts payable for equipment	100,825	43,046
Other notes payable-related parties (note 7 and note 9 (4))	--	48,387
Sales tax payable	30,672	42,611

	December 31, 2022	December 31, 2021
Insurance payable	14,203	11,920
Accounts payable for shipping costs	16,970	21,269
Accounts payable for repair and maintenance fees	14,543	13,802
Accounts payable for professional fees	6,135	8,820
Others	66,868	69,061
	$ 468,061	**$ 416,697**

(11) Provision

a. The details were as follows:

	For the Years Ended December 31	
	2022	**2021**
Balance on January 1, 2022	$ 48,382	$ --
Additional provisions for the current period	(24,636)	48,382
Balance on December 31, 2022	$ 23,746	$ 48,382

b. The Group adopted the IFRS 15 for onerous contracts, when the future payment exceed the revenue expected to be earned , the provision for onerous contracts should be evaluate according to IAS37"Provisions, Contingent Liabilities and Contingent Assets".

(12) Retirement benefit plans

a. Defined benefit plan

a) The Group adopted the defined benefit plan under the Labor Standards Law, under which pension benefits are calculated on the basis of the length of service (base number) and the average monthly salaries of the six months before retirement. The Group contributed an amount equal to 4% of salaries and wages paid each month to a pension fund administered by the pension fund monitoring committee. Pension contributions are deposited in the Bank of Taiwan in the committee's name. In addition, the contribution rate has been increased from 4% to 8% since October, 2018.

b) The expenses regarding defined benefit plans for the years ended December 31, 2022 and 2021, are recognized as administrative expenses and operating costs, the details of which were as follows:

	For the Years Ended December 31	
	2022	2021
Operating costs	$ 182	$ 359
Administrative expenses	271	327
	$ 453	**$ 686**

c) The amount of Remeasurement of Net defined benefit liabilities (assets) recognized in other comprehensive income was as follows:

	2022	2021
Balance on January 1	$ (64,806)	$ (54,395)
Remeasurement of Net defined benefit liabilities (assets)	(1,808)	(10,411)
Balance on December 31	$ (66,614)	$ (64,806)

d) The reconciliation of the present value of defined benefit obligation and the fair value of plan assets was as follows:

	2022.12.31	2021.12.31
Present value of defined benefit obligation	$ 130,428	$ 123,371
Fair value of plan assets	(79,014)	(55,155)
	51,414	68,216
Unrecognized prior service costs	--	--
Net amount	$ 51,414	$ 68,216
Amount recognized as defined benefit assets	**$ 424**	**$ (38)**
Amount recognized as defined benefit liabilities	**$ 51,838**	**$ 68,254**

The details of the present value of defined benefit obligation were as follows:

	For the Years Ended December 31	
	2022	2021
Balance on January 1	$ 123,371	$ 119,926
Current service cost	130	503
Net interest expense	503	280
Remeasurement of net defined benefit liabilities (assets)		
Actuarial (gain) loss - changes in financial assumptions	(4,749)	(1,820)
Actuarial (gain) loss - changes in demographic assumptions	--	--
Actuarial (gain) loss – experience adjustments	11,173	13,088
Payments for defined benefit obligation		
Paid by the Group	--	(360)
Paid from plan assets	--	(8,246)
Balance on December 31	**$ 130,428**	**$ 123,371**

The details of the fair value of the plan assets were as follows:

	For the Years Ended December 31	
	2022	2021
Balance on January 1	$ 55,155	$ 55,086
Interest income	179	97
Return (loss) on plan assets	4,617	857
Contributions from the employer	19,063	7,361
Benefits paid	--	(8,246)
Balance on December 31	**$ 79,014**	**$ 55,155**

e) As of December 31, 2022, the Group plans to contribute 12,244 thousand dollars to the defined benefit plans by the end of 2023.

f) The weighted-average duration of the defined benefit obligation was as follows:

	2022.12.31	2021.12.31
The Corporation	7.95 years	8.77 years
Ho Chang International Contractor Co., Ltd.	11.6 years	12.1 years

g) The major classes of the plan assets and the proportion of their fair values to the plan assets' total fair value are stated as follows:

	2022.12.31	2021.12.31
Cash	16.00	18.00
Short-term notes	4.00	5.00
Government bonds, bank debentures, corporate bonds and securitized assets	6.00	6.00
Money market funds	0.00	0.00
Stocks and beneficiary certificates (including futures)	13.00	9.00
Foreign investments	11.00	12.00
Domestic outsourcing	10.00	10.00
Foreign outsourcing	40.00	40.00
	100.00	100.00

The actual returns on the plan assets in 2022 and 2021 were 4,796 and 954 thousand dollars, respectively. The employee pension fund is entirely deposited in the Bank of Taiwan's trust department. The expected rate of return of the plan assets is determined mainly based on the actuary's estimation of the yield to maturity of government bond within the duration of the defined benefit obligation, taking into consideration the trends of historical return, the prediction of the market where the assets are invested, the details of how the pension fund monitoring committee manages the pension fund, and the lower bound of return rate, which is the two-year time deposit rates of the local banks.

Actuarial assumptions:

	2022.12.31	2021.12.31
Discount rate		
The Corporation	1.25%	0.55%
Ho Chang International Contractor Co., Ltd.	1.25%	0.55%
Future expected rate of salary increase		
The Corporation	2.00%	2.00%
Ho Chang International Contractor Co., Ltd.	2.75%	2.75%

Changes of 0.25% in the discount rate will lead to the following impacts on the defined benefit obligation:

	For the Years Ended December 31			
	2022		2021	
	Increase	Decrease	Increase	Decrease
Impact on defined benefit obligation	$ 1,602	$ 1,649	$ 1,763	$ 1,820

Changes of 0.25% in the rate of salary increase will lead to the following impacts on the defined benefit obligation:

	For the Years Ended December 31			
	2022		2021	
	Increase	Decrease	Increase	Decrease
Impact on defined benefit obligation	$ 1,678	$ 1,628	$ 1,828	$ 1,767

h) The historical information on the experience adjustments was as follows:

	2022.12.31	2021.12.31
Present value of defined benefit obligation at the end of the period	$ 130,428	$ 123,371
Fair value of plan assets at the end of the period	(79,014)	(55,155)
Deficit of the defined benefit plan at the end of the period	$ 51,414	$ 68,216
Actuarial gains or losses on defined benefit obligation arising from experience	$ 11,173	$ 13,088
Actuarial gains or losses on changes in assumption of defined benefit obligation		
Actuarial gains or losses on changes in financial assumptions	$ (4,749)	$ (1,820)
Experience gains or losses on plan assets	$ 4,617	$ 857

b. Defined contribution plan

The Group adopted the pension plan under the Labor Pension Act (the "LPA"), which is a state-managed defined contribution plan. According to the LPA, the Group is obliged to contribute an amount no less than 6% of the salaries of employees to the labor pension accounts. The Group makes monthly contributions to employees' individual pension accounts at 6% of monthly salaries and wages, in compliance with the LPA.

