GOLDSUN BUILDING MATERIALS CO., LTD.
PARENT COMPANY ONLY
FINANCIAL STATEMENTS
WITH REPORT OF INDEPENDENT AUDITORS
FOR THE YEARS ENDED
DECEMBER 31, 2022 AND 2021

Address: 7F, No.8, Xinhu 1st Rd., Neihu Dist., Taipei City, Taiwan (R.O.C.)

The reader is advised that these financial statements have been prepared originally in Chinese. In the event of a conflict between these financial statements and the original Chinese version or difference in interpretation between the two versions, the Chinese language financial statements shall prevail.

GOLDSUN BUILDING MATERIALS CO., LTD.

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Independent Auditors' Report Translated from Chinese

To GOLDSUN BUILDING MATERIALS CO., LTD.

Opinion

We have audited the accompanying parent company only balance sheets of GOLDSUN BUILDING MATERIALS CO., LTD. (the "Company") as of December 31, 2022 and 2021, and the related parent company only statements of comprehensive income, changes in equity and cash flows for the years ended December 31, 2022 and 2021, and notes to the parent company only financial statements, including the summary of significant accounting policies (together "the parent company only financial statements").

In our opinion, based on our audits and the reports of other auditors (please refer to the Other Matter – Making Reference to the Audits of Component Auditors section of our report), the parent company only financial statements referred to above present fairly, in all material respects, the financial position of the Company as of December 31, 2022 and 2021, and its financial performance and cash flows for the years ended December 31, 2022 and 2021, in conformity with the requirements of the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

Basis for Opinion

We conducted our audits in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and 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 Parent Company Only Financial Statements section of our report. We are independent of the Company in accordance with the Norm of Professional Ethics for Certified Public Accountant of the Republic of China (the "Norm"), and we have fulfilled our other ethical responsibilities in accordance with the Norm. Based on our audits, we believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

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

Revenue Recognition

Revenue from contracts with customers that recognized by the Company amounted to NT$16,658,534 thousand for the year ended December 31, 2022, and the main source of revenue is the sale of pre-mixed concrete. The timing of sales was recognized when the performance obligations was satisfied that goods were delivered and accepted by the customers. Therefore, we considered this a key audit matter.

Our audit procedures included, but not limited to:

1. Assessing the appropriateness of the accounting policy of revenue recognition and the process of generating and recognizing revenue; evaluating and testing the design and operating effectiveness of internal controls around revenue recognition.

2. Selecting samples to perform tests of details, performing tests of transaction detail which included reviewing vouchers of selected samples to confirm the performance obligations was satisfied.

3. Performing cutoff testing through periods before and after the balance sheet date by reviewing related documentation of selected samples.

4. Executing accounts receivable confirmation procedures to confirm with the Company's customers. Moreover, performing other alternative audit procedures if customers do not return confirmations.

We also consider the appropriateness of the disclosures of operating revenue. Please refer to Note 4 and 6.

Other Matter – Making Reference to the Audits of Component Auditors

We did not audit the financial statements of certain associates, which statements reflected investments accounted for under the equity method of NT$1,629,284 thousand and NT$1,012,051 thousand, representing 5% and 3% of the total assets as of December 31, 2022 and 2021, respectively. The related shares of (loss) gain from the associates and joint ventures under the equity method amounted to NT$(8,690) thousand and NT$70,175 thousand, representing 0% and 2% of the net income before income tax for the years ended December 31, 2022 and 2021, respectively; and the related shares of other comprehensive loss from the associates and joint ventures under the equity method amounted to NT$0 thousand and NT$0 thousand, representing 0% and 0% of the comprehensive (loss) gain for the years ended December 31, 2022 and 2021, respectively. Those financial statements were audited by other auditors, whose reports thereon have been furnished to us, and our opinions expressed herein are based solely on the audit reports of the other auditors.

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

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

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

Those charged with governance, including audit committee or supervisors, are responsible for overseeing the financial reporting process of the Company.

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

Our objectives are to obtain reasonable assurance about whether the parent company only financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with auditing standards generally accepted in the Republic of China will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these parent company only financial statements.

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

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

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

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

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

6. Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the parent company only financial statements. We are responsible for the direction, supervision and performance of the Company audit. We remain solely responsible for our audit opinion.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the parent company only financial statements and are therefore the key audit matters. We describe these matters in our auditor's 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.

/s/Wang, Hsuan-hsuan

/s/Liu, Hui-Yuan

Ernst & Young, Taiwan
February 24, 2023

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

Accordingly, the accompanying parent company only financial statements and report of independent accountants are not intended for use by those who are not informed about the accounting principles or auditing standards generally accepted in the Republic of China, and their applications in practice. As the financial statements are the responsibility of the management, Ernst & Young cannot accept any liability for the use of, or reliance on, the English translation or for any errors or misunderstandings that may derive from the translation.

English Translation of Financial Statements Originally Issued in Chinese

GOLDSUN BUILDING MATERIALS CO., LTD.
PARENT COMPANY ONLY BALANCE SHEETS
December 31, 2022 and December 31, 2021
(Expressed in Thousands of New Taiwan Dollars)

Assets	Notes	As of			
		December 31, 2022		December 31, 2021	
		Amount	%	Amount	%
Current assets					
Cash and cash equivalents	4 and 6	$780,390	3	$898,100	3
Financial assets at fair value through other comprehensive income, current	4,5,6 and 8	635,311	2	806,400	3
Financial assets at amortized cost, current	4,6 and 8	92,775	-	118,872	-
Notes receivable, net	4,5 and 6	1,024,245	3	1,161,314	4
Accounts receivable, net	4,5 and 6	4,863,695	14	4,790,171	16
Accounts receivable - related parties, net	4,5,6 and 7	37,210	-	26,234	-
Other receivables		18,712	-	16,641	-
Other receivables - related parties	7	47,713	-	40,876	-
Inventories, net	4,5,6 and 8	625,989	2	475,726	2
Prepayments	7	351,577	1	467,176	1
Non-current assets held for sale, net	4 and 6	-	-	573,315	2
Total current assets		8,477,617	25	9,374,825	31
Non-current assets					
Financial assets at fair value through other comprehensive income, non-current	4,5,6 and 8	695,741	2	715,561	2
Financial assets at amortized cost, non-current	4,6 and 8	-	-	2,891	-
Investments accounted for under the equity method	4,5,6 and 8	12,186,995	36	11,442,852	37
Property, plant and equipment	4,6,7 and 8	7,371,389	21	5,345,694	17
Right-of-use assets	4,6 and 7	322,856	1	449,291	2
Investment property, net	4,5,6 and 8	4,386,703	13	2,277,768	8
Intangible assets	4 and 6	9,538	-	12,501	-
Deferred tax assets	4,5 and 6	680,359	2	748,866	2
Prepayment for equipment		5,644	-	7,537	-
Refundable deposits	7	28,546	-	18,255	-
Long-term receivable	4,5 and 6	15,555	-	22,092	-
Prepayments for investments, non-current	6	-	-	194,070	1
Total non-current assets		25,703,326	75	21,237,378	69
Total assets		$34,180,943	100	$30,612,203	100

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

English Translation of Financial Statements Originally Issued in Chinese

GOLDSUN BUILDING MATERIALS CO., LTD.
PARENT COMPANY ONLY BALANCE SHEETS
December 31, 2022 and December 31, 2021
(Expressed in Thousands of New Taiwan Dollars)

Liabilities and Equity	Notes	As of December 31, 2022 Amount	%	As of December 31, 2021 Amount	%
Current liabilities					
Short-term loans	4,6 and 8	$2,630,000	8	$900,000	3
Notes payable		179,211	1	297,093	1
Accounts payable		1,225,563	4	1,598,517	5
Accounts payable - related parties	7	345,854	1	286,328	1
Other payables		1,273,529	4	856,248	3
Other payables - related parties	7	482,429	1	400,000	1
Current tax liabilities	4,5 and 6	630,309	2	580,415	2
Lease liabilities, current	4,6 and 7	97,380	-	94,109	-
Other current liabilities		121,832	-	103,694	-
Advanced receipts		8,768	-	16,321	-
Current portion of long-term loans	4,6 and 8	812,000	2	470,000	2
Total current liabilities		7,806,875	23	5,602,725	18
Non-current liabilities					
Long-term loans	4,6 and 8	2,188,000	6	1,280,000	4
Provisions, non-current	4 and 6	6,900	-	6,900	-
Deferred tax liabilities	4,5 and 6	1,029	-	4,697	-
Lease liabilities, non-current	4,6 and 7	182,222	1	340,372	1
Long-term notes and bills payable	6 and 8	599,865	2	1,796,860	6
Net defined benefit liabilities, non-current	4,5 and 6	109,078	-	158,436	1
Guarantee deposits	7	21,493	-	31,955	-
Total non-current liabilities		3,108,587	9	3,619,220	12
Total liabilities		10,915,462	32	9,221,945	30
Equity attributable to the parent					
Capital					
Common stock	4 and 6	11,800,000	35	11,800,000	39
Additional paid-in capital	6	1,189,725	3	1,183,587	4
Retained earnings	6				
Legal reserve		2,228,195	7	1,945,291	6
Special reserve		1,874,430	5	1,874,430	6
Unappropriated earnings		6,281,390	18	4,562,598	15
Total Retained earnings		10,384,015	30	8,382,319	27
Other components of equity	6	(103,470)	-	29,141	-
Treasury stock	6	(4,789)	-	(4,789)	-
Total equity		23,265,481	68	21,390,258	70
Total liabilities and equity		$34,180,943	100	$30,612,203	100

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

English Translation of Financial Statements Originally Issued in Chinese

GOLDSUN BUILDING MATERIALS CO., LTD.

PARENT COMPANY ONLY STATEMENTS OF COMPREHENSIVE INCOME

For the years ended December 31, 2022 and 2021

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

Item	Notes	2022		2021	
		Amount	%	Amount	%
Operating revenue	4,5,6 and 7	$16,984,058	100	$16,361,670	100
Operating costs	6 and 7	(13,335,946)	(79)	(12,848,618)	(79)
Gross profit		3,648,112	21	3,513,052	21
Operating expenses	4,5,6 and 7				
Sales and marketing expenses		(112,151)	(1)	(106,123)	(1)
General and administrative expenses		(473,988)	(3)	(405,083)	(2)
Research and development expenses		(19,447)	-	(9,483)	-
Expected credit losses		(12,001)	-	(43,199)	-
Subtotal		(617,587)	(4)	(563,888)	(3)
Operating income		3,030,525	17	2,949,164	18
Non-operating income and loss	4,6 and 7				
Interest income		4,001	-	5,733	-
Other income		84,963	1	108,773	-
Other gains and losses		1,695,663	10	13,205	-
Finance costs		(56,774)	-	(54,200)	-
Share of profit or loss of associates and joint ventures		190,385	1	450,629	3
Subtotal		1,918,238	12	524,140	3
Income before income tax		4,948,763	29	3,473,304	21
Income tax expense	4,5 and 6	(816,545)	(5)	(624,433)	(4)
Net income		4,132,218	24	2,848,871	17
Other comprehensive income	4 and 6				
Items that will not be reclassified subsequently to profit or loss					
Remeasurements of defined benefit plans		2,020	-	(27,418)	-
Unrealized (loss) gains on fair value through other comprehensive income equity instrument investment		(219,697)	(1)	177,052	1
Remeasurements of defined benefit plans of subsidiaries and associates		505	-	557	-
Unrealized (loss) gains from investments in equity instruments measured at fair value through other comprehensive income of subsidiaries and associates		(147,482)	(1)	34,632	-
Income tax related to items that will not be reclassified		(404)	-	5,484	-
Items that may be reclassified subsequently to profit or loss					
Exchange differences on translation of foreign operations		225,925	1	(81,500)	-
Total other comprehensive (loss) income, net of tax		(139,133)	(1)	108,807	1
Total comprehensive income		$3,993,085	23	$2,957,678	18
Earnings per share (NT$)	6				
Basic earnings per share		$3.51		$2.42	
Diluted earnings per share		$3.49		$2.41	

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

GOLDSUN BUILDING MATERIALS CO., LTD.
PARENT COMPANY ONLY STATEMENTS OF CHANGES IN EQUITY
For the years ended December 31, 2022 and 2021
(Expressed in Thousands of New Taiwan Dollars)