The details of the amounts recognized as the expenses of defined contribution plan by the Group were as follows:

	For the Years Ended December 31	
	2022	2021
Operating costs	$ 26,643	$ 24,951
Selling expense	111	77
Administrative expenses	4,140	3,465
	$ 30,894	**$ 28,493**

(13) Equity

a. Ordinary shares (Amounts in NT$)

a) As of December 31, 2022 and 2021, the total authorized capital stock of the Corporation is NT$3,000,000,000, and the total paid-in capital amounts to NT$2,374,837,880, respectively. Every share is entitled to the right to vote and to receive dividends.

b) Due to the fact that the Corporation's treasury shares were overdue and failed to transfer to employees, the cancellation was approved by the board of directors on August 11, 2021. The base date for capital reduction was August 11, 2021, and change registration was approved by the Ministry of Economic Affairs, Department of Commerce on September 2, 2021.

c) As of December 31, 2022, each capital increase of the Corporation over the years has been approved and registered by the competent authority. The relevant information on the sources of funding was as follows:

	Amount (NT$)
Registered capital upon establishment	$ 24,000,000
Capital increase in cash	1,035,000,000
Capital increase by retained earnings capitalization	934,526,570
Capital transferred from capital surplus	103,652,700
Conversion of convertible bonds	344,868,610
Capital reduction by retirement of treasury stock	(67,210,000)
	$ 2,374,837,880

b. Capital surplus

	Conversion of Convertible Bonds	Treasury Stock Transactions	Expiry of Stock Warrants	Others
Balance on January 1, 2022	$ 19,752	$ 12,099	$ 4,527	$ 1,323
Transfer of capital surplus to capital	--	--	--	--
Cash distributed from capital surplus	--	--	--	--
Treasury shares overdue	--	--	--	--
Balance on December 31, 2022	**$ 19,752**	**$ 12,099**	**$ 4,527**	**$ 1,323**

	Conversion of Convertible Bonds	Treasury Stock Transactions	Expiry of Stock Warrants	Others
Balance on January 1, 2021	$ 19,752	$ 11,485	$ 4,527	$ 1,323
Transfer of capital surplus to capital	--	--	--	--
Cash distributed from capital surplus	--	--	--	--
Treasury shares overdue	--	614	--	--
Balance on December 31, 2021	$ **19,752**	**$ 12,099**	**$ 4,527**	**$ 1,323**

Under Company Act, the capital surplus generated from donations and the excess of the issuance price over the par value of capital stock (including the stock issued for new capital, mergers and convertible bonds) may be used to offset a deficit; in addition, when the Corporation has no deficit, such capital surplus may be distributed as cash dividends or stock dividends in proportion to each shareholder's shareholding ratio. Moreover, according to the Securities and Exchange Act, the amount of capital surplus transferred to capital must not exceed 10% of the paid-in capital each year. The capital surplus shall not be used for recovery of deficit of the capital, unless the earned surplus reserve has been fully used for the recovery of deficit.

c. Distribution of profits

a) According to the Corporation's Articles of Incorporation, when allocating earnings, the Corporation shall first estimate and reserve the taxes to be paid, offset its accumulated losses, and set aside a legal capital reserve at 10% of the remaining earnings (until the accumulated legal capital reserve equals the Corporation's paid-in capital, in which case the remainder is recognized as special capital reserve according to relevant laws). The remaining amount, combined with the accumulated unappropriated earnings, will be distributed as dividends and bonuses to shareholders, for which the board of directors shall propose a profit-distribution plan and submit to the shareholders' meeting for resolution. The industry to which the Corporation belongs is a well-developed and stable industry, so the dividend policy shall take into consideration the demand for investment funds, the Corporation's financial structure and earnings, and the principle that cash dividends shall not be lower than 20% of total dividends. For the policies regarding the distribution of employees' compensation and remuneration of directors and supervisors, please refer Note 6(16).

b) Regarding the recovery of the loss incurred for the year ended December 31, 2021, the shareholders' meeting passed the resolution, on June 21, 2022, that no dividend will be distributed.

c) Regarding the recovery of the loss incurred for the year ended December 31, 2020, the shareholders' meeting passed the resolution, on August 27, 2021, that no dividend will be distributed.

d) For the information on the profit-distribution plan proposed by the board of directors and the corresponding resolution of the shareholders' meeting, please visit the Market Observation Post System (MOPS), the information-disclosing website launched by Taiwan Stock Exchange (TWSE).

d. Treasury stock

a) To maintain the Corporation's credit and the shareholders' rights and interests, the board of directors has passed the resolution, on March 29, 2016, to buy back 2,500 thousand ordinary shares of the Corporation at TWSE, from March 30 to May 29, 2016, at prices within the interval between 6 and 12.5 NT$ per share. By the end of the buyback period, the Corporation had fully accomplished the plan, at 23,372 thousand.

b) To maintain the Corporation's credit and the shareholders' rights and interests, the board of directors has passed the resolution, on June 4, 2016, to buy back 2,000 thousand ordinary shares of the Corporation at TWSE, from June 6 to August 5, 2016, at prices within the interval between 8.6 and 12.5 NT$ per share. By the end of the buyback period, the Corporation had fully accomplished the plan, at 21,014 thousand.

c) Under the Securities and Exchange Act, the Corporation shall not exercise shareholders' rights, such as the rights to receive dividends and to vote, on the treasury shares until these shares are transferred to a third party.

d) Due to the fact that the Corporation 's treasury shares were overdue and failed to transfer to employees, the cancellation was made on August 2021.

(14) Operating revenue

a. The details were as follows:

	For the Years Ended December 31	
	2022	**2021**
Concrete sales revenue	$ 618,483	$ 732,055
Less: sales allowance	(137)	(376)
Construction contract revenue	7,829,974	7,270,865
	$ 8,448,320	**$ 8,002,544**

b. The relevant information on Revenues from contracts was as follows:

a) Classified by the timing of revenue recognition

	For the Years Ended December 31, 2022		
	Construction contract revenue	**Concrete sales revenue**	**Total**
At a specific point in time	$ --	$ 618,346	$ 618,346
Gradually recognized over time	7,829,974	--	7,829,974
	$ 7,829,974	**$ 618,346**	**$ 8,448,320**

	For the Years Ended December 31, 2021		
	Construction contract revenue	**Concrete sales revenue**	**Total**
At a specific point in time	$ --	$ 731,679	$ 731,679
Gradually recognized over time	7,270,865	--	7,270,865
	$ 7,270,865	**$ 731,679**	**$ 8,002,544**

b) Contract balances

	For the Years Ended December 31	
	2022	2021
Construction contract receivables (Note 6(3))	$ 1,187,225	$ 1,328,097
Contract assets - current		
Construction retention receivable	$ 781,814	$ 773,162
Construction contract receivables	1,843,312	1,952,105
	$ 2,625,126	**$ 2,725,267**
Contract liabilities - current		
Construction contract payables	$ 4,045,156	$ 401,051

I. Contract assets – current

	Opening Balance	Ending Balance	Difference
Construction contracts	$ 2,725,267	$ 2,625,126	$ (100,141)

II. Contract liabilities – current

	Opening Balance	Ending Balance	Difference
Construction contracts	$ 401,051	$ 4,045,156	$ 3,644,105

(I) The changes in the balance of contract assets and contract liabilities primarily result from the timing difference between the Corporation’s satisfaction of performance obligations (namely, the recognition of revenue, including the recognized costs and profits (losses)) and the customer’s corresponding payment. Since the Corporation has obtain the unconditional right to receive part of the contract consideration on the balance sheet date, the contract assets and liabilities for the fiscal year 2022 decrease and increase, respectively.