			Retained Earnings			Other Components of Equity			
	Common Stock	Additional Paid-in Capital	Legal Reserve	Special Reserve	Unappropriated Earnings	Exchange Differences on Translation of Foreign Operations	Unrealized Gain or Loss on Financial Assets at fair value through other comprehensive income	Treasury Stock	Total Equity
Balance as of January 1, 2021	$11,800,000	$1,178,554	$1,706,814	$1,874,430	$3,742,037	$(552,128)	$454,411	$(4,789)	$20,199,329
Appropriations and distributions of 2020 unappropriated earnings									
Legal reserve	-	-	238,477	-	(238,477)	-	-	-	-
Cash dividends	-	-	-	-	(1,770,000)	-	-	-	(1,770,000)
Other changes in capital reserve									
Donated surplus	-	359	-	-	-	-	-	-	359
Net income in 2021 (note)	-	-	-	-	2,848,871	-	-	-	2,848,871
Other comprehensive (loss) income, net of tax in 2021	-	-	-	-	(21,377)	(81,500)	211,684	-	108,807
Total comprehensive income	-	-	-	-	2,827,494	(81,500)	211,684	-	2,957,678
Parent company's cash dividends received by subsidiaries	-	4,674	-	-	-	-	-	-	4,674
The differences between the fair value of the consideration paid or received from acquiring or disposing subsidiaries and the carrying amounts of the subsidiaries	-	-	-	-	(1,782)	-	-	-	(1,782)
Disposal of equity instruments measured at fair value through other comprehensive income	-	-	-	-	3,326	-	(3,326)	-	-
Balance as of December 31, 2021	$11,800,000	$1,183,587	$1,945,291	$1,874,430	$4,562,598	$(633,628)	$662,769	$(4,789)	$21,390,258
Balance as of January 1, 2022	$11,800,000	$1,183,587	$1,945,291	$1,874,430	$4,562,598	$(633,628)	$662,769	$(4,789)	$21,390,258
Appropriations and distributions of 2021 unappropriated earnings									
Legal reserve	-	-	282,904	-	(282,904)	-	-	-	-
Cash dividends	-	-	-	-	(2,124,000)	-	-	-	(2,124,000)
Other changes in capital reserve									
Donated surplus	-	270	-	-	-	-	-	-	270
Net income in 2022	-	-	-	-	4,132,218	-	-	-	4,132,218
Other comprehensive (loss) income, net of tax in 2022	-	-	-	-	2,121	225,925	(367,179)	-	(139,133)
Total comprehensive income	-	-	-	-	4,134,339	225,925	(367,179)	-	3,993,085
Parent company's cash dividends received by subsidiaries	-	5,609	-	-	-	-	-	-	5,609
The differences between the fair value of the consideration paid or received from acquiring or disposing subsidiaries and the carrying amounts of the subsidiaries	-	259	-	-	-	-	-	-	259
Disposal of equity instruments measured at fair value through other comprehensive income	-	-	-	-	(8,643)	-	8,643	-	-
Balance as of December 31, 2022	$11,800,000	$1,189,725	$2,228,195	$1,874,430	$6,281,390	$(407,703)	$304,233	$(4,789)	$23,265,481

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

Note: Profit sharing bonus to employees and compensation to directors and supervisors are both NT$110,850 and NT$157,939 thousand for the years ended December31, 2021 and 2022, which have already been excluded from Income Statement.

English Translation of Financial Statements Originally Issued in Chinese

GOLDSUN BUILDING MATERIALS CO., LTD.
PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS
For the years ended December 31, 2022 and 2021
(Expressed in Thousands of New Taiwan Dollars)

Description	2022	2021
Cash flows from operating activities:		
Profit before tax from continuing operations	$4,948,763	$3,473,304
Net income before tax	4,948,763	3,473,304
Adjustments to reconcile net income before tax to net cash provided by operating activities:		
Depreciation	353,385	327,628
Amortization	6,775	7,436
Expected credit losses	12,001	43,199
Interest expense	56,774	54,200
Interest revenue	(4,001)	(5,733)
Dividend income	(58,789)	(88,351)
Share of gain of subsidiaries and associates	(190,385)	(450,629)
Gain on disposal of property, plant and equipment	(4,392)	(2,792)
Loss on disposal of investment property	261	-
Impairment loss on investment property	20,020	-
Gain on disposal of non-current assets held for sale	(1,743,181)	-
Other income	1,232	-
Gain on lease modification	(1,883)	(1,530)
Changes in operating assets and liabilities:		
Notes receivable, net	137,266	(115,557)
Accounts receivable, net	(79,000)	(579,398)
Accounts receivable - related parties, net	(10,976)	(3,647)
Other receivables	(2,071)	2,771
Other receivables - related parties	(6,837)	(19,341)
Inventories, net	(150,263)	134,590
Prepayments	66,615	(132,074)
Long-term receivable	(185)	(7,292)
Notes payable	(117,882)	297,093
Accounts payable	(372,954)	368,751
Accounts payable - related parties	59,526	62,978
Other payables	445,194	206,518
Other current liabilities	29,886	(75,631)
Advanced receipts	(7,553)	(1,760)
Net defined liabilities, non-current	(47,742)	(24,871)
Cash inflow generated from operations	3,339,604	3,469,862
Interest received	4,001	5,733
Interest paid	(52,258)	(52,442)
Income tax paid	(713,560)	(315,142)
Net cash provided by operating activities	2,577,787	3,108,011
Cash flows from investing activities:		
Acquisition of financial assets at fair value through other comprehensive income	(28,788)	(75,671)
Proceeds from disposal of financial assets at fair value through other comprehensive income	-	31,296
Capital deducted by cash of financial assets at fair value through other comprehensive income	-	8,540
Decrease (increase) in financial assets at amortized cost	28,988	(18,100)
Acquisition of investments accounted for under the equity method	(611,306)	(56,488)
Cash returns from capital reduction of subsidiaries	-	828,514
Proceeds from disposal of property, plant and equipment	11,774	5,102
Acquisition of property, plant and equipment	(2,272,978)	(989,906)
Proceeds from disposal of investment property	50	-
Acquisition of investment property	(2,098,593)	(59,335)
Proceeds from disposal of non-current assets held for sale	2,316,496	-
Proceeds from disposal of intangible assets	92	-
Acquisition of intangible assets	(2,693)	(5,865)
Decrease (increase) in prepayment for equipment	682	(42,088)
(Increase) decrease in refundable deposits	(10,291)	9,637
Decrease (increase) in prepayments for investments	194,070	(194,070)
Dividends received	200,250	842,070
Net cash (used in) provided by investing activities	(2,272,247)	283,636
Cash flows from financing activities:		
Increase (decrease) in short-term loans	1,730,000	(400,000)
Increase in other payables - related parties	50,000	20,000
Increase in long-term loans	3,290,000	550,000
Decrease in long-term loans	(2,040,000)	(1,300,000)
Increase in long-term notes and bills payable	-	5,598,564
Decrease in long-term notes payable	(1,196,995)	(5,550,000)
(Decrease)increase in guarantee deposits	(10,462)	3,798
Cash payments for the principal portion of the lease liability	(121,734)	(123,372)
Cash dividends paid	(2,124,000)	(1,770,000)
Donated surplus	(59)	(22)
Net cash used in financing activities	(423,250)	(2,971,032)
Net (decrease) increase in cash and cash equivalents	(117,710)	420,615
Cash and cash equivalents at beginning of year	898,100	477,485
Cash and cash equivalents at end of year	$780,390	$898,100

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

English Translation of Financial Statements Originally Issued in Chinese
GOLDSUN BUILDING MATERIALS CO., LTD.
NOTES TO PARENT COMPANY ONLY FINANCIAL STATEMENTS
For the Years Ended December 31, 2022 and 2021
(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

1. History and organization

GOLDSUN BUILDING MATERIALS CO., LTD. ("the Company") was incorporated under the laws of the Republic of China ("R.O.C.") in November 1954. The Company is engaged mainly in the production and sales pre-mixed concrete and building rental. In March 1978, the Company listed its shares of stock on the Taiwan Stock Exchange ("TWSE"). The Company's registered office and the main business location is at 7F, No.8, Xinhu 1st Rd., Neihu Dist., Taipei City, Taiwan (R.O.C.)

2. Date and procedures of authorization of financial statements for issue

The parent company only financial statements of the Company for the years ended December 31, 2022 and 2021 were authorized for issue by the Board of Directors on February 24, 2023.

3. Newly issued or revised standards and interpretations

(1) Changes in accounting policies resulting from applying for the first-time certain standards and amendments

The Company applied International Financial Reporting Standards, International

Accounting Standards, and Interpretations issued, revised or amended which are endorsed by Financial Supervisory Commission ("FSC") and become effective for annual periods beginning on or after January 1, 2022. There were not newly adopted or revised standards and interpretations that have material impact on the Company's financial position and performance.

(2) Standards or interpretations issued, revised or amended, by International Accounting Standards Board ("IASB") which are endorsed by FSC, but not yet adopted by The Company as at the end of the reporting period are listed below.

Items	New, Revised or Amended Standards and Interpretations	Effective Date issued by IASB
a	Disclosure Initiative - Accounting Policies – Amendments to IAS 1	January 1, 2023
b	Definition of Accounting Estimates – Amendments to IAS 8	January 1, 2023
c	Deferred Tax related to Assets and Liabilities arising from a Single Transaction – Amendments to IAS 12	January 1, 2023

(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

(a) Disclosure Initiative - Accounting Policies – Amendments to IAS 1

The amendments improve accounting policy disclosures that to provide more useful information to investors and other primary users of the financial statements.

(b) Definition of Accounting Estimates – Amendments to IAS 8

The amendments introduce the definition of accounting estimates and include other amendments to IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors to help companies distinguish changes in accounting estimates from changes in accounting policies.

(c) Deferred Tax related to Assets and Liabilities arising from a Single Transaction – Amendments to IAS 12

The amendments narrow the scope of the recognition exemption in paragraphs 15 and 24 of IAS 12 so that it no longer applies to transactions that, on initial recognition, give rise to equal taxable and deductible temporary differences.

The abovementioned standards and interpretations were issued by IASB and endorsed by FSC so that they are applicable for annual periods beginning on or after January 1, 2023. The standards and interpretations have no material impact on The Company.

(3) Standards or interpretations issued, revised or amended, by IASB which are not endorsed by FSC, and not yet adopted by The Company as at the end of the reporting period are listed below.

Items	New, Revised or Amended Standards and Interpretations	Effective Date issued by IASB
a	IFRS 10 “Consolidated Financial Statements” and IAS 28 “Investments in Associates and Joint Ventures” — Sale or Contribution of Assets between an Investor and its Associate or Joint Ventures	To be determined by IASB
b	IFRS 17 “Insurance Contracts”	January 1, 2023
c	Classification of Liabilities as Current or Non-current – Amendments to IAS 1	January 1, 2024
d	Lease Liability in a Sale and Leaseback – Amendments to IFRS 16	January 1, 2024
e	Non-current Liabilities with Covenants – Amendments to IAS 1	January 1, 2024

(a) IFRS 10“Consolidated Financial Statements” and IAS 28“Investments in Associates and Joint Ventures” — Sale or Contribution of Assets between an Investor and its Associate or Joint Ventures

The amendments address the inconsistency between the requirements in IFRS 10 *Consolidated Financial Statements and IAS 28 Investments in Associates and Joint Ventures*, in dealing with the loss of control of a subsidiary that is contributed to an associate or a joint venture. IAS 28 restricts gains and losses arising from contributions of non-monetary assets to an associate or a joint venture to the extent of the interest attributable to the other equity holders in the associate or joint ventures. IFRS 10 requires full profit or loss recognition on the loss of control of the subsidiary. IAS 28 was amended so that the gain or loss resulting from the sale or contribution of assets that constitute a business as defined in IFRS 3 between an investor and its associate or joint venture is recognized in full.

IFRS 10 was also amended so that the gains or loss resulting from the sale or contribution of a subsidiary that does not constitute a business as defined in IFRS 3 between an investor and its associate or joint venture is recognized only to the extent of the unrelated investors’ interests in the associate or joint venture.

(b) IFRS 17 “Insurance Contracts”

IFRS 17 provides a comprehensive model for insurance contracts, covering all relevant accounting aspects (including recognition, measurement, presentation and disclosure requirements). The core of IFRS 17 is the General (building block) Model, under this model, on initial recognition, an entity shall measure a group of insurance contracts at the total of the fulfilment cash flows and the contractual service margin. The carrying amount of a group of insurance contracts at the end of each reporting period shall be the sum of the liability for remaining coverage and the liability for incurred claims.

Other than the General Model, the standard also provides a specific adaptation for contracts with direct participation features (the Variable Fee Approach) and a simplified approach (Premium Allocation Approach) mainly for short-duration contracts.

IFRS 17 was issued in May 2017 and it was amended in 2020 and 2021. The amendments include deferral of the date of initial application of IFRS 17 by two years to annual beginning on or after 1 January 2023 (from the original effective date of January 1, 2021); provide additional transition reliefs; simplify some requirements to reduce the costs of applying IFRS 17 and revise some requirements to make the results easier to explain. IFRS 17 replaces an interim Standard – IFRS 4 Insurance Contracts – from annual reporting periods beginning on or after 1 January 2023.

(c) Classification of Liabilities as Current or Non-current – Amendments to IAS 1

These are the amendments to paragraphs 69-76 of IAS 1 Presentation of Financial statements and the amended paragraphs related to the classification of liabilities as current or non-current.

(d) Lease Liability in a Sale and Leaseback – Amendments to IFRS 16

The amendments add seller-lessees additional requirements for the sale and leaseback transactions in IFRS 16, thereby supporting the consistent application of the standard.

(e) Non-current Liabilities with Covenants – Amendments to IAS 1

The amendments improved the information companies provide about long-term debt with covenants. The amendments specify that covenants to be complied within twelve months after the reporting period do not affect the classification of debt as current or non-current at the end of the reporting period.

The abovementioned standards and interpretations issued by IASB have not yet endorsed by FSC at the date when The Company’s financial statements were authorized for issue, the local effective dates are to be determined by FSC. The Company is still currently determining the potential impact of the standards and interpretations listed above except (b), it is not practicable to estimate their impact on The Company at this point in time.

4. Summary of Significant Accounting Policies

(1) Statement of compliance

The parent company only financial statements of the Company for the years ended December 31, 2022 and 2021 have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers (“the Regulations”).

(2) Basis of preparation

The Company prepared parent company only financial statements in accordance with Article 21 of the Regulations, which provided that the profit or loss and other comprehensive income for the period presented in the parent company only financial statements shall be the same as the profit or loss and other comprehensive income attributable to stockholders of the parent presented in the consolidated financial statements for the period, and the total equity presented in the parent company only financial statements shall be the same as the equity attributable to the parent company presented in the consolidated financial statements. Therefore, the Company accounted for its investments in subsidiaries using equity method and, accordingly, made necessary adjustments.

The parent company only financial statements have been prepared on a historical cost basis, except for financial instruments that have been measured at fair value. The parent company only financial statements are expressed in thousands of New Taiwan Dollars (“NT$”) unless otherwise stated.

(3) Foreign currency transactions

The Company’s parent company only financial statements are presented in NT$, which is also the Company’s functional currency.

Transactions in foreign currencies are initially recorded by the Company at its functional currency rates prevailing at the date of the transaction. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. Non-monetary items that are measured at historical cost in a foreign currency are translated using the exchange rates as of the dates of the initial transactions.

All exchange differences arising on the settlement of monetary items or on translating monetary items are taken to profit or loss in the period in which they arise except for the following:

A. Exchange differences arising from foreign currency borrowings for an acquisition of a qualifying asset to the extent that they are regarded as an adjustment to interest costs are included in the borrowing costs that are eligible for capitalization.
B. Foreign currency items within the scope of IFRS 9 Financial Instruments are accounted for based on the accounting policy for financial instruments.

C. Exchange differences arising on a monetary item that forms part of a reporting entity's net investment in a foreign operation is recognized initially in other comprehensive income and reclassified from equity to profit or loss on disposal of the net investment.

When a gain or loss on a non-monetary item is recognized in other comprehensive income, any exchange component of that gain or loss is recognized in other comprehensive income. When a gain or loss on a non-monetary item is recognized in profit or loss, any exchange component of that gain or loss is recognized in profit or loss.

(4) Translation of financial statements in foreign currency

The assets and liabilities of foreign operations are translated into NT$ at the closing rate of exchange prevailing at the reporting date and their income and expenses are translated at an average rate for the period. The exchange differences arising on the translation are recognized in other comprehensive income. On the disposal of a foreign operation, the cumulative amount of the exchange differences relating to that foreign operation, recognized in other comprehensive income and accumulated in the separate component of equity, is reclassified from equity to profit or loss when the gain or loss on disposal is recognized. The following partial disposals are accounted for as disposals:

A. when the partial disposal involves the loss of control of a subsidiary that includes a foreign operation; and
B. when the retained interest after the partial disposal of an interest in a joint arrangement or a partial disposal of an interest in an associate that includes a foreign operation is a financial asset that includes a foreign operation.

On the partial disposal of a subsidiary that includes a foreign operation that does not result in a loss of control, the proportionate share of the cumulative amount of the exchange differences recognized in other comprehensive income is re-attributed to the non-controlling interests in that foreign operation. In partial disposal of an associate or joint arrangement that includes a foreign operation that does not result in a loss of significant influence or joint control, only the proportionate share of the cumulative amount of the exchange differences recognized in other comprehensive income is reclassified to profit or loss.

Any goodwill and any fair value adjustments to the carrying amounts of assets and liabilities arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and expressed in its functional currency.

(5) Current and non-current distinction

An asset is classified as current when:

A. The Company expects to realize the asset, or intends to sell or consume it, in its normal operating cycle
B. The Company holds the asset primarily for the purpose of trading
C. The Company expects to realize the asset within twelve months after the reporting period
D. The asset is cash or cash equivalent unless the asset is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is classified as current when:

A. The Company expects to settle the liability in its normal operating cycle
B. The Company holds the liability primarily for the purpose of trading
C. The liability is due to be settled within twelve months after the reporting period
D. The Company does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting period. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

All other liabilities are classified as non-current.

(6) Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, demand deposits and short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value (including fixed-term deposits that have maturities of 3 months from the date of acquisition).

(7) Financial instruments

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

Financial assets and financial liabilities within the scope of IFRS 9 *Financial Instruments* are recognized initially at fair value plus or minus, in the case of investments not at fair value through profit or loss, directly attributable transaction costs.

A. Financial instruments: Recognition and Measurement

The Company accounts for regular way purchase or sales of financial assets on the delivery date.

The Company classified financial assets as subsequently measured at amortized cost, fair value through other comprehensive income or fair value through profit or loss considering both factors below:

a. the Company's business model for managing the financial assets and
b. the contractual cash flow characteristics of the financial asset.

Financial assets measured at amortized cost

A financial asset is measured at amortized cost if both of the following conditions are met and presented as note receivables, trade receivables financial assets measured at amortized cost and other receivables etc., on balance sheet as at the reporting date:

a. assets in order to collect contractual cash flows and
b. the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Such financial assets are subsequently measured at amortized cost (the amount at which the financial asset is measured at initial recognition minus the principal repayments, plus or minus the cumulative amortization using the effective interest method of any difference between the initial amount and the maturity amount and adjusted for any loss allowance) and is not part of a hedging relationship. A gain or loss is recognized in profit or loss when the financial asset is derecognized, through the amortization process or in order to recognize the impairment gains or losses.

Interest revenue is calculated by using the effective interest method. This is calculated by applying the effective interest rate to the gross carrying amount of a financial asset except for:

a. Company applies the credit-adjusted effective interest rate to the amortized cost of the financial asset from initial recognition.
b. financial assets that are not purchased or originated credit-impaired financial assets but subsequently have become credit-impaired financial assets. For those financial assets, the Company applies the effective interest rate to the amortized cost of the financial asset in subsequent reporting periods.

Financial asset measured at fair value through other comprehensive income

A financial asset is measured at fair value through other comprehensive income if both of the following conditions are met:

a. the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and
b. the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Recognition of gain or loss on a financial asset measured at fair value through other comprehensive income are described as below:

a. A gain or loss on a financial asset measured at fair value through other comprehensive income recognized in other comprehensive income, except for impairment gains or losses and foreign exchange gains and losses, until the financial asset is derecognized or reclassified.
b. When the financial asset is derecognized the cumulative gain or loss previously recognized in other comprehensive income is reclassified from equity to profit or loss or retained earnings as a reclassification adjustment.
c. Interest revenue is calculated by using the effective interest method. This is calculated by applying the effective interest rate to the gross carrying amount of a financial asset except for:
   i. Purchased or originated credit-impaired financial assets. For those financial assets, the Company applies the credit-adjusted effective interest rate to the amortized cost of the financial asset from initial recognition.
   ii. Financial assets that are not purchased or originated credit-impaired financial assets but subsequently have become credit-impaired financial assets. For those financial assets, the Company applies the effective interest rate to the amortized cost of the financial asset in subsequent reporting periods.

Besides, for certain equity investments within the scope of IFRS 9 that is neither held for trading nor contingent consideration recognized by an acquirer in a business combination to which IFRS 3 applies, the Company made an irrevocable election to present the changes of the fair value in other comprehensive income at initial recognition. Amounts presented in other comprehensive income shall not be subsequently transferred to profit or loss (when disposal of such equity instrument, its cumulated amount included in other components of equity is transferred directly to the retained earnings) and these investments should be presented as financial assets measured at fair value through other comprehensive income on the balance sheet. Dividends on such investment are recognized in profit or loss unless the dividends clearly represents a recovery of part of the cost of investment.

Financial asset measured at fair value through profit or loss

Financial assets were classified as measured at amortized cost or measured at fair value through other comprehensive income based on aforementioned criteria. All other financial assets were measured at fair value through profit or loss and presented on the balance sheet as financial assets measured at fair value through profit or loss.

Such financial assets are measured at fair value, the gains or losses resulting from remeasurement is recognized in profit or loss which includes any dividend or interest received on such financial assets.

B. Impairment of financial assets

The Company recognizes a loss allowance for expected credit losses on debt instrument investments measured at fair value through other comprehensive income and financial asset measured at amortized cost. The loss allowance on debt instrument investments measured at fair value through other comprehensive income is recognized in other comprehensive income and not reduce the carrying amount in the statement of financial position.

The Company measures expected credit losses of a financial instrument in a way that reflects:

a. an unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes;
b. the time value of money; and
c. reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions.

The loss allowance is measures as follow:

a. At an amount equal to 12-month expected credit losses: the credit risk on a financial asset has not increased significantly since initial recognition or the financial asset is determined to have low credit risk at the reporting date. In addition, the Company measures the loss allowance at an amount equal to lifetime expected credit losses in the previous reporting period, but determines at the current reporting date that the credit risk on a financial asset has increased significantly since initial recognition is no longer met.

b. At an amount equal to the lifetime expected credit losses: the credit risk on a financial asset has increased significantly since initial recognition or financial asset that is purchased or originated credit-impaired financial asset.
c. For trade receivables or contract assets arising from transactions within the scope of IFRS 15, the Company measures the loss allowance at an amount equal to lifetime expected credit losses.

At each reporting date, the Company needs to assess whether the credit risk on a financial asset has increased significantly since initial recognition by comparing the risk of a default occurring at the reporting date and the risk of default occurring at initial recognition. Please refer to Note 12 for further details on credit risk.

C. Derecognition of financial assets

A financial asset is derecognized when:

a. The rights to receive cash flows from the asset have expired
b. The Company has transferred the asset and substantially all the risks and rewards of the asset have been transferred
c. The Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

On derecognition of a financial asset in its entirety, the difference between the carryingamount and the consideration received or to be received including any cumulative gain or loss that had been recognized in other comprehensive income is recognized in profit or loss (for debt instruments) or directly in retained earnings (for equity instruments).

If the transferred asset is part of a larger financial asset and the part transferred qualifies for derecognition in its entirety, the Company allocates the previous carrying amount of the larger financial asset between the part that continues to be recognized and the part that is derecognized, based on the relative fair values of those parts on the date of the transfer. Any cumulative gain or loss that had been recognized in other comprehensive income is allocated between the part that continues to be recognized and the part that is derecognized, based on the relative fair values of those parts. The difference between the carrying amount allocated to the part derecognized and the sum of the consideration received for the part derecognized and any cumulative gain or loss allocated that had been recognized in other comprehensive income, is recognized in profit or loss or directly in retained earnings.

D. Financial liabilities and equity

Classification between liabilities or equity

The Company classifies the instrument issued as a financial liability or an equity instrument in accordance with the substance of the contractual arrangement and the definitions of a financial liability, and an equity instrument.

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. The transaction costs of an equity transaction are accounted for as a deduction from equity (net of any related income tax benefit) to the extent they are incremental costs directly attributable to the equity transaction that otherwise would have been avoided.

Compound instruments

The Company evaluates the terms of the convertible bonds issued to determine whether it contains both a liability and an equity component. Furthermore, the Company assesses if the economic characteristics and risks of the put and call options contained in the convertible bonds are closely related to the economic characteristics and risk of the host contract before separating the equity element.

For the liability component excluding the derivatives, its fair value is determined based on the rate of interest applied at that time by the market to instruments of comparable credit status. The liability component is classified as a financial liability measured at amortized cost before the instrument is converted or settled.

For the embedded derivative that is not closely related to the host contract (for example, if the exercise price of the embedded call or put option is not approximately equal on each exercise date to the amortized cost of the host debt instrument), it is classified as a liability component and subsequently measured at fair value through profit or loss unless it qualifies for an equity component. The equity component is assigned the residual amount after deducting from the fair value of the instrument as a whole the amount separately determined for the liability component. It carrying amount is not remeasured in the subsequent accounting periods. If the convertible bond issued does not have an equity component, it is accounted for as a hybrid instrument in accordance with the requirements under IFRS 9 Financial Instruments.

Transaction costs are apportioned between the liability and equity components of the convertible bond based on the allocation of proceeds to the liability and equity components when the instruments are initially recognized.

On conversion of a convertible bond before maturity, the carrying amount of the liability component being the amortized cost at the date of conversion is transferred to equity.

Financial liabilities

Financial liabilities within the scope of IFRS 9 *Financial Instruments* are classified as financial liabilities at fair value through profit or loss or financial liabilities measured at amortized cost upon initial recognition.

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated as at fair value through profit or loss. A financial liability is classified as held for trading if:

a. it is acquired or incurred principally for the purpose of selling or repurchasing it in the near term;
b. on initial recognition it is part of a portfolio of identified financial instruments that are managed together and for which there is evidence of a recent actual pattern of short-term profit-taking; or
c. it is a derivative (except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument).