(II) The Group recognized 7,829,974 thousand dollars of construction contract revenue, since it has satisfied the contract obligations.

(III) Contract consideration allocated to contract obligations yet to be fulfilled: As of December 31, 2022, the total transaction price of the Company's outstanding performance obligations was 45,963,937 thousand, which will be gradually recognized as revenue with the completion of construction projects such as bridges, MRT, and social housing. It was completed from 2023 to 2031.

(15) Non-operating income and expense

a. Interest income

	For the Years Ended December 31	
	2022	2021
Interest of bank deposits	$ 5,344	$ 589
other	1,032	129
	$ 6,376	$ 718

b. Other income

	For the Years Ended December 31	
	2022	2021
Other income – claims and dispute mediation (Note)	$ 5,147	$ 2
Other income – transfers from waived debts	5,663	4,494
Other income - others	5,997	5,805
	$ 16,807	**$ 10,301**

Note: It is the net amount after deducting the subcontractor's payment for the dispute mediation fund for the CF640 section bid project of the circular line.

c. Other gains and losses

	For the Years Ended December 31	
	2022	2021
Gain on disposal and retirement of property, plant and equipment, net	$ 507	$ 12,354
Gain on foreign exchange, net	421	--
Lease Modification Benefit	20	--
Depreciation expense of Investment properties	(1,561)	--
Others	(3,818)	--
	$ (4,431)	**$ 12,354**

d. Finance costs

	For the Years Ended December 31	
	2022	2021
Interest expense		
Bank loans	$ 75,762	$ 62,252
Lease liabilities	4,329	5,131
Financial expense	505	394
	$ 80,596	**$ 67,777**

(16) Employee benefits, depreciation, depletion and amortization expenses

a. The details were as follows:

	For the Year Ended December 31, 2022		
	Attributable to Operating Costs	**Attributable to Operating Expenses**	**Total**
Employee benefits expense			
Salary expense	$ 709,789	$ 115,884	$ 825,673
Labor & health insurance expense	69,216	10,438	79,654
Pension expense	26,825	4,522	31,347
Other employee benefit expense	90,259	4,094	94,353
	896,089	134,938	1,031,027
Depreciation expense	251,142	23,097	274,239
Amortization expense	505	684	1,189
	$ 1,147,736	**$ 158,719**	**$ 1,306,455**

	For the Year Ended December 31, 2021		
	Attributable to Operating Costs	**Attributable to Operating Expenses**	**Total**
Employee benefits expense			
Salary expense	$ 634,162	$ 84,636	$ 718,798
Labor & health insurance expense	65,796	9,176	74,972
Pension expense	25,310	3,869	29,179
Other employee benefit expense	85,847	3,134	88,981
	811,115	100,815	911,930
Depreciation expense	237,720	16,201	253,921
Amortization expense	504	391	895
	$ 1,049,339	**$ 117,407**	**$ 1,166,746**

b. Short-term compensated absences liabilities

The accrued liabilities regarding compensated absences for the years ended December 31, 2022 and 2021, are respectively 44,230 thousand and 37,386 thousand dollars.

c. Employees’ compensation and remuneration of directors and supervisors

a) According to the Corporation’s Articles, the Corporation accrues compensation of employees and remuneration of directors and supervisors at rates of 3% and no higher than 3%, respectively, of net profit before income tax, compensation of employees, and remuneration of directors and supervisors, provided that the Corporation has recovered all of the accumulated losses.

b) For the years ended December 31, 2022 , the Corporation estimated its employee remuneration amounting to $5,229 thousand,and the directors' remuneration amounting to $3,486 thousand, respectively. If there is any change in the amounts after the annual consolidated financial statements are authorized for issue, the difference is recorded as a change in the accounting estimate and recognized as an adjustment in the next fiscal year. Due to losses in 2021, the Corporation does not estimate and recognize any compensation or remuneration payable.

c) For the information on Employees' compensation and remuneration of directors and supervisors, please visit the Market Observation Post System (MOPS), the information-disclosing website launched by Taiwan Stock Exchange (TWSE).

(17) Income taxes

a. The reconciliation of the income tax calculated from pre-tax income at statutory tax rate and the income tax expense was as follows:

	For the Years Ended December 31	
	2022	2021
Income tax calculated from pre-tax income at statutory tax rate	$ 57,654	$ 83,209
Adjustments for		
Permanent difference	573	(5,790)
Temporary difference	(53,157)	15,964
Surtax on unappropriated earnings	--	--
Less: Investment deduction	--	--
Loss deduction	--	(79,591)
Carry forward of unused tax losses	10,143	--
Income tax expense recognized in profit or loss	$ 15,213	$ 13,792

b. The details of income tax expense were as follows:

	For the Years Ended December 31	
	2022	2021
Income tax expense for the current period		
In respect of the current year	$ 15,213	$ 13,792
Adjustments for prior years	--	--
Deferred gain		
The origination and reversal of temporary differences	--	--
Income tax expense	$ 15,213	$ 13,792

c. The changes in current income tax assets and liabilities recognized on the balance sheets for the current period were as follows:

	2022.12.31	2021.12.31
Current tax assets, opening balance	$ 111	$ 225
Current tax liabilities, opening balance	(13,792)	--
Income tax expense	(15,213)	13,792
Approved tax refunds	--	(124)
Income tax paid	26,029	10
Current tax assets, ending balance	(5,446)	(111)
Current tax liabilities, ending balance	$ (8,311)	$ 13,792

d. Income tax expenses recognized by the Group in other comprehensive income for the fiscal years 2022 and 2021 are 0 thousand dollars.

e. The analysis of net deferred income tax assets and liabilities was as follows:

	2022.12.31	2021.12.31
Recognized as deferred tax assets (liabilities)		
Shares of operating revenue of associates and joint ventures	$ 371	$ 388
Allowance for bad debts in excess of limit	956	49,275
Unrealized construction losses	4,749	9,676
Carryforward of unused tax loss	35,081	24,938
	(84)	--
	41,073	84,277
Less: Taxable losses estimated to be non-deductible	(41,073)	(84,277)
Amount recognized as deferred tax assets (non-current)	$ --	$ --

Unused taxable losses for the previous ten years have been approved by the tax collection authority and estimated to be non-deductible from the net profit of the current year, so the tax losses are not recognized as deferred income tax assets because it is not very likely that the corporation will have sufficient taxable income for its use in the future.

f. Information on unused loss carryforwards as of December 31, 2022 comprised:

Tax Loss Year	Deductible Amount	Expiry Year
2018	$ 83,898	2028
2020	40,792	2030
2022	50,717	2032
	$ 175,407	

g. The tax authorities have examined income tax returns of the Corporation and subsidiary through 2020. The Group does not owe any tax.