If a contract contains one or more embedded derivatives, the entire hybrid (combined) contract may be designated as a financial liability at fair value through profit or loss; or a financial liability may be designated as at fair value through profit or loss when doing so results in more relevant information, because either:

a. it eliminates or significantly reduces a measurement or recognition inconsistency; or
b. a Company of financial liabilities or financial assets and financial liabilities is managed, and its performance is evaluated on a fair value basis, in accordance with a documented risk management or investment strategy, and information about the group is provided internally on that basis to the key management personnel.

Gains or losses on the subsequent measurement of liabilities at fair value through profit or loss including interest paid are recognized in profit or loss.

Financial liabilities at amortized cost

Financial liabilities measured at amortized cost include interest bearing loans and borrowings that are subsequently measured using the effective interest rate method after initial recognition. Gains and losses are recognized in profit or loss when the liabilities are derecognized as well as through the effective interest rate method amortization process.

Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or transaction costs.

Derecognition of financial liabilities

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified (whether or not attributable to the financial difficulty of the debtor), such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognized in profit or loss.

E. Offsetting of financial instruments

Financial assets and financial liabilities are offset, and the net amount reported in the balance sheet if, and only if, there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the assets and settle the liabilities simultaneously.

(8) Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

A. In the principal market for the asset or liability, or
B. In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible to by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

(9) Inventories

Inventories are valued at lower of cost and net realizable value item by item.

Costs incurred in bringing each inventory to its present location and condition are accounted for as follows:

Raw materials – Purchase cost based on a weighted average cost basis.

Finished goods and work in progress – Cost of direct materials and labor and a proportion of manufacturing overheads based on normal operating capacity but excluding borrowing costs.

Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

(10) Non-current assets held for sale and discontinued operations

Non-current assets and disposal groups are classified as held for sale if their carrying amounts will be recovered through a sale transaction that is highly probable within one year from the date of classification and the asset or disposal group is available for immediate sale in its present condition. Non-current assets and disposal groups classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell.

In the consolidated statement of comprehensive income of the reporting period, and of the comparable period of the previous year, income and expenses from discontinued operations are reported separately from income and expenses from continuing operations, down to the level of profit after taxes, even when the Group retains a non-controlling interest in the subsidiary after the sale. The resulting profit or loss (after taxes) is reported separately in the statement of comprehensive income.

Property, plant and equipment and intangible assets once classified as held for sale are not depreciated or amortized.

(11) Investments accounted for under the equity method

The investment in a subsidiary is according to “Rule Governing the Preparation of Financial Statements 21 by Securities Issuers”. Therefore, profit for the year and other comprehensive income for the year reported in the parent company only financial statements, shall be equal to profit for the year and other comprehensive income attributable to owners of the parent reported in the consolidated financial statements, equity reported in the parent company only financial statements shall be equal to equity attributable to owners of parent reported in the consolidated financial statements. According to IFRS 10 – Consolidated Financial Statements , agreeing with the amount of net income, other comprehensive income and equity attributable to shareholders of the parent in the consolidated financial statements, the differences of the accounting treatment between the parent company only basis and the consolidated basis are adjusted under the heading of investments accounted for using equity method, share of profits of subsidiaries and associates and share of other comprehensive income of subsidiaries and associates in the parent company only financial statements.

The Company’s investment in its associate is accounted for under the equity method other than those that meet the criteria to be classified as held for sale. An associate is an entity over which the Company has significant influence.

Under the equity method, the investment in the associate is carried in the balance sheet at cost and adjusted thereafter for the post-acquisition change in the Company’s share of net assets of the associate. After the interest in the associate is reduced to zero, additional losses are provided for, and a liability is recognized, only to the extent that the Company has incurred legal or constructive obligations or made payments on behalf of the associate. Unrealized gains and losses resulting from transactions between the Company and the associate is eliminated to the extent of the Company’s related interest in the associate.

When changes in the net assets of an associate occur and not those that are recognized in profit or loss or other comprehensive income and do not affects the Company's percentage of ownership interests in the associate, the Company recognizes such changes in equity based on its percentage of ownership interests. The resulting capital surplus recognized will be reclassified to profit or loss at the time of disposing the associate on a prorate basis.

When the associate issues new stock, and the Company's interest in an associate is reduced or increased as the Company fails to acquire shares newly issued in the associate proportionately to its original ownership interest, the increase or decrease in the interest in the associate is recognized in Additional Paid in Capital and Investment accounted for using the equity method. When the interest in the associate is reduced, the cumulative amounts previously recognized in other comprehensive income are reclassified to profit or loss or other appropriate items. The aforementioned capital surplus recognized is reclassified to profit or loss on a pro rata basis when the Company disposes the associate.

The financial statements of the associate are prepared for the same reporting period as the Company. Where necessary, adjustments are made to bring the accounting policies in line with those of the Company.

The Company determines at each reporting date whether there is any objective evidence that the investment in the associate is impaired in accordance with IAS 39 *Financial Instruments: Recognition and Measurement*. If this is the case the Company calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value and recognizes the amount in the 'share of profit or loss of an associate' in the statement of comprehensive income in accordance with IAS 36 *Impairment of Assets*. In determining the value in use of the investment, the Company estimates:

A. Its share of the present value of the estimated future cash flows expected to be generated by the associate, including the cash flows from the operations of the associate and the proceeds on the ultimate disposal of the investment; or
B. The present value of the estimated future cash flows expected to arise from dividends to be received from the investment and from its ultimate disposal.

Because goodwill that forms part of the carrying amount of an investment in an associate is not separately recognized, it is not tested for impairment separately by applying the requirements for impairment testing goodwill in IAS 36 *Impairment of Assets*.

Upon loss of significant influence over the associate, the Company measures and recognizes any retaining investment at its fair value. Any difference between the carrying amount of the associate upon loss of significant influence and the fair value of the retaining investment and proceeds from disposal is recognized in profit or loss.

For investments of joint control units except for assets held for sale, the company also adopted equity method. Joint control unit means that the Company has joint control and involves in foundation of company, partnership, or other units.

(12) Property, plant and equipment

Property, plant and equipment is stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Such cost includes the cost of dismantling and removing the item and restoring the site on which it is located and borrowing costs for construction in progress if the recognition criteria are met. Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item is depreciated separately. When significant parts of property, plant and equipment are required to be replaced in intervals, the Company recognized such parts as individual assets with specific useful lives and depreciation, respectively. The carrying amount of those parts that are replaced is derecognized in accordance with the derecognition provisions of IAS 16 *Property, plant and equipment*. When a major inspection is performed, its cost is recognized in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognized in profit or loss as incurred.

Depreciation is calculated on a straight-line basis over the estimated economic lives of the following assets:

Buildings	5~55 years
Machinery and equipment	2~10 years
Transportation equipment	2~10 years
Right-of-use assets	2~15 years
Other equipment	3~5 years
Lease improvement	2~20 years

An item of property, plant and equipment and any significant part initially recognized is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset is recognized in profit or loss.

The assets' residual values, useful lives and methods of depreciation are reviewed at each financial year end and adjusted prospectively, if appropriate.

(13) Investment property

The Company's owned investment properties are measured initially at cost, including transaction costs. The carrying amount includes the cost of replacing part of an existing investment property at the time that cost is incurred if the recognition criteria are met and excludes the costs of day-to-day servicing of an investment property. Subsequent to initial recognition, other than those that meet the criteria to be classified as held for sale (or are included in a disposal Company that is classified as held for sale) in accordance with IFRS 5 Non-current Assets Held for Sale and Discontinued Operations, investment properties are measured using the cost model in accordance with the requirements of IAS 16 Property, plant and equipment for that model. If investment properties are held by a lessee as right-of-use assets and is not held for sale in accordance with IFRS 5, investment properties are measured in accordance with the requirements of IFRS 16.

Depreciation is calculated on a straight-line basis over the estimated economic lives of the following assets:

Buildings	30~55 years

Investment properties are derecognized when either they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognized in profit or loss in the period of derecognition.

The Company transfers to or from investment properties when there is a change in use for these assets.

Properties are transferred to or from investment properties when the properties meet, or cease to meet, the definition of investment property and there is evidence of the change in use.

(14) Leases

The Company assesses whether the contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset for a period of time, the Company assesses whether, throughout the period of use, has both of the following:

A. the right to obtain substantially all of the economic benefits from use of the identified asset; and
B. the right to direct the use of the identified asset.

For a contract that is, or contains, a lease, the Company accounts for each lease component within the contract as a lease separately from non-lease components of the contract. For a contract that contains a lease component and one or more additional lease or non-lease components, the Company allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components. The relative stand-alone price of lease and non-lease components shall be determined on the basis of the price the lessor, or a similar supplier, would charge the Company for that component, or a similar component, separately. If an observable stand-alone price is not readily available, the Company estimates the stand-alone price, maximizing the use of observable information.

Company as a lessee

Except for leases that meet and elect short-term leases or leases of low-value assets, the Company recognizes right-of-use asset and lease liability for all leases which the Company is the lessee of those lease contracts.

At the commencement date, the Company measures the lease liability at the present value of the lease payments that are not paid at that date. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the Company uses its incremental borrowing rate. At the commencement date, the lease payments included in the measurement of the lease liability comprise the following payments for the right to use the underlying asset during the lease term that are not paid at the commencement date:

A. fixed payments (including in-substance fixed payments), less any lease incentives receivable.
B. variable lease payments that depend on an index or rate, initially measured using the index or rate as at the commencement date.
C. amounts expected to be payable by the lessee under residual value guarantees.
D. the exercise price of a purchase option if the Company is reasonably certain to exercise that option, and.
E. payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease.

After the commencement date, the Company measures the lease liability on an amortized cost basis, which increases the carrying amount to reflect interest on the lease liability by using an effective interest method; and reduces the carrying amount to reflect the lease payments made.

At the commencement date, the Company measures the right-of-use asset at cost. Cost of right-of-use asset contains:

A. the amount of the initial measurement of the lease liability;
B. any lease payments made at or before the commencement date, less any lease incentives received
C. any initial direct costs incurred by the lessee; and
D. an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease.

For subsequent measurement of the right-of-use asset, the Company measures the right-of-use asset at cost less any accumulated depreciation and any accumulated impairment losses. That is, the Company measures the right-of-use applying a cost model.

If the lease transfers ownership of the underlying asset to the Company by the end of the lease term or if the cost of the right-of-use asset reflects that the Company will exercise a purchase option, the Company depreciates the right-of-use asset from the commencement date to the end of the useful life of the underlying asset. Otherwise, the Company depreciates the right-of-use asset from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term.

The Company applies IAS 36 “Impairment of Assets” to determine whether the right-of-use asset is impaired and to account for any impairment loss identified.

Except for those leases that the Company accounted for as short-term leases or leases of low-value assets, the Company presents right-of-use assets and lease liabilities in the balance sheet and separately presents lease-related interest expense and depreciation charge in the statements comprehensive income.

For short-term leases or leases of low-value assets, the Company elects to recognize the lease payments associated with those leases as an expense on either a straight-line basis over the lease term or another systematic basis.

Company as a lessor

At inception of a contract, the Company classifies each of its leases as either an operating lease or a finance lease. A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership of an underlying asset. A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership of an underlying asset. At the commencement date, the Company recognizes assets held under a finance lease in its balance sheet and present them as a receivable at an amount equal to the net investment in the lease.

For a contract that contains lease components and non-lease components, the Company allocates the consideration in the contract applying IFRS 15.

The Company recognizes lease payments from operating leases as rental income on either a straight-line basis or another systematic basis. Variable lease payments for operating leases that do not depend on an index or a rate are recognized as rental income when incurred.

(15) Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and accumulated impairment losses, if any. Internally generated intangible assets, excluding capitalized development costs, are not capitalized and expenditure is reflected in profit or loss for the year in which the expenditure is incurred.

The useful lives of intangible assets are assessed as finite. Intangible assets with finite lives are amortized over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortization period and the amortization method for an intangible asset with a finite useful life are reviewed at least at the end of each financial year. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset is accounted for by changing the amortization period or method, as appropriate, and are treated as changes in accounting estimates.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in profit or loss when the asset is derecognized.

A summary of the policies applied to the Company's intangible assets is as follows:

	Computer software
Useful lives	Finite
Amortization method used	Amortized on a straight- line basis over the estimated useful life (3~5 years)
Internally generated or acquired	Acquired

(16) Impairment of non-financial assets

The Company assesses at the end of each reporting period whether there is any indication that an asset in the scope of IAS 36 *Impairment of Assets* may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's ("CGU") fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or Company of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

For assets excluding goodwill, an assessment is made at each reporting date as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, the Company estimates the asset's or cash-generating unit's recoverable amount. A previously recognized impairment loss is reversed only if there has been an increase in the estimated service potential of an asset which in turn increases the recoverable amount. However, the reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years.

An impairment loss of continuing operations or a reversal of such impairment loss is recognized in profit or loss.