(18) Earnings per share

a. Basic EPS

Basic earnings per share of the Group are calculated by dividing the profit and loss attributable to the parent company's common equity holders by the weighted average number of outstanding common shares in the current period.

b. Diluted EPS

Diluted earnings per share are calculated by adjusting the profit and loss attributable to the common equity holders of the parent company and the weighted average number of outstanding common shares to the effects of all potentially dilutive securities.

c. The details of EPS were as follows:

	For the Year Ended December 31, 2022		
	After-tax Amount	**Number of Outstanding Shares (in thousands)**	**EPS (NT$)**
Consolidated basic EPS			
Net income available to common shareholders of the parent company	$ 242,201	237,484	$ 1.02
Consolidated diluted EPS			
Effect of potentially dilutive ordinary shares			
Bonuses issued to employees	--	573	
Net income available to common shareholders of the parent, adjusted for the effect of potentially dilutive ordinary shares	$ 242,201	238,057	$ 1.02

	For the Year Ended December 31, 2021		
	After-tax Amount	Number of Outstanding Shares (in thousands)	EPS (NT$)
Basic EPS			
Net income available to common shareholders of the parent company	$ 369,582	237,484	$ 1.56
Diluted EPS			
Effect of potentially dilutive ordinary shares			
Bonuses issued to employees	--	--	
Net income available to common shareholders of the parent, adjusted for the effect of potentially dilutive ordinary shares	$ 369,582	237,484	$ 1.56

7. Related Party Transactions

(1) Names and relationships of the related parties

Name	Relationship to the Group
FENG XIN DEVELOPMENT & INVESTMENT CO., LTD.	The Investor of the Corporation using the equity method
YI DA CONSTRUCTION CO., LTD.	Other related parties (Note: After the re-election of directors in June 2022, this company was no longer related party)
JIANG CHENG JIN	Chairman of the Corporation's board of directors
All directors, general managers and vice general managers	Major members of whom the Management of the Group consists

(2) Operating transactions

a. Sales

	For the Years Ended December 31	
	2022	2021
YI DA CONSTRUCTION CO., LTD.	$ 97	$ 20,108

The purchases mentioned above were made on general terms and conditions for purchase, which do not differ significantly from those for general customers.The amount of 2022 only disclosed until director re-election.

b. Notes receivable

	2022.12.31	2021.12.31
YI DA CONSTRUCTION CO., LTD.	$ --	$ 2,510

c. Accounts receivable

	2022.12.31	2021.12.31
YI DA CONSTRUCTION CO., LTD.	$ --	$ 783

d. Other Notes Payable

	2022.12.31	2021.12.31
FENG XIN DEVELOPMENT & INVESTMENT CO., LTD.	$ --	$ 48,387

Including the purchase price of parking space of 34,000 thousand and the price difference of 14,387 thousand dollars , please refer to to the property transaction description and Note 9(4) respectively.

e. Rent expense

	For the Years Ended December 31	
	2022	2021
FENG XIN DEVELOPMENT & INVESTMENT CO., LTD.	$ 4,411	$ 1,646

Note: The amount of rent and the payment method, specified in the rent agreement mentioned above, were negotiated by both parties. The amounts of deposit as of December 31, 2022 and 2021, was 1,670 and 289 thousand dollars.

f. Details on transactions of joint construction: please refer to Note 9(4).

g. property transaction

In December 2021, the Corporation purchased 22 parking spaces at No. 405, a small section of Tammei Section, Neihu District, from FENG XIN DEVELOPMENT & INVESTMENT CO., LTD. The total transaction price is 34,000 thousand (tax included), which is accounted for as Property, plant and equipment at 18,487 thousand and investment properities at 14,947 thousnad, respectively.

(3) Remuneration of the major members of the Management

	For the Years Ended December 31	
	2022	2021
Short-term employee benefits	$ 31,273	$ 22,240
Retirement benefits	1,102	966
	$ 32,375	**$ 23,206**

For detailed information on the major members of the Management, please refer to the Group's annual report.

8. Pledged Assets

The details of the assets pledged as collateral or for security of the Group were as follows:

Name of the Asset	Object Pledged as Collateral	2022.12.31	2021.12.31
Demand deposits and reserve accounts	Bank loan	$ 205,820	$ 125,270
Demand deposits and reserve accounts	Warranty and guarantee of construction performance	311,454	523,877
Time deposits	Bank loan	60,230	60,230
Time deposits	Warranty and guarantee of construction performance	661,467	427,653
Refundable deposits	Warranty and guarantee of construction performance	179,547	80,290
Property, plant and equipment	Bank loan, Equipment Financing	1,327,798	984,441
Investment properties	Bank loan	200,428	--
		$ 2,946,744	**$ 2,201,761**

9. Significant Contingent Liabilities and Unrecognized Contractual Commitments

(1) As of December 31, 2022, the total amount of construction contracts signed with non-related parties by the Corporation was NT$21,431,739 thousand dollars, and the accumulated payments made by the Corporation amounted to NT$9,649,659 thousand dollars.

(2) As of December 31, 2022, the guaranteed notes issued by the Group for bank loans, material purchases and construction guarantees amounted to NT$1,509,864 thousand dollars.