(17) Provisions

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, it is probably that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Where the Company expects some or all of a provision to be reimbursed, the reimbursement is recognized as a separate asset but only when the reimbursement is virtually certain. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

Provision for decommissioning, restoration and rehabilitation costs

The provision for decommissioning, restoration and rehabilitation costs arose on construction of a property, plant and equipment. Decommissioning costs are provided at the present value of expected costs to settle the obligation using estimated cash flows and are recognized as part of the cost of that particular asset. The cash flows are discounted at a current pre-tax rate that reflects the risks specific to the decommissioning liability. The unwinding of the discount is expensed as incurred and recognized as a finance cost. The estimated future costs of decommissioning are reviewed annually and adjusted as appropriate. Changes in the estimated future costs or in the discount rate applied are added to or deducted from the cost of the asset.

(18) Treasury shares

Own equity instruments which are reacquired (treasury shares) are recognized at cost and deducted from equity. Any difference between the carrying amount and the consideration is recognized in equity.

(19) Revenue recognition

The Company’s revenue arising from contracts with customers are primarily related to sale of goods and rendering of services. The accounting policies are explained as follow:

Sale of goods

The Company sells merchandise. Sales are recognized when control of the goods is transferred to the customer and the goods are delivered to the customers. The main product of the Company is pre-mixed concrete and cement. Revenue is recognized based on the consideration stated in the contract.

The Company provides its customer with a warranty with the purchase of the products. The warranty provides assurance that the product will operate as expected by the customers. And the warranty is accounted in accordance with IAS 37.

The credit period of the Company's sale of goods is from 90 to 120 days. For most of the contracts, when the Company transfers the goods to customers and has a right to an amount of consideration that is unconditional, these contracts are recognized as trade receivables. The Company usually collects the payments shortly after transfer of goods to customers; therefore, there is no significant financing component to the contract. The other part of the accounts receivable is the contract between the Company and the customer to deliver the promised goods or services to the customer, but the payment period is more than one year according to the contract. Therefore, the Company adjusts the transaction price for the time value of money. However, some of the contracts are subject to partial consideration for the customers before the transfer of the goods. The Company is obliged to undertake the subsequent transfer of the goods and is therefore recognized as a contract liability.

(20) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the respective assets. All other borrowing costs are expensed in the period they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

(21) Government grants

Government grants are recognized where there is reasonable assurance that the grant will be received, and all attached conditions will be complied with. Where the grant relates to an asset, it is recognized as deferred income and released to income in equal amounts over the expected useful life of the related asset. When the grant relates to an expense item, it is recognized as income over the period necessary to match the grant on a systematic basis to the costs that it is intended to compensate.

Where the Company receives non-monetary grants, the asset and the grant are recorded gross at nominal amounts and released to the statement of comprehensive income over the expected useful life and pattern of consumption of the benefit of the underlying asset by equal annual installments. Where loans or similar assistance are provided by governments or related institutions with an interest rate below the current applicable market rate, the effect of this favorable interest is regarded as additional government grant.

(22) Post-employment benefits

All regular employees of the Company are entitled to a pension plan that is managed by an independently administered pension fund committee. Fund assets are deposited under the committee's name in the specific bank account and hence, not associated with the Company and its domestic subsidiaries. Therefore, fund assets are not included in the Company's parent company only financial statements.

For the defined contribution plan, the Company and its domestic subsidiaries will make a monthly contribution of no less than 6% of the monthly wages of the employees subject to the plan. The Company recognizes expenses for the defined contribution plan in the period in which the contribution becomes due. Overseas subsidiaries and branches make contribution to the plan based on the requirements of local regulations.

Post-employment benefit plan that is classified as a defined benefit plan uses the Projected Unit Credit Method to measure its obligations and costs based on actuarial assumptions. Re-measurements, comprising of the effect of the actuarial gains and losses, the effect of the asset ceiling (excluding net interest) and the return on plan assets, excluding net interest, are recognized as other comprehensive income with a corresponding debit or credit to retained earnings in the period in which they occur. Past service costs are recognized in profit or loss on the earlier of:

A. the date of the plan amendment or curtailment, and
B. the date that the Company recognizes restructuring-related costs

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset, both as determined at the start of the annual reporting period, taking account of any changes in the net defined benefit liability (asset) during the period as a result of contribution and benefit payment.

(23) Income taxes

Income tax expense (income) is the aggregate amount included in the determination of profit or loss for the period in respect of current tax and deferred tax.

Current income tax

Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period. Current income tax relating to items recognized in other comprehensive income or directly in equity is recognized in other comprehensive income or equity and not in profit or loss.

The income tax for undistributed retained earnings is recognized as income tax expense in the subsequent year when the distribution proposal is approved by the Shareholders' meeting.

Deferred tax

Deferred tax is provided on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognized for all taxable temporary differences, except:

A. Where the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.
B. In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognized for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized, except:

A. Where the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.
B. In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognized only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilized.

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

Deferred tax relating to items recognized outside profit or loss is recognized outside profit or loss. Deferred tax items are recognized in correlation to the underlying transaction either in other comprehensive income or directly in equity. Deferred tax assets are reassessed at each reporting date and are recognized accordingly.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current income tax assets against current income tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

5. Significant Accounting Judgments, Estimates and Assumptions

The preparation of the Company's parent company only financial statements require management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities, at the end of the reporting period. However, uncertainty about these assumption and estimate could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in future periods.

(1) Judgment

In the process of applying the Company's accounting policies, management made the following judgments, which have the most significant effect on the amounts recognized in the parent company only financial statements:

A. Investment properties

Certain properties of the Company comprise a portion that is held to earn rentals or for capital appreciation and another portion that is owner-occupied. If these portions could be sold separately, the Company accounts for the portions separately as investment properties and property, plant and equipment. If the portions could not be sold separately, the property is classified as investment property in its entirety only if the portion that is owner-occupied is under 5% of the total property.

B. Operating lease commitment – Company as the lessor

The Company has entered into commercial property leases on its investment property portfolio. The Company has determined, based on an evaluation of the terms and conditions of the arrangements, that it retains all the significant risks and rewards of ownership of these properties, and accounts for the contracts as operating leases.

C. De facto control without a majority of the voting rights in subsidiaries

The Company does not have majority of the voting rights in certain subsidiaries. However, after taking into consideration factors such as absolute size of the Company's holding, relative size of the other shareholdings, how widely spread are the remaining shareholders, contractual arrangements between shareholders, potential voting rights, etc., the Company reached the conclusion that it has de facto control over these subsidiaries. Please refer to Note 4(3) for further details.

(2) Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

A. Fair value of financial instruments

Where the fair value of financial assets and financial liabilities recorded in the balance sheet cannot be derived from active markets, they are determined using valuation techniques including the income approach (for example the discounted cash flow model) or market approach. Changes in assumptions about these factors could affect the reported fair value of the financial instruments. Please refer to Note 12 for more details.

B. Impairment of non-financial assets

An impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs to sell and its value in use. The fair value less costs to sell calculation is based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date less incremental costs that would be directly attributable to the disposal of the asset or cash generating unit. The value in use calculation is based on a discounted cash flow model. The cash flows projections are derived from the budget for the next five years and do not include restructuring activities that the Company is not yet committed to or significant future investments that will enhance the asset's performance of the cash generating unit being tested. The recoverable amount is most sensitive to the discount rate used for the discounted cash flow model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes.

C. Pension benefits

The cost of post-employment benefit and the present value of the pension obligation under defined benefit pension plans are determined using actuarial valuations. An actuarial valuation involves making various assumptions. These include the determination of the discount rate and future salary increases. Please refer to Note 6 for more details.

D. Income tax

Uncertainties exist with respect to the interpretation of complex tax regulations and the amount and timing of future taxable income. Given the wide range of international business relationships and the long-term nature and complexity of existing contractual agreements, differences arising between the actual results and the assumptions made, or future changes to such assumptions, could necessitate future adjustments to tax income and expense already recorded. The Company establishes provisions, based on reasonable estimates, for possible consequences of audits by the tax authorities of the respective counties in which it operates. The amount of such provisions is based on various factors, such as experience of previous tax audits and differing interpretations of tax regulations by the taxable entity and the responsible tax authority. Such differences of interpretation may arise on a wide variety of issues depending on the conditions prevailing in the respective Company company's domicile.

Deferred tax assets are recognized for all carryforward of unused tax losses and unused tax credits and deductible temporary differences to the extent that it is probable that taxable profit will be available or there are sufficient taxable temporary differences against which the unused tax losses, unused tax credits or deductible temporary differences can be utilized. The amount of deferred tax assets determined to be recognized is based upon the likely timing and the level of future taxable profits and taxable temporary differences together with future tax planning strategies. Please refer to Note 6 for disclosure on unrecognized deferred tax assets of the Company as of December 31, 2022.

E. Accounts receivables–estimation of impairment loss

The Company estimates the impairment loss of accounts receivables at an amount equal to lifetime expected credit losses. The credit loss is the present value of the difference between the contractual cash flows that are due under the contract (carrying amount) and the cash flows that expects to receive (evaluate forward looking information). However, as the impact from the discounting of short-term receivables is not material, the credit loss is measured by the undiscounted cash flows. Where the actual future cash flows are lower than expected, a material impairment loss may arise. Please refer to Note 6 for more details.

(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

6. Contents of Significant Accounts

(1) Cash and cash equivalents

	As of December 31,	
	2022	2021
Cash on hand and petty cash	$4,550	$4,590
Checking accounts and demand deposits	588,278	615,938
Time deposits	187,562	277,572
Total	$780,390	$898,100

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

	As of December 31,	
	2022	2021
Equity instrument investments measured at fair value through other comprehensive income:		
Listed companies' stocks	$1,229,593	$1,424,427
Unlisted companies' stocks	101,459	97,534
Total	$1,331,052	$1,521,961
Current	$635,311	$806,400
Non-current	695,741	715,561
Total	$1,331,052	$1,521,961

Please refer to Note 8 for more details on financial assets at fair value through other comprehensive income under pledge.

In consideration of the Company's investment strategy, the Company sold, and derecognized partial equity instrument investments measured at fair value through other comprehensive income. Details on derecognition of such investments for the years ended December 31, 2022 and 2021 are as follow:

	For the years ended December 31,	
	2022	2021
The fair value of the investments at the date of derecognition	$-	$31,296
The cumulative gain or (loss) on disposal reclassified from other equity to retained earnings	(8,643)	3,326

(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

(3) Financial assets measured at amortized cost

	As of December 31,	
	2022	2021
Time deposit	$92,775	$121,763
Current	$92,775	$118,872
Non-current	-	2,891
Total	$92,775	$121,763

Please refer to Note 8 for more details on financial assets measured at amortized cost under pledge.

(4) Notes receivable

	As of December 31,	
	2022	2021
Notes receivables arising from operating activities	$1,024,649	$1,161,915
Less: loss allowance	(404)	(601)
Total	$1,024,245	$1,161,314

Notes receivable were not pledged.

The Company adopted IFRS 9 for impairment assessment. Please refer to Note 6(19) for more details on loss allowance and Note 12 for details on credit risk.

(5) Accounts receivable, accounts receivable from related parties, and long-term receivables

Accounts receivable and accounts receivable – related parties

	As of December 31,	
	2022	2021
Accounts receivable	$4,946,303	$4,867,303
Less: loss allowance	(82,608)	(77,132)
Subtotal	4,863,695	4,790,171
Accounts receivable – related parties	37,210	26,234
Less: loss allowance	-	-
Subtotal	37,210	26,234
Total	$4,900,905	$4,816,405

(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

Long-term receivable

	As of December 31,	
	2022	2021
Overdue receivables	$77,777	$110,458
Less: loss allowance	(62,222)	(88,366)
Total	$15,555	$22,092

Accounts receivable were not pledged.

Accounts receivable are generally on 90~120 day terms. The total carrying amount as of December 31, 2022 and 2021 were NT$5,061,290 thousand and NT$5,003,995 thousand, respectively. Please refer to Note 6(19) for more details on loss allowance of accounts receivable for the years ended December 31, 2022 and 2021. Please refer to Note 12 for more details on credit risk management.

(6) Inventories

	As of December 31,	
	2022	2021
Raw materials	$335,749	$185,486
Building for sale	79,872	79,872
Land of construction	210,368	210,368
Total	$625,989	$475,726

The cost of inventories recognized in expenses amounted to NT$10,486,042 thousand and NT$10,223,794 thousand for the years ended December 31, 2022 and 2021, respectively.

Please refer to Note 8 for more details on land of construction under pledge.

(7) Non-current assets held for sale

	As of December 31,	
	2022	2021
Non-current assets held for sale		
Investment property	$-	$573,315

(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

For the purpose of revitalizing assets and providing working capital, On November 9, 2021, the Board of Directors of the Company approved to dispose land and buildings in Sanmin Dist., Kaohsiung City. The Company entered into a contract for the sale of that land and buildings with the Buyer on November 15, 2021. The contract amounted to NT$2,350,000 thousand after deducting Land value increment tax, Business tax and other related expenses of NT$33,504 thousand and recognized the gain on disposal of land and buildings for NT$1,743,181 thousand on January 2022. The register of ownership transfer was completed on January 3, 2022.