(3) Litigations and other contingencies

a. To define the rights and obligations regarding the financial operations of the aforementioned jointly contracted construction, the Corporation and the joint contractor, HWASUN ENGINEERING & CONSTRUCTION CO., LTD. (hereinafter “Hwasun Company”), have signed the “Agreement on the Financial Operations regarding the Joint Contract” on January 5, 2003. As stated in the Agreement, both parties should deposit cash into the joint contract account as operating funds in proportion to their capital contribution ratios when the account has inadequate balance. If either party fails to contribute all or part of the operating funds in accordance with the regulations, the non-defaulting party would advance the contribution amount for the defaulting party. The defaulting party should repay the advance amount, combined with the interest calculated using 10% annual interest rate, to the joint contract account in cash. Nevertheless, Hwasun Company has not been contributing its share of operating funds according to the agreement since March, 2005. To ensure the smooth progress of the construction, the Corporation has been advancing the share of contribution for Hwasun Company, and recognized the estimated interest of the advance payments from the payment date to the settlement date. During the construction period, the Corporation has repeatedly demanded the settlements of debts without success. To facilitate the settlement process, on July 2, 2012, the Corporation petitioned Taiwan Taoyuan District Court for the pay warrant of the accumulated advance payments and relevant interest, respectively 181,535 thousand and 134,764 thousand dollars, as of April 30, 2012. Taiwan Taoyuan District Court approved and issued the pay warrant on July 31, 2012. The case entered legal proceedings after Hwasun Company’s objection on August 29, 2012. On October 30, 2012, Taiwan Taoyuan District Court considered itself lacking jurisdiction, ruling that the case would be transferred to Taiwan Taipei District Court for further trials. As of the date of consolidated financial statements, the case is still under trial. In addition, to secure the creditor’s rights, the Corporation has made a deposit of 48,400 thousand dollars in order to petition Taiwan Taipei District Court for the execution of provisional attachment on the Opposite party’s assets within the range of 140,000 thousand dollars. In May, 2016, Hwasun Company petitioned the court for the reassessment of the assets under provisional execution, and the court ruled, on June 21, 2016, that the assets were worth approximately 270,000 thousand dollars. To secure the creditor’s rights, the Corporation has made an additional deposit of 45,000 thousand dollars in order to petition Taiwan Taipei District Court for the execution of provisional attachment, making the total amount of deposits 93,400 thousand dollars (recognized as refundable deposits – non-current). Concerning the aforementioned payments, the Corporation estimated that the advance payments were retrievable from the payments for the jointly contracted construction and payments for price-level adjustments in the future; therefore, the Corporation only recognized an amount of 40% of the interest receivable as allowance for bad debts by the end of 2006. Afterward, Hwasun Company suffered from a financial crisis, lowering the possibility that the Corporation would be able to collect the advance payments and interest; as a result, the Corporation increased the recognition of allowance for bad debts to 50% of the interest receivable in March, 2009. Furthermore, on March 31, 2011, the Corporation decided to cease to recognize the estimated interest and planned to solve the issue through legal proceedings, considering Hwasun Company’s solvency and the fact that it had not been actively responding to the Corporation’s demand. As of September 30, 2012, the balances of advance payments under joint contract and accumulated interest receivable were respectively 180,932 thousand and 112,097 thousand dollars. Due to the change in the estimation of the retrievable amount, the Corporation has reassessed the principal and interest of this case and recognized an additional amount of 199,931 as allowance for bad debts. The joint construction project was completed and settled with the owners in December, 2013, and the relevant payments were collected by January 9, 2014. After offsetting the collected payments with the advance payments, the Corporation recognized advance payments under joint contract of 193,843 thousand dollars, accumulated interest receivable of 112,097 thousand dollars, and allowance for bad debts in full amount, 305,940 thousand dollars as of December 31, 2019. Afterward, the litigation with the subcontractor of this construction project reached a settlement in March, 2020, allowing the Corporation to retrieve the principal and interest of the advance deposits; as a result, 64,347 thousand dollars of advance payments were offset, simultaneously reversing the allowance for bad debts. As of March 31, 2022, the balances of advance payments under joint contract, accumulated interest receivable and allowance for bad debts were respectively 129,496 thousand, 112,097 thousand and 241,593 thousand dollars. Later, the two parties reached a settlement on April 22, 2022. Hwasun Company should pay the Corporation 180,000 thousand dollars, and delivered a sight note of 100,000 thousand dollars on the same day. Then Hwasun Company delivered the face value of 48,070 thousand dollars on May 16, 2022, and instructed a third party to pay the remaining 31,930 thousand dollars on May 16, 2022. The aforementioned payment has been recovered, and the relevant provision for bad debts has been reversed.

b. Hwasun Company filed a lawsuit to the district court on May 3, 2016, requesting that the Corporation pay the residual funds of 9,990 thousand dollars and the operating funds of 10 thousand dollars. The Corporation deemed this case repetitive with the claims regarding the case of funds loan, and has petitioned the court to continue the proceedings either after the judgment regarding the case of funds loan was made or after the appraisal report was released.

c. INTERNATIONAL ENGINEERING & CONSTRUCTION CO., LTD., a client of the subsidiary - HO CHANG INTERNATIONAL CONTRACTOR CO., LTD., owed the subsidiary NT$2,907 thousand dollars (recognized as "Overdue receivables"), and the recoverability of the debts has been assessed to be extremely low; as a result, bad debt expense has been recognized in full. INTERNATIONAL ENGINEERING & CONSTRUCTION CO., LTD. has petitioned the district court for the adjudication of bankruptcy and is in the process of liquidation as of the date of financial statements.

(4) Transactions of joint construction:

a. On November 13, 2008, the board of directors of the Corporation passed the resolution to jointly construct and sub-house the land of Neihu Technology Building with FENG XIN DEVELOPMENT & INVESTMENT CO., LTD., and the joint construction contract was signed on the same day. The two parties designated the distribution ratio for the sub-housing of the jointly constructed building to be 7:3.

b. Regarding the joint construction case mentioned above, FENG XIN DEVELOPMENT & INVESTMENT CO., LTD. requested, via letter, to terminate the joint construction contract in September, 2013, claiming that it had other plans for the land. The board of directors of the Corporation passed the resolution to accept the request on October 16, 2013, and the two parties have signed an agreement for the settlement of this case. FENG XIN DEVELOPMENT & INVESTMENT CO., LTD. agreed to make the following payments and compensation:

   a) Undertake the entire amount of expenses and costs incurred, by the Corporation, due to the performance of the joint construction contract, including the additional interest calculated using the statutory annual interest rate of 5%.

   b) Make a compensation of 150,000 thousand dollars to the Corporation, as specified in Article 13 of the joint construction contract.

   c) Unconditionally offer the Corporation 5% of the total area specified in the ownership certificate as an additional compensation to the Corporation when the initial general registration of the buildings is made, following the completion of the joint construction. (the value of the area offered must exceed 5% of the total area's value).

c. Regarding the payments and compensation mentioned above, the entire amount of expenses and costs incurred, including the additional interest, totally amounting to 76,288 thousand dollars, were received on November 13, 2013; the compensation of 150,000 thousand dollars was received on October 22, 2013, as well, the ownership of the building in item (c) has been transferred registration on December 26, 2022, and acquired a total of 6 households at No. 405, a small section of Tanmei Section, Neihu District, respectively accounting for property, plant and equipment of 312,259 thousnad and 279,253 thousand with investment properities, and at the same time, compensation income of 563,345 was recognized; however, the fair value of the real estate that was actually transferred registration was higher than the compensation, and the difference of 14,387 thousand(including tax) had been paid and was recorded in the account of investment properities.

10. Significant Losses from Disasters: None

11. Significant Subsequent Events: None

12. Others

(1) Capital risk management

The Group's fundamental goals of capital management are to maintain a high credit rating and healthy capital ratios to support the Group's operation and the maximization of the shareholders' equity. The capital management strategy of the Group in 2022 is consistent with those in prior years.

The Management regularly reviews the capital structure and considers the costs and risks involved in different capital structures. The Group adjusts the amount of debt according to the progress of construction and the funds required for operation, and adjusts the overall capital structure through means such as the issuance of new shares.