(8) Investments accounted for under the equity method

	As of December 31,			
	2022		2021	
Investees	Carrying amount	Percentage of ownership (%)	Carrying amount	Percentage of ownership (%)
Investments in subsidiaries:				
RUEI SHIN CONSTRUCTIN CO., LTD	$1,584,942	100%	$1,579,396	100%
WELLPOOL CO., LTD.	563,583	51%	549,877	51%
GOLDSUN NIHON CEMENT CO., LTD.	155,536	59%	153,407	59%
KUNYUNG CONSTRUCTION & ENGINEERING CO., LTD	397,827	100%	412,482	100%
EASE GREAT INVESTMENT LTD.	3,354,459	100%	3,237,133	100%
HUA YA DEVELOPMENT CO., LTD. (Note 1)	244,065	41%	158,449	31%
TAIPEI PORT TERMINAL COMPANY LIMITED	2,477,455	100%	2,482,120	100%
JIN SHUN MARITIME LIMITED	436,993	100%	109,232	100%
YUAN SHUN MARITIME LIMITED	466,942	100%	429,106	100%
JING SHUN MARITIME LIMITED	306,298	100%	282,553	100%
FENG SUN MARITIME LIMITED	173,623	100%	191,160	100%
HUI SHUN MARITIME LIMITED (Note 2)	245,428	100%	-	-
TAIWAN BUILDING MATERIALS (HONG KONG) LMITED	339,431	100%	427,500	100%
GOYU BUILDING MATERIALS CO., LTD	256,299	70%	248,592	70%
GIMPO MARINE CO., LTD.	94,608	100%	89,306	100%
REIXIN ASSET MANAGEMENT INC.	1,045,206	100%	1,045,775	100%
LAKE VERNICIA DEVELOPMENT COMPANY	374	100%	611	100%
GALC Inc. (Note 2)	28,188	70%	22,126	70%
Subtotal	12,171,257		11,418,825	
Investments in associates:				
RAIXIN QUALITY PRODUCTS LTD.	15,738	39%	24,027	39%
Total	$12,186,995		$11,442,852	

(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

Note1: The subsidiary, HUA YA DEVELOPMENT CO., LTD., issued 8,800 thousand new shares on March 31, 2022 for an amount of NT$88,000 thousand, the Company purchased all of the new shares, consequently, the percentage of shareholding of HUA YA DEVELOPMENT CO., LTD. was increased to 41%.

Note2: This entity was newly invested amount ed to USD 9,000 thousand in 2022.

A. Investments in subsidiaries

Investments in subsidiaries was accounted for investment accounted for under equity method when preparing the parent company only financial statements.

Please refer to Note 8 for more details on Investments in subsidiaries under pledge.

B. Investments in associates

Investment in the associate has not a quoted market price as of December 31, 2022 and 2021.

The summarized financial information of the associate is as follows:

	For the years ended December 31,	
	2022	2021
Loss from continuing operations	$(8,289)	$(6,181)
Other comprehensive income (post-tax)	-	-
Total comprehensive income	$(8,289)	$(6,181)

The associates had no contingent liabilities or capital commitments and weren't pledged as of December 31, 2022 and 2021.

C. Prepayments for investments

The Company invested a subsidiary, HUI SHUN MARITIME LIMITED, by the amount of NT$194,070 thousand in December 2021. As of December 31, 2021, HUI SHUN MARITIME LIMITED has not yet finished the establishment registration.

(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

(9) Property, plant and equipment

	Land	Buildings	Machinery and equipment	Transportation equipment	Lease improvement	Construction in progress and equipment awaiting examination	Other equipment	Total
Cost:								
As of January 1, 2022	$3,305,230	$1,143,340	$1,803,754	$1,046,764	$145,401	$813,444	$93,249	$8,351,182
Additions	8,949	9,909	97,034	25,103	15,467	2,095,105	21,411	2,272,978
Disposals	(1,909)	(85,933)	(162,558)	(47,025)	(3,315)	-	(5,395)	(306,135)
Transfers	(55,036)	(17,864)	25,458	-	5,350	6,006	123	(35,963)
As of December 31, 2022	$3,257,234	$1,049,452	$1,763,688	$1,024,842	$162,903	$2,914,555	$109,388	$10,282,062
As of January 1, 2021	$2,513,622	$1,130,636	$1,769,230	$1,003,737	$134,616	$754,064	$89,738	$7,395,643
Additions	791,608	9,869	61,263	85,485	9,678	82,094	5,668	1,045,665
Disposals	-	(3,639)	(38,160)	(116,715)	(2,904)	-	(3,708)	(165,126)
Transfers	-	6,474	11,421	74,257	4,011	(22,714)	1,551	75,000
As of December 31, 2021	$3,305,230	$1,143,340	$1,803,754	$1,046,764	$145,401	$813,444	$93,249	$8,351,182
Depreciation:								
As of January 1, 2022,	$-	$723,488	$1,488,528	$590,557	$122,303	$-	$79,303	$3,004,179
Depreciation	-	37,632	71,314	80,972	7,985	-	6,035	203,938
Disposals	-	(85,802)	(161,409)	(42,832)	(3,315)	-	(5,395)	(298,753)
As of December 31, 2022	$-	$675,318	$1,398,433	$628,697	$126,973	$-	$79,943	$2,909,364
As of January 1, 2021,	$-	$689,176	$1,467,653	$637,322	$120,694	$-	$77,114	$2,991,959
Depreciation	-	37,866	58,166	68,670	4,513	-	5,821	175,036
Disposals	-	(3,554)	(37,291)	(115,435)	(2,904)	-	(3,632)	(162,816)
Transfers	-	-	-	-	-	-	-	-
As of December 31, 2021	$-	$723,488	$1,488,528	$590,557	$122,303	$-	$79,303	$3,004,179
Impairment:								
As of January 1, 2022	$-	$322	$987	$-	$-	$-	$-	$1,309
Impairment	-	-	-	-	-	-	-	-
As of December 31, 2022	$-	$322	$987	$-	$-	$-	$-	$1,309
As of January 1, 2021	$-	$322	$987	$-	$-	$-	$-	$1,309
Impairment	-	-	-	-	-	-	-	-
As of December 31, 2021	$-	$322	$987	$-	$-	$-	$-	$1,309
Net carrying amount as of:								
December 31, 2022	$3,257,234	$373,812	$364,268	$396,145	$35,930	$2,914,555	$29,445	$7,371,389
December 31, 2021	$3,305,230	$419,530	$314,239	$456,207	$23,098	$813,444	$13,946	$5,345,694

The major components of the buildings are main building structure and pre-mixed equipments, which are depreciated 55 years and 5~ 20 years, respectively.

Please refer to Note 8 for more details on property, plant and equipment under pledge.

(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

(10) Investment property

	Land	Buildings	Total
Cost:			
As of January 1, 2022	$1,959,466	$583,397	$2,542,863
Additions from acquisitions	2,096,615	1,978	2,098,593
Disposals	-	(2,051)	(2,051)
Transferred	55,036	-	55,036
As of December 31, 2022	$4,111,117	$583,324	4,694,441
As of January 1, 2021	$2,529,571	$1,188,754	$3,718,325
Additions from acquisitions	3,210	366	3,576
Disposals	-	(138)	(138)
Transferred to non-current assets held for sale	(573,315)	(605,585)	(1,178,900)
As of December 31, 2021	$1,959,466	$583,397	$2,542,863
Depreciation:			
As of January 1, 2022	$-	$257,022	$257,022
Depreciation	-	24,363	24,363
Disposals	-	(1,740)	(1,740)
As of December 31, 2022	$-	$279,645	$279,645
As of January 1, 2021	$-	$838,458	$838,458
Depreciation	-	24,287	24,287
Disposals	-	(138)	(138)
Transferred to non-current assets held for sale		(605,585)	(605,585)
As of December 31, 2021	$-	$257,022	$257,022
Impairment:			
As of January 1, 2022	$-	$8,073	$8,073
Impairment	-	20,020	20,020
As of December 31, 2022	$-	$28,093	$28,093
As of January 1, 2021	$-	$8,073	$8,073
Impairment	-	-	-
As of December 31, 2021	$-	$8,073	$8,073
Net carrying amount as of:			
December 31, 2022	$4,111,117	$275,586	$4,386,703
December 31, 2021	$1,959,466	$318,302	$2,277,768

(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

	For the years ended December 31,	
	2022	2021
Rental income from investment property	$48,712	$76,518
Less：Direct operating expense generated from rental income of investment property	(53,679)	(66,778)
Total	$(4,967)	$9,740

Please refer to Note 8 for more details on investment property under pledge.

The fair value of investment properties was NT$7,029,634 thousand as of December 31, 2022. The fair value hasn’t been determined based on valuations performed by an independent valuer. The valuation method used is land development analysis approach which supporting by market evidence and current land value.

The fair value of investment properties was NT$6,833,723 thousand as of December 31, 2021. The fair value hasn’t been determined based on valuations performed by an independent valuer. The valuation method used is land development analysis approach which supporting by market evidence and current land value.

Part of the investment property were held temporarily under third parties’ names because of regulatory requirements. The relevant security procedures have been fully implemented.

(11) Intangible assets

	For the years ended December 31,	
	2022	2021
Cost:		
Beginning Balance	$44,977	$39,112
Addition-acquired separately	2,693	5,865
Disposals	(175)	-
Transfers	1,211	-
Ending Balance	$48,706	$44,977
Amortization:		
Beginning Balance	$32,476	$25,040
Amortization	6,775	7,436
Disposals	(83)	-
Ending Balance	$39,168	$32,476
Net carrying amount as of:		
Ending Balance	$9,538	$12,501

(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

Recognized as amortized amount of intangible assets are as follows.

	2022	2021
Operating costs	$389	$654
Operating expenses	$6,386	$6,782

(12) Short-term loans

	As of December 31,	
	2022	2021
Unsecured bank loans	$958,000	$550,000
Secured bank loans	1,672,000	350,000
Total	$2,630,000	$900,000
Interest rates		
Unsecured bank loans	1.48%~1.71%	0.73%~0.79%
Secured bank loans	1.48%~2.00%	0.73%~0.75%

The Company’s unused credits amount (included short-term and long-term loans) to NT$11,726,500 thousand and NT$11,443,431 thousand as of December 31, 2022 and 2021, respectively.

Please refer to Note 8 for more details on assets pledged as security for short-term loans.

(13) Long-term loans

Details of long-term loans are as follows:

Lenders	As of December 31, 2022	Maturity date and terms of repayment
Unsecured Long-term from Bank of East Asia (Note)	$210,000	Effective August 18, 2019 (the first drawdown). Principal payable semi-annually after 12 months. A total of 5 instalments of which were amortized at an average of 20% of the principal.
Secured Long-term Loan from Bank of Taiwan	1,420,000	Effective January 12, 2024, principal payable semi-annually, A total of 8 instalments, and each payment will be NTD$250,000 thousand, interest paid every month.
Secured Long-term Loan from Bank of KGI	190,000	Effective December 1, 2022 (the grant day). Revolving use within the credit period and principal will be due in a lump-sum payment on December 1, 2023.
Unsecured Long-term Loan from Bank of KGI	410,000	Effective December 1, 2022 (the grant day). Revolving use within the credit period and principal will be due in a lump-sum payment on December 1, 2023.
Unsecured Long-term Loan from First Commercial Bank	770,000	Effective November 29, 2022 (the grant day). Revolving use within the credit period and principal will be due in a lump-sum payment on November 29, 2024.
Subtotal	3,000,000	
Less: current portion	(812,000)	
Total	$2,188,000	
Interest rates	1.545%~2.2%	

(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

Lenders	As of December 31, 2021	Maturity date and terms of repayment
Unsecured Long-term from Bank of East Asia (Note)	$350,000	Effective August 18, 2019 (the first drawdown). Principal payable semi-annually after 12 months. A total of 5 instalments of which were amortized at an average of 20% of the principal.
Secured Long-term Loan from Bank of Taiwan	400,000	Effective December 25, 2019. Principal is repaid in 10 half-yearly payments, the 1st to 4th payments will be NTD$25,000 thousand, 5th to 8th payments will be NTD$50,000 thousand and 9th to 10th payments will be NTD$100,000 thousand; interest paid every month.
Unsecured Long-term Loan from Bank of Taiwan	400,000	Effective December 25, 2019. Principal is repaid in 10 half-yearly payments, the 1st to 4th payments will be NTD$25,000 thousand, 5th to 8th payments will be NTD$50,000 thousand and 9th to 10th payments will be NTD$100,000 thousand; interest paid every month.
Secured Long-term Loan from Bank of Taiwan	300,000	Effective December 25, 2018. Principal is repaid in 10 half-yearly payments, the 1st to 4th payments will be NTD$25,000 thousand, 5th to 8th payments will be NTD$50,000 thousand and 9th to 10th payments will be NTD$100,000 thousand; interest paid every month.
Unsecured Long-term Loan from Bank of Taiwan	300,000	Effective December 25, 2018. Principal is repaid in 10 half-yearly payments, the 1st to 4th payments will be NTD$25,000 thousand, 5th to 8th payments will be NTD$50,000 thousand and 9th to 10th payments will be NTD$100,000 thousand; interest paid every month.
Subtotal	1,750,000	
Less: current portion	(470,000)	
Total	$1,280,000	
Interest rates	1.061%~1.13%	

Note: Compliance with loan covenants

A. The Company’s shares need to be listed on the Taiwan Stock Exchange.

B. The deputy chairman of the Board, Lin Ming-Sheng, and his family should keep the right of ultimate control on the Company.