(2) Financial instruments

a. Information on the fair values of the financial instruments

	2022.12.31	
	Carrying Amount	Fair Value
Financial assets		
Cash and cash equivalents	$ 573,126	$ 573,126
Financial assets at amortized cost	741,697	741,697
Notes receivable	16,989	16,989
Accounts receivable	1,429,202	1,429,202
Other receivables	22,060	22,060
Refundable deposits	224,873	224,873
Other financial assets	679	679
	$ 3,008,626	**$ 3,008,626**

	2021.12.31	
	Carrying Amount	Fair Value
Financial assets		
Cash and cash equivalents	$ 330,233	$ 330,233
Financial assets at amortized cost	488,775	488,775
Notes receivable	10,493	10,493
Accounts receivable	1,539,776	1,539,776
Other receivables	18,045	18,045
Refundable deposits	195,174	195,174
Other financial assets	682,725	682,725
	$ 3,265,221	**$ 3,265,221**

	2022.12.31	
	Carrying Amount	Fair Value
Financial liabilities		
Short-term loans	$ 2,035,543	$ 2,035,543
Notes payable	377,083	377,083
Accounts payable	2,135,448	2,135,448
Other payables	468,061	468,061
Long-term loans (including the current portion)	481,595	481,595
Long-term notes payable(including the current portion)	109,481	109,481
	$ 5,607,211	**$ 5,607,211**

	2021.12.31			
	Carrying Amount		**Fair Value**	
Financial liabilities				
Short-term loans	$	1,560,337	$	1,560,337
Notes payable		574,756		574,756
Accounts payable		2,500,584		2,500,584
Other payables		416,697		416,697
Long-term loans (including the current portion)		543,482		543,482
Long-term notes payable(including the current portion)		188,154		188,154
	$	**5,784,010**	**$**	**5,784,010**

b. Information on the fair values

a) Techniques and assumptions adopted in the process of fair value measurement

The fair value of a financial instrument refers to the price at which a willing buyer and seller trade the instrument. The methods and assumptions adopted by the Group for the estimation of the fair values of financial assets and liabilities were as follows:

I. The fair values of cash and cash equivalents, receivables, payables and other current liabilities approximately equal their carrying amounts due to their short terms to maturity.

II. The fair values of financial assets and liabilities traded in active markets with standardized terms and conditions are determined by reference to the market quotation.

III. The fair values of financial derivatives are determined using the public quotations. When public quotations are not available, the fair values of non-option financial derivatives are calculated by discounting the cash flows using the yield curves applicable in their durations. The fair values of options, on the other hand, are calculated using option pricing models.

b) Levels of fair values

The definitions of different levels of fair values are as follows:

I. Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities.

II. Level 2 fair value measurements are those derived from 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).

III. Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The following table presents the Group's financial assets and liabilities measured at fair value on a recurring basis:

2022.12.31	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial assets				
Financial assets at FVTPL	$ --	$ --	$ --	$ --

2021.12.31	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial assets				
Financial assets at FVTPL	$ --	$ --	$ --	$ --

Except for those mentioned above, the fair values of other financial assets and liabilities measured at amortized cost are approximately equal to their carrying amounts.

c. Natures of significant financial risks and the Group's exposure to the risks

a) Market risk

Market risk refers to the risk arising from changes in market quotations of exchange rate and interest rate, causing the Group's profits or the values of financial instruments held to fluctuate. The objectives of market risk management are to control the extent of the exposure to market risk within an affordable range and to optimize the return on portfolio simultaneously.

I. Exchange rate risk

The construction projects contracted by the Group consist primarily of domestic public construction, and the materials are acquired primarily from the domestic market as well. Therefore, the Group is not exposed to significant exchange rate risk.

II. Interest rate risk

Interest rate risk refers to the risk arising from changes in market interest rate, leading to volatility in the fair values or future discounted cash flows of financial instruments. The Group's exposure to interest rate risk pertains primarily to floating-rate loans. If interest rates had been 1% higher and all other variables were held constant, the influence would have been as follows:

	2022.12.31	2021.12.31
Profit or loss	$ 26,045	$ 24,973

b) Credit risk

Credit risk refers to the risk that the counterparty will default on its contractual obligations, resulting in financial losses to the Group. The Group's exposure to credit risk pertains primarily to accounts receivable and other receivables.

I. The Group is mainly engaged in the contracting business of governmental public constructions and other projects from other entities with superior reputation. In addition, the Group's business units manage the clients' credit risks in compliance with the Group's relevant policies, procedures and internal controls. The evaluation of a client's credit risk takes into consideration the client's financial position, historical transactions, as well as current economic situation. The Group supervises its exposure to credit risks and the credit ratings of its counterparties on a continuous basis.

II. The Group applies the simplified approach in IFRS 9, estimating the loss allowance for receivables according to lifetime expected credit losses. When calculating the lifetime expected credit loss, the Group determines the expected credit loss rate, taking into consideration both current conditions and individual customer's characteristics, and recognizes 100% loss allowance for the receivables later than 365 days past due without other credit guarantees.

III. Individual risk assessment

The Group has set up an allowance for bad debt account to reflect the impairment loss and bad debt expense recognized from the estimation of the losses incurred for accounts receivable, other receivables, overdue receivables and investments. Except for the following cases, significant doubts about the recoverability of assets do not exist, and thus exposures to credit risk are not significant.

i. Regarding accounts receivable, the allowance for bad debts was assessed and recognized on an individual basis for cases such as delayed payments due to the owner's financial issues and special scenarios that payments were frozen by the owner.

ii. Regarding other receivables, the Group has assessed and recognized relevant allowance for bad debts for the advance payments for the joint contractor regarding the operating funds of the jointly contracted construction and the interest derived from them, taking into consideration the joint contractor's solvency and the fact that it had not been actively responding to the Group's demand (Please refer to Note 9(3)).

iii. The Group possesses preference shares of THE CHINESE BANK CO., LTD., who suffers from a significant financial crisis. Hence, impairment loss was recognized in full of the principals and interest. THE CHINESE BANK CO., LTD. is currently in the process of liquidation.

iv. The Group has assessed and recognized relevant allowance for bad debts for the overdue receivables due to the client's lack of liquidity.

IV. The credit policy of the Group in the fiscal year 2022 is consistent with that in the fiscal year 2021. Please refer to Note 6(3) for details of impairment loss.

c) Liquidity risk

The Group manages its financial flexibility using cash and cash equivalents, collection of construction contract revenues and contracts such as bank borrowings, and finances its operations by maintaining adequate cash and cash equivalents. The following table summarized the maturity of the payments stated in the Group's financial liability contracts. The Group ensures that sufficient funds are available to cover the due liabilities, so that unaffordable loss will not occur and damages the Group.

2022.12.31	**Carrying Amount**	**Contractual Cash Flow**	**Less than 1 Year**	**1-3 Years**	**More than 3 Years**
Short-term loans	$ 2,035,543	$ (2,094,812)	$ (2,094,812)	$ --	$ --
Notes payable	377,083	(377,083)	(377,083)	--	--
Accounts payable	2,135,448	(2,135,448)	(1,378,252)	(586,881)	(170,315)
Other payables	468,061	(468,061)	(468,061)	--	--
Long-term loans (including the current portion)	481,595	(538,696)	(75,301)	(142,889)	(320,506)
Long-term notes payable(including the current portion)	109,481	(112,226)	(80,901)	(31,325)	--
	$ 5,607,211	**$ (5,726,326)**	**$ (4,474,410)**	**$ (761,095)**	**$ (490,821)**

2021.12.31	**Carrying Amount**	**Contractual Cash Flow**	**Less than 1 Year**	**1-3 Years**	**More than 3 Years**
Short-term loans	$ 1,560,337	$ (1,596,775)	$ (1,596,775)	$ --	$ --
Notes payable	574,756	(574,756)	(574,756)	--	--
Accounts payable	2,500,584	(2,500,584)	(1,932,538)	(447,253)	(120,793)
Other payables	416,697	(416,697)	(416,697)	--	--
Long-term loans (including the current portion)	543,482	(600,072)	(71,998)	(145,446)	(382,628)
Long-term notes payable(including the current portion)	188,154	(195,489)	(83,262)	(112,227)	--
	$ 5,784,010	**$ (5,884,373)**	**$ (4,676,026)**	**$ (704,926)**	**$ (503,421)**

The Group does not expect that the time points at which cash flows occur in the maturity analysis will advance significantly or that the actual amounts will differ significantly.