C. During the effective period of the syndicated credit agreement, following financial ratio at the end of each year must be maintained at required level.

(a) Debt ratios (Total liabilities + Total assets)：no higher than 70%

(b) Total equity (Total assets – Total liabilites)：no lower than NT$13 billion

(c) Current ratios (Total current assets / Total current liabilities)：no lower than 100%

(d) Interest coverage ratios [(Net profit before tax + Depreciation + Amortization + Interest expense) / Interest expense]：maintained at 200%

As of December 31, 2022, the Company did not breach any such covenants above.

(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

The Company’s unused long-term lines of credits was calculated with short-term lines of credits as of December 31, 2022 and 2021, respectively. Please refer to Note 6(12).

Please refer to Note 8 for more details on assets pledged as security for long-term loans.

(14) Long-term notes and bills payable

	As of December 31,	
	2022	2021
Guaranteed by bank	$600,000	$1,800,000
Less: Unamortised discount	(135)	(3,140)
Net	$599,865	$1,796,860
Interest rates	1.34%	0.358%~0.498%

The long-term notes and bills payable with a credit line of 2,700,000 thousand is a commercial promissory note signed on April 10, 2020 with the Bank of O-bank for a two-year period during March 22, 2022 to March 21, 2024, which will be repaid at the expiration of the contract.

Please refer to Note 8 for more details on assets pledged as security for long-term notes and bills payable.

(15) Post-employment benefits

Defined contribution plan

The Company adopt a defined contribution plan in accordance with the Labor Pension Act of the R.O.C.. Under the Labor Pension Act, the Company will make monthly contributions of no less than 6% of the employees’ monthly wages to the employees’ individual pension accounts. The Company have made monthly contributions of 6% of each individual employee’s salaries or wages to employees’ pension accounts.

Expenses under the defined contribution plan for the years ended December 31, 2022 and 2021 are NT$15,801 thousand and NT$14,727 thousand, respectively.

(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

Defined benefits plan

The Company adopt a defined benefit plan in accordance with the Labor Standards Act of the R.O.C. The pension benefits are disbursed based on the units of service years and the average salaries in the last month of the service year. Two units per year are awarded for the first 15 years of services while one unit per year is awarded after the completion of the 15th year. The total units shall not exceed 45 units. Under the Labor Standards Act, the Company contribute an amount equivalent to 2% of the employees' total salaries and wages on a monthly basis to the pension fund deposited at the Bank of Taiwan in the name of the administered pension fund committee. Before the end of each year, the Company assess the balance in the designated labor pension fund. If the amount is inadequate to pay pensions calculated for workers retiring in the same year, the Company will make up the difference in one appropriation before the end of March the following year.

The Ministry of Labor is in charge of establishing and implementing the fund utilization plan in accordance with the Regulations for Revenues, Expenditures, Safeguard and Utilization of the Labor Retirement Fund. The pension fund is invested in-house or under mandation, based on a passive-aggressive investment strategy for long-term profitability. The Ministry of Labor establishes checks and risk management mechanism based on the assessment of risk factors including market risk, credit risk and liquidity risk, in order to maintain adequate manager flexibility to achieve targeted return without over-exposure of risk. With regard to utilization of the pension fund, the minimum earnings in the annual distributions on the final financial statement shall not be less than the earnings attainable from the amounts accrued from two-year time deposits with the interest rates offered by local banks. Treasury Funds can be used to cover the deficits after the approval of the competent authority. As the Company does not participate in the operation and management of the pension fund, no disclosure on the fair value of the plan assets categorized in different classes could be made in accordance with paragraph 142 of IAS 19. The Company expects to contribute NT$42,021 thousand to its defined benefit plan during the 12 months beginning after December 31, 2022.

The average duration of the defined benefits plan obligation were 11 and 12 years as of December 31, 2022 and 2021.

Pension costs recognized in profit or loss for the years ended December 31, 2022 and 2021:

	For the years ended December 31,	
	2022	2021
Current period service costs	$8,575	$8,912
Interest expense (income) of net defined benefit liabilities (assets)	1,126	630
Total	$9,701	$9,542

(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

Changes in the defined benefit obligation and fair value of plan assets are as follows:

	2022.12.31	2021.12.31	2021.1.1
Defined benefit obligation	$468,704	$474,792	$461,167
Plan assets at fair value	(359,626)	(316,356)	(299,794)
Other non-current liabilities – Net defined benefit liabilities recognized on the balance sheets	$109,078	$158,436	$161,373

Reconciliation of liability of the defined benefit plan is as follows:

	Defined benefit obligation	Fair value of plan assets	Benefit liability (asset)
As of January 1, 2021	$461,167	$(299,794)	$161,373
Current period service costs	8,912	-	8,912
Net interest expense (income)	1,799	(1,169)	630
Subtotal	10,711	(1,169)	9,542
Remeasurements of the net defined benefit liability (asset):			
Actuarial gains and losses arising from changes in demographic assumptions	977	-	977
Actuarial gains and losses arising from changes in financial assumptions	9,457	-	9,457
Experience adjustments	21,073	(4,089)	16,984
Subtotal	31,507	(4,089)	27,418
Payments from the plan	(28,593)	28,593	-
Contributions by employer	-	(39,897)	(39,897)
As of December 31, 2021	474,792	(316,356)	158,436
Current period service costs	8,575	-	8,575
Net interest expense (income)	3,371	(2,245)	1,126
Subtotal	11,946	(2,245)	9,701
Remeasurements of the net defined benefit liability (asset):			
Actuarial gains and losses arising from changes in demographic assumptions	-	-	-
Actuarial gains and losses arising from changes in financial assumptions	16,714	-	16,714
Experience adjustments	4,343	(23,077)	(18,734)
Subtotal	21,057	(23,077)	(2,020)
Payments from the plan	(39,091)	39,091	-
Contributions by employer	-	(57,039)	(57,039)
As of December 31, 2022	$468,704	$(359,626)	$109,078

(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

The following significant actuarial assumptions are used to determine the present value of the defined benefit obligation:

	As of December 31,	
	2022	2021
Discount rate	1.36%	0.71%
Expected rate of salary increases	3.00%	2.00%

A sensitivity analysis for significant assumption as of December 31, 2022 and 2021 is, as shown below:

	Effect on the defined benefit obligation			
	2022		2021	
	Increase defined benefit obligation	Decrease defined benefit obligation	Increase defined benefit obligation	Decrease defined benefit obligation
Discount rate increases by 0.5%	$-	$(24,499)	$-	$(26,607)
Discount rate decreases by 0.5%	26,259	-	28,623	-
Future salary increases by 0.5%	25,697	-	28,105	-
Future salary decreases by 0.5%	-	(24,235)	-	(26,407)

The sensitivity analyses above are based on a change in a significant assumption (for example: change in discount rate or future salary), keeping all other assumptions constant. The sensitivity analyses may not be representative of an actual change in the defined benefit obligation as it is unlikely that changes in assumptions would occur in isolation of one another.

There was no change in the methods and assumptions used in preparing the sensitivity analyses compared to the previous period.

(16) Provisions, non-current

Decommissioning, restoration and rehabilitation

	As of December 31,	
	2022	2021
Beginning balance	$6,900	$6,900
Reversal	-	-
Ending balance	$6,900	$6,900

(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

A provision has been recognized for decommissioning costs associated with a factory owned by the Company. The Company is committed to decommissioning the site as a result of the construction of the factory.

(17) Equity

A. Common stock

	As of December 31,	
	2022	2021
Authorized shares (thousand shares)	2,000,000	2,000,000
Authorized capital	$20,000,000	$20,000,000
Issued shares (thousand shares)	1,180,000	1,180,000
Issued capital	$11,800,000	$11,800,000

Each at a par value of NT$10 and each share has one voting right and a right to receive dividends.

B. Capital surplus

	As of December 31,	
	2022	2021
Additional paid-in capital	$551,242	$551,242
Treasury share transactions	318,664	313,056
Changes in ownership interests in subsidiaries	187,550	187,289
Share-based payments	103,200	103,200
Donated surplus	13,808	13,539
Others	15,261	15,261
Total	$1,189,725	$1,183,587

According to the Company Act, the capital reserve shall not be used except for filling the deficit of the company. When a company incurs no loss, it may distribute the capital reserves related to the income derived from the issuance of new shares at a premium or income from endowments received by the company. The distribution could be made in cash or in the form of dividend shares to its shareholders in proportion to the number of shares being held by each of them.

C. Treasury stock

As of December 31, 2022 and 2021, the Company’s shares held by the subsidiaries were both NT$4,789 thousand represented 3,116 thousand shares. These shares held by subsidiaries were acquired for the purpose of financing before the amendment of the Company Act on November 12, 2001.

D. Retained earnings and dividend policies

According to the Company’s Articles of Incorporation, the Company’s annual earnings, if any, shall be distributed as follows:

a. Payment of all taxes and dues;
b. Offset prior years’ operation losses;
c. Set aside 10% of the remaining amount after deducting items a. and b. as legal reserve;
d. Set aside or reverse special reserve in accordance with law and regulations; and
e. The distribution of the remaining portion, if any, will be recommended by the Board of Directors and resolved in the shareholders’ meeting.

The Company’s business environment is stable, the dividend policy shall be determined pursuant to factors such as the profitability and its future funding requirements, as well as stockholders’interest, balancing dividends and the Company’s long-term financial planning. It could be paid in cash or the form of share dividends. Accordingly, at least 10% of the dividends must be paid in the form of cash.

According to the Company Act, a company needs distribute the legal reserve unless where such legal reserve amounts to the total authorized capital. The legal reserve can be used to fill the deficit of a company. When a company incurs no loss, it may distribute the portion of legal reserve which exceeds 25% of the paid-in capital, by issuing new shares or by distributing cash in proportion to the number of shares held by each shareholder.

The FSC on September 30, 2021 issued Order No. Financial-Supervisory-Securities-Corporate-1090150022, which sets out the following provisions for compliance:

On a public company's first-time adoption of the IFRS, for any unrealized revaluation gains and cumulative translation adjustments (gains) recorded to shareholders’ equity that the company elects to transfer to retained earnings by application of the exemption under IFRS 1, the company shall set aside special reserve. For any subsequent use, disposal or reclassification of related assets, the Company can reverse the special reserve by the proportion of the special reserve first appropriated and distribute it.

(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

As of January 1, 2022 and 2021, special reserve set aside for the first-time adoption of T-IFRS amounted to NT$1,874,430 thousand. The Company did not reverse special reserve to retained earnings for the period ended December 31, 2022 and 2021 as a result of the use, disposal of or reclassification of related assets. As of December 31, 2022 and 2021, special reserve set aside for the first-time adoption of T-IFRS amounted to NT$1,874,430 thousand.

Details of the 2022 and 2021 earnings distribution and dividends per share as approved and resolved by the Board of Directors' meeting and shareholders' meeting on February 24, 2023 and May 31, 2022, respectively, are as follows:

	Appropriation of earnings		Dividend per share (NT$)	
	2022	2021	2022	2021
Legal reserve	$412,570	$282,904	$-	$-
Common stock-cash dividend	2,360,000	2,124,000	2.00	1.80

Please refer to Note 6(21) for further details on employees' compensation and remuneration to directors and supervisors.

(18) Operating revenue

	For the years ended December 31,	
	2022	2021
Revenue from contracts with customers		
Sale of goods revenue	$16,658,534	$16,092,683
Other operating revenues	276,812	191,421
Engineering revenues	-	1,048
Subtotal	16,935,346	16,285,152
Lease revenue	48,712	76,518
Total	$16,984,058	$16,361,670

Analysis of revenue from contracts with customers during the year 2022 and 2021 is as follows:

	2022	2021
Timing of revenue recognition:		
At a point in time	$16,935,346	$16,285,152

(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

(19) Expected credit losses

	Period ended 31 Dec.	
	2022	2021
Operating expenses – Expected credit (gains) losses		
Notes receivable	$(197)	$(261)
Accounts receivable	5,476	36,883
Long-term receivable	6,722	6,577
Total	$12,001	$43,199

Please refer to Note 12 for more details on credit risk.

The credit risk for the Company's financial assets at fair value through other comprehensive income and financial assets measured at amortized cost are assessed as low as of December 31, 2022 and 2021(the same as the assessment result in the beginning of the period). Therefore, the loss allowance is measured at an amount equal to 12-month expected credit losses (loss ratio of 0 %).

The Company measures the loss allowance of its accounts receivable (including note receivables, accounts receivables and long-term receivables) at an amount equal to lifetime expected credit losses. The assessment of the Company's loss allowance as of December 31, 2022 and 2021 is as follow:

A. The Company considers the Companying of trade receivables by counterparties' credit rating, by geographical region and by industry sector and its loss allowance is measured by using a provision matrix, details are as follow:

December 31, 2022

Group 1: The total carrying amount of notes receivable is NT$1,024,649 thousand, its loss allowance amounting to NT$404 thousand which is measured at expected credit loss ratio of 0%~3%.