(3) Policies of financial risk management

The main objectives of the Group's financial risk management are to manage market risk, credit risk and liquidity risk related to operating activities and to identify, evaluate and manage the aforementioned risks in accordance with the Group's policies and risks.

The Group has established suitable policies, procedures and internal control for the aforementioned financial risk management in accordance with relevant regulations. Under the policies, all significant financial activities must be reviewed by the board of directors in accordance with relevant regulations and internal control systems. During the execution of the financial management activities, the Group must comply with the established regulations concerning financial risk management.

13. Supplementary Disclosures

(1) Significant Transactions and Relevant Information

a. Financings provided: See Table 1 attached

b. Endorsement/guarantee provided: None

c. Marketable securities held (excluding investments in subsidiaries and associates): None

d. Marketable securities acquired and disposed of at costs or prices of at least NT$300 million or 20% of the paid-in capital: None

e. Acquisition of individual real estate at costs of at least $300 million or 20% of the paid-in capital：None

f. Disposal of individual real estate properties at prices of at least NT$300 million or 20% of the paid-in capital: None

g. Total purchases from or sales to related parties of at least NT$100 million or 20% of the paid-in capital: See Table 2 attached

h. Receivables from related parties amounting to at least NT$100 million or 20% of the paid-in capital: See Table 3 attached

i. Information on the derivative financial instruments transaction: None

(2) Information on Investees

a. Information on the investees over which the Group directly or indirectly exercises significant influence or controls: See Table 4 attached

b. Intercompany relationships and significant intercompany transactions: See Table 5 attached

(3) Information on Investments in Mainland China: None

(4) Information on Major Shareholders: See Table 6 attached

14. Segment Information

(1) General information and the evaluation of segment information

The Group consists of the following two reportable segments:

a. Construction segment, which is mainly engaged in the contracting business of civil engineering projects, and

b. Concrete segment, which is mainly engaged in the manufacturing and selling business of ready-mix concrete.

The segment information of the Group and the internal management report offered to the operating decision makers are prepared in a consistent manner. The operating decision makers are in charge of allocating resources to operating segments and evaluating their performances. The board of directors is identified as the decision maker of the Corporation and the subsidiary.

(2) Information on segment revenues, assets and liabilities

a. The analyses of the revenues and operating results of the Group's operating units by reportable segment were as follows:

	2022.1.1～12.31			
	Construction Segment	Concrete Segment	Adjustments and Write-offs	Total
Revenues from clients other than the parent company and the subsidiary	$ 7,829,974	$ 618,346	$ --	$ 8,448,320
Segment from the parent company and the subsidiary	--	724,942	(724,942)	--
Net revenue	$ 7,829,974	$ 1,343,288	$ (724,942)	$ 8,448,320
Segment profit or loss	$ 276,042	$ 92,842	$ --	$ 368,884
Gains or losses on investments				--
General income and expenses				--
Interest expense				(80,596)
Pre-tax income of operating units				$ 288,288

	2021.1.1～12.31			
	Construction Segment	**Concrete Segment**	**Adjustments and Write-offs**	**Total**
Revenues from clients other than the parent company and the subsidiary	$ 7,270,865	$ 731,679	$ --	$ 8,002,544
Segment from the parent company and the subsidiary	--	703,514	(703,514)	--
Net revenue	$ 7,270,865	$ 1,435,193	$ (703,514)	$ 8,002,544
Segment profit or loss	$ 389,750	$ 94,074	$ --	$ 483,824
Gains or losses on investments				--
General income and expenses				--
Interest expense				(67,777)
Pre-tax income of operating units				$ 416,047

b. The revenues reported above were the external revenues reported to the chief operating decision maker, prepared in the same manner as the revenues in the income statement.

c. Segment assets and liabilities

Since the assessed amount of the Group's assets and liabilities are not offered to the chief operating decision maker, the assessed amount is zero.

(3) Information on the adjustments of segment profit or loss

Since the amount of segment profit or loss is identical with the amount reported in the financial statements, no adjustment is required.

(4) Information on major customers

Major customers representing at least 10% of net revenue:

	2022.1.1～12.31		2021.1.1～12.31	
Name	**Amount**	**% of Revenue**	**Amount**	**% of Revenue**
Taipei City Government	$ 2,057,762	24.36 %	$ 2,657,199	33.20 %
Freeway Bureau, Ministry of Transportation and Communications	1,792,287	21.21 %	1,369,369	17.11 %
CPC Co., Ltd.	1,453,251	17.20 %	1,276,587	15.95 %
Taoyuan City Government	736,813	8.72 %	1,009,208	12.61 %
New Taipei City Government	1,789,860	21.19 %	958,502	11.98 %
	$ 7,829,973	**92.68 %**	**$ 7,270,865**	**90.85 %**

HWANG CHANG GENERAL CONTRACTOR CO., LTD.

FINANCINGS PROVIDED
FOR THE YEAR ENDED DECEMBER 31, 2022
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

<table>
<tr><th rowspan="2">No.</th><th rowspan="2">Financing Company</th><th rowspan="2">Counterparty</th><th rowspan="2">Financial Statement Account</th><th rowspan="2">Related Party</th><th rowspan="2">Maximum Balance for the Period</th><th rowspan="2">Ending Balance (The Amount Approved by the Board of Directors)</th><th rowspan="2">Amount Actually Drawn</th><th rowspan="2">Annual Interest Rate</th><th rowspan="2">Nature for Financing</th><th rowspan="2">Transaction Amounts</th><th rowspan="2">Reason for Financing</th><th rowspan="2">Allowance for Bad Debt</th><th colspan="2">Collateral</th><th rowspan="2">Financing Limits for Each Borrowing Company (Note 1)</th><th rowspan="2">Financing Company's Total Financing Amount Limits (Note 2)</th></tr>
<tr><th>Item</th><th>Value</th></tr>
<tr><td>0</td><td>HWANG CHANG GENERAL CONTRACTOR CO., LTD.</td><td>HUASHENG SHANGDA GENERAL CONTRACTOR CO., LTD.</td><td>Other receivables</td><td>No</td><td>128,023</td><td rowspan="2">330,184</td><td>--</td><td>10%</td><td>1</td><td>150,043</td><td>Operaing Capital</td><td rowspan="2">--</td><td>--</td><td>--</td><td>150,043</td><td rowspan="2">781,236</td></tr>
<tr><td>0</td><td>HWANG CHANG GENERAL CONTRACTOR CO., LTD.</td><td>HUASHENG SHANGDA GENERAL CONTRACTOR CO., LTD.</td><td>Other receivables</td><td>No</td><td>1,473</td><td>--</td><td>10%</td><td>2</td><td>--</td><td>Operaing Capital</td><td>--</td><td>--</td><td>260,412</td></tr>
</table>

Note 1: For the amount of business transactions, the limit is set as the amount of business transactions between the two parties. For the amount of non-business transactions, the limit is set as 10% of the net worth reported in the Corporation's most recent financial statements.

Note 2: The limit is set as 30% of the net worth reported in the Corporation's most recent financial statements.

Note 3: The amount has been collected, please refer to Note 9(3).

TABLE 2

HWANG CHANG GENERAL CONTRACTOR CO., LTD.

TOTAL PURCHASES FROM OR SALES TO RELATED PARTIES OF AT LEAST NT$100 MILLION OR 20% OF THE PAID-IN CAPITAL
FOR THE YEAR ENDED DECEMBER 31, 2022
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Company Name	Related Party	Nature of Relationships	Transaction Details				Abnormal Transaction		Notes/Accounts Payable or Receivable	
			Purchases / Sales	Amount	% to Total	Payment Terms	Abnormal Transaction	Notes/Accounts Payable or Receivable	Ending Balance	% to Total
Hwang Chang General Contractor Co., Ltd.	Ho Chang International Contractor Co., Ltd.	Investee company evaluated using the equity method	Purchases	727,578	11.69%	Net 60 days from the 20th day after the month of when invoice is issued Cash payments on the 30th day after the month of when invoice is issued	--	Net 60 days end of month or payments depending on the Corporation's funding conditions	Notes payable 99,651 Accounts payable 273,662	14.26%

Note: The amount has been offset during the preparation of consolidated financial statements.

TABLE 3

HWANG CHANG GENERAL CONTRACTOR CO., LTD.

RECEIVABLES FROM RELATED PARTIES AMOUNTING TO AT LEAST NT$100 MILLION OR 20% OF THE PAID-IN CAPITAL
FOR THE YEAR ENDED DECEMBER 31, 2022
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Company Name	Related Party	Nature of Relationships	Ending Balance	Turnover Days	Overdue (Note 1)		Amounts Received in Subsequent Period	Allowance for Bad Debts
					Amount	Action Taken		
Ho Chang International Contractor Co., Ltd.	Hwang Chang General Contractor Co., Ltd.	Investee company evaluated using the equity method	Notes receivable 99,651	1.94%	--	--	11,591(Note 2)	--
			Accounts receivable 275,965		--	--	108,492(Note 2)	--

Note 1: The collection of the receivables depends on the funding condition of the parent company.

Note 2: The amounts are the received amounts as of March 10, 2023

Note 3: The amounts have been offset during the preparation of consolidated financial statements.

TABLE 4

HWANG CHANG GENERAL CONTRACTOR CO., LTD.

INFORMATION ON THE INVESTEES OVER WHICH THE CORPORATION DIRECTLY OR INDIRECTLY EXERCISES SIGNIFICANT INFLUENCE OR CONTROL
FOR THE YEAR ENDED DECEMBER 31, 2022
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Investor Company	Investee Company	Location	Main Businesses and Products	Original Investment Amount		Balance as of December 31, 2022			Net Income (Losses) of the Investee	Share of Profits/Losses of Investee	Note
				December 31, 2022	December 31, 2021	Shares	Percentage of Ownership	Carrying Amount			
Hwang Chang General Contractor Co., Ltd.	Ho Chang International Contractor Co., Ltd.	Taipei, Taiwan	Manufacturing of ready mixed concrete	98,673	103,424	17,738,650	49.00%	215,097	60,540	29,667	See Note

Note: The amount of investment in subsidiaries over which the Corporation exercises control has been offset during the preparation of consolidated financial statements.

HWANG CHANG GENERAL CONTRACTOR CO., LTD.

INTERCOMPANY RELATIONSHIPS AND SIGNIFICANT INTERCOMPANY TRANSACTIONS
FOR THE YEAR ENDED DECEMBER 31, 2022
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Company Name	Counterparty	Nature of Relationship (Note 1)	Intercompany Transactions			
			Financial Statements Item	Amount	Terms	Percentage of Consolidated Net Revenue or Total Assets
Ho Chang International Contractor Co., Ltd.	The Corporation	2	Purchases	727,578	Note 2	9.09 %
Ho Chang International Contractor Co., Ltd.	The Corporation	2	Notes payable	99,651	Note 2	0.77 %
Ho Chang International Contractor Co., Ltd.	The Corporation	2	Accounts payable	273,662	Note 2	2.12 %
Ho Chang International Contractor Co., Ltd.	The Corporation	2	Prepayment for purchases	352,020	--	2.73 %
Ho Chang International Contractor Co., Ltd.	The Corporation	2	Deposits received	215,790	--	1.67 %
Ho Chang International Contractor Co., Ltd.	The Corporation	2	Other receivables	5	--	0.00 %
The Corporation	Ho Chang International Contractor Co., Ltd.	1	Realized gross profit	85	--	0.00 %
The Corporation	Ho Chang International Contractor Co., Ltd.	1	Rent income	947	--	0.01 %
The Corporation	Ho Chang International Contractor Co., Ltd.	1	Deposits received	473	Note 2	0.00 %

Note 1: No. 1 represents the transactions from the parent company to the subsidiary. No. 2 represents the transactions from the subsidiary to the parent company.

Note 2: The purchases mentioned above were made on general terms and conditions for purchase, via the procedures of evaluation, negotiation and supervisory approval. The payment terms are 60 days End of Month and Net Monthly Account or depending on the Corporation's funding conditions.

Note 3: The amounts have been offset during the preparation of consolidated financial statements.

HWANG CHANG GENERAL CONTRACTOR CO., LTD.

INFORMATION ON MAJOR SHAREHOLDERS
DECEMBER 31, 2022

Shareholders \ Shares	Total Shares Owned	Ownership Percentage
Feng Xin Development & Investment Co., Ltd.	119,035,965	50.12 %
Huan Dong Investment Co., Ltd.	19,370,550	8.15 %
Jiang Lu Xiu E	12,208,173	5.14 %
Xing Hua Enterprise Co., Ltd.	12,036,000	5.06 %

Note: For the corporations which acquire the information on major shareholders through Taiwan Depository & Clearing Corporation, the following matters can be attached as the notes to the table.

(1) The information of this table is calculated by Taiwan Depository & Clearing Corporation, based on the information about the shareholders holding over 5% of the Corporation's non-physical ordinary shares and preference shares which have been registered and delivered, on the last business day of every quarter. The amount of share capital reported in the Corporation's financial statements may differ from the amount of non-physical shares which the Corporation has registered and delivered, due to different calculation bases.

(2) Regarding the information mentioned in Note (1), in the case that the shareholder transfers his/her shares into trust, the shares are disclosed independently in the trust account of the trustor, opened by the trustee. As for the share report for insiders holding over 10% of shares in accordance with Securities and Exchange Act, the holding shares include those held by the shareholder him/herself and those under trust with discretion reserved. For information on insider reporting for shares, please visit the Market Observation Post System (MOPS), the information-disclosing website launched by Taiwan Stock Exchange (TWSE).