Group 2:

		Ageing of transaction date				
	Not yet due	90-180 days	181-365 days	1-2 years	>=2 years	Total
Gross carrying amount	$3,957,726	$892,475	$109,753	$20,085	$3,474	$4,983,513
Loss ratio	-%	6%	10%	64%	81%	
Lifetime expected credit losses	-	(55,501)	(11,376)	(12,903)	(2,828)	(82,608)
Total	$3,957,726	$836,974	$98,377	$7,182	$646	$4,900,905

(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

Group 3: The total carrying amount of long-term receivable is NT$77,777 thousand, its loss allowance amounting to NT$62,222 thousand which is measured at expected credit loss ratio of 80%.

December 31, 2021

Group 1: The total carrying amount of notes receivable is NT$1,161,915 thousand, its loss allowance amounting to NT$601 thousand which is measured at expected credit loss ratio of 0%~3%.

Group 2:

		Ageing of transaction date				
	Not yet due	90-180 days	181-365 days	1-2 years	>=2 years	Total
Gross carrying amount	$4,019,479	$779,795	$78,194	$14,420	$1,649	$4,893,537
Loss ratio	-%	7%	12%	74%	84%	
Lifetime expected credit losses	-	(55,741)	(9,316)	(10,693)	(1,382)	(77,132)
Total	$4,019,479	$724,054	$68,878	$3,727	$267	$4,816,405

Group 3: The total carrying amount of long-term receivable is NT$110,458 thousand, its loss allowance amounting to NT$88,366 thousand which is measured at expected credit loss ratio of 80%.

B. The movement in the loss allowance of trade receivables during the period ended December 31, 2022 and 2021 is as follows:

	Notes receivable	Accounts receivable	Long-term receivable
January 1, 2022	$601	$77,132	$88,366
Addition(reversal) for the current period	(197)	5,476	6,722
Write off	-	-	(32,866)
December 31, 2022	$404	$82,608	$62,222
January 1, 2021	$862	$40,249	$85,506
Addition(reversal) for the current period	(261)	36,883	6,577
Write off	-	-	(3,717)
December 31, 2021	$601	$77,132	$88,366

(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

(20) Leases

A. Company as a lessee

The Company leases various properties, including real estate such as land and buildings and transportation equipment. The lease terms range from 2 to 15 years.

The Company's leases effect on the financial position, financial performance and cash flows are as follow:

a. Amounts recognized in the balance sheet

i. Right-of-use assets

The carrying amount of right-of-use assets

	As of December 31,	
	2022	2021
Land	$262,011	$404,452
Buliding	36,976	44,839
Machine equipment	12,689	-
Transportation equipment	11,180	-
Total	$322,856	$449,291

During the years ended December 31, 2022 and 2021, the Company's additions to right-of-use assets amounting to NT$209,028 thousand and NT$5,835 thousand, respectively.

ii. Lease liabilities

	As of December 31,	
	2022	2021
Lease liabilities	$279,602	$434,481
Current	97,380	94,109
Non-current	182,222	340,372

Please refer to Note 6(22)-D finance costs for interest expenses resulted from lease liabilities; please refer to Note 12(5) liquidity risk management for maturity analysis of lease liabilities on December 31, 2022 and 2021.

(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

b. Amounts recognized in the statement of comprehensive income

Depreciation charge for right-of-use assets

	For the years ended December 31,	
	2022	2021
Land	$106,801	$112,326
Building	16,824	14,542
Machine equipment	551	-
Transportation equipment	908	1,437
Total	$125,084	$128,305

c. Income and costs relating to leasing activities

	For the years ended December 31,	
	2022	2021
The expenses relating to short-term leases	$118	$160

d. Cash outflow relating to leasing activities

During the years ended December 31, 2022 and 2021, the Company’s total cash outflows for leases amounting to NT$121,852 thousand and NT$123,532 thousand, respectively.

e. Other information relating to leasing activities

Extension and termination options

Some of the Company’s property rental agreement contain extension and termination options. In determining the lease terms, the non-cancellable period for which the Company has the right to use an underlying asset, together with both periods covered by an option to extend the lease if the Company is reasonably certain to exercise that option and periods covered by an option to terminate the lease if the Company is reasonably certain not to exercise that option. These options are used to maximize operational flexibility in terms of managing contracts. The majority of extension and termination options held are exercisable only by the Company.

(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

After the commencement date, the Company reassesses the lease term upon the occurrence of a significant event or a significant change in circumstances that is within the control of the lessee and affects whether the Company is reasonably certain to exercise an option not previously included in its determination of the lease term, or not to exercise an option previously included in its determination of the lease term.

B. Company as a lessor

Please refer to Note 6(10) for details on the Company's owned investment properties. Leases of owned investment properties are classified as operating leases as they do not transfer substantially all the risks and rewards incidental to ownership of underlying assets.

	For the years ended December 31,	
	2022	2021
Lease income for operating leases		
Income relating to fixed lease payments and variable lease payments that depend on an index or a rate	$48,712	$76,518

Please refer to Note 6(9) for relevant disclosure of property, plant and equipment for operating leases under IFRS 16. For operating leases entered by the Company, the undiscounted lease payments to be received and a total of the amounts for the remaining years as of December 31, 2022 and 2021 are as follow:

	As of December 31,	
	2022	2021
Not later than one year	$30,544	$70,895
Later than one year but not later than two years	26,920	72,543
Later than two years but not later than three years	25,675	71,465
Later than three years but not later than four years	7,512	69,767
Later than four years but not later than five years	6,712	64,694
Later than five years	4,956	284,646
Total	$102,319	$634,010

(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

(21) Summary statement of employee benefits, depreciation and amortization expenses by function during the years ended December 31, 2022 and 2021:

	For the years ended December 31,					
	2022			2021		
	Operating costs	Operating expenses	Total amount	Operating costs	Operating expenses	Total amount
Employee benefits expense						
Salaries	$678,880	$215,553	$894,433	$601,165	$207,545	$808,710
Labor and health insurance	27,954	24,847	52,801	26,023	23,522	49,545
Pension	15,712	9,790	25,502	14,915	9,354	24,269
Remuneration to directors	-	212,861	212,861	-	129,660	129,660
Depreciation	319,602	33,783	353,385	298,230	29,398	327,628
Amortization	389	6,386	6,775	654	6,782	7,436

The Company’s average headcount were 628 and 618 employees for the years ended December 31,2022 and 2021, respectively. There were 11 and 11 non-employee directors for the years ended December 31, 2022 and 2021, respectively.

The Company's average employee benefit expenses for the years ended December 31, 2022 and 2021 amounted to NT$1,577 thousand and NT$1,454 thousand, respectively.

The Company's average wages and salaries for the years ended December 31, 2022 and 2021 amounted to NT$1,450 thousand and NT$1,332 thousand, respectively. Average salary expense changed by 9%

The Company has established the Audit Committee in June 2016, the Supervisor institution has no more existed.

The Company’s remuneration policy is based on the employee’s job position category, jurisdiction and their contribution to the company’s operations. The company would also consult the market salary level to set the fixed salary of each position, Meanwhile, the variable bonus is based on the company financial position and operation results. Remuneration for directors and employees is distributed in accordance with the company’s articles of association.

(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

Remuneration for directors is also based on their contribution and participation to the company's operations. Otherwise, managers' remuneration is paid in accordance with the company's "Manager Salary and Remuneration Standards". The remuneration of directors and managers must be reviewed and approved by the Salary and Compensation Committee and reported to the Board of Directors.

According to the Articles of Incorporation, 3% of profit of the current year is distributable as employees' compensation and no higher than 3% of profit of the current year is distributable as remuneration to directors. However, the company's accumulated losses shall have been covered. The Company may, by a resolution adopted by a majority vote at a meeting of Board of Directors attended by two-thirds of the total number of directors, have the profit distributable as employees' compensation in the form of shares or in cash; and in addition, thereto a report of such distribution is submitted to the shareholders' meeting. Information on the Board of Directors' resolution regarding the employees' compensation and remuneration to directors and supervisors can be obtained from the "Market Observation Post System" on the website of the TWSE.

Based on profit of the year ended December 31, 2022, the Company estimated the amounts of the employees' compensation and remuneration to directors and supervisors for the year ended December 31, 2022 both to be 3% of profit of the current year, recognized NT$157,939 thousand as the employee's compensation and remuneration to directors and supervisors. A resolution was passed at a Board of Directors meeting held on February 24, 2023 to distribute NT$157,939 thousand in cash as employees' compensation and remuneration to directors both of 2022. No material differences exist between the estimated amount and the actual distribution.

A resolution was passed at a Board of Directors meeting held on February 25, 2022 to distribute NT$110,850 thousand in cash as employees' compensation and remuneration to directors both of 2021. No material differences exist between the estimated amount and the actual distribution.

(22) Non-operating income and expenses

A. erest income

	For the years ended December 31,	
	2022	2021
Bank deposits		
Financial assets measured at amortized cost	$3,585	$4,543
Short-term notes and bills	-	236
Other	416	954
Total	$4,001	$5,733

(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

B. Other income

	For the years ended December 31,	
	2022	2021
Dividend income	$58,789	$88,351
Other income-others	26,174	20,422
Total	$84,963	$108,773

C. Other gains and losses

	For the years ended December 31,	
	2022	2021
Gain on disposal of non-current Assets held for sale	$1,743,181	$-
Gain on disposal of property, plant and equipment	4,392	2,792
Loss on disposal of investment property	(20,020)	-
Gain on lease modification	1,883	1,530
Foreign exchange (loss) gains, net	(13,587)	21,758
Other expense-others	(20,186)	(12,875)
Total	$1,695,663	$13,205

D. Finance costs

	For the years ended December 31,	
	2022	2021
Interest on borrowings from bank	$50,520	$46,253
Interest on lease liabilities	3,671	4,726
Interest on borrowings from related party	2,583	3,221
Total	$56,774	$54,200

(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

(23) Components of other comprehensive income

For the year ended December 31, 2022

	Arising during the period	Reclassification adjustments during the period	Other comprehensive income, before tax	Income tax relating to components of other comprehensive income	Other comprehensive income, net of tax
Not to be reclassified to profit or loss in subsequent periods:					
Remeasurements of defined benefit plans	$2,020	$-	$2,020	$(404)	$1,616
Unrealized gains on fair value through other comprehensive income equity instrument investment	(219,697)	-	(219,697)	-	(219,697)
Remeasurements of defined benefit plans of subsidiaries and associates	505	-	505	-	505
Unrealized gains from investments in equity instruments measured at fair value through other comprehensive income of subsidiaries and associates	(147,482)	-	(147,482)	-	(147,482)
To be reclassified to profit or loss in subsequent periods:					
Exchange differences on translation of foreign operations	225,925	-	225,925	-	225,925
Total of other comprehensive (loss) income	$(138,729)	$-	$(138,729)	$(404)	$(139,133)

For the year ended December 31, 2021

	Arising during the period	Reclassification adjustments during the period	Other comprehensive income, before tax	Income tax relating to components of other comprehensive income	Other comprehensive income, net of tax
Not to be reclassified to profit or loss in subsequent periods:					
Remeasurements of defined benefit plans	$(27,418)	$-	$(27,418)	$5,484	$(21,934)
Unrealized gains on fair value through other comprehensive income equity instrument investment	177,052	-	177,052	-	177,052
Remeasurements of defined benefit plans of subsidiaries and associates	557	-	557	-	557
Unrealized gains from investments in equity instruments measured at fair value through other comprehensive income of subsidiaries and associates	34,632	-	34,632	-	34,632
To be reclassified to profit or loss in subsequent periods:					
Exchange differences on translation of foreign operations	(81,500)	-	(81,500)	-	(81,500)
Total of other comprehensive (loss) income	$103,323	$-	$103,323	$5,484	$108,807

(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

(24) Income tax

The major components of income tax expense (income) as of December 31, 2022 and 2021 are as follows:

Income tax expense (income) recognized in profit or loss

	For the years ended December 31,	
	2022	2021
Current income tax expense (income):		
Current income tax charge	$762,848	$643,999
Adjustments in respect of current income tax of prior periods	(10,738)	(15,294)
Deferred tax expense (income):		
Deferred tax expense (income) relating to origination and reversal of temporary differences	64,435	1,948
Tax expense (income) recognized in the period for previously unrecognized tax loss, tax credit or temporary difference of prior periods	-	(6,220)
Total income tax expenses	$816,545	$624,433

Income tax relating to components of other comprehensive income

	For the years ended December 31,	
	2022	2021
Deferred tax (expense) income:		
Remeasurements of defined benefit plans	$(404)	$5,484
Income tax relating to other comprehensive income	$(404)	$5,484

A reconciliation between tax expense and the product of accounting profit multiplied by applicable tax rates is as follows:

	For the years ended December 31,	
	2022	2021
Accounting profit before tax from continuing operations	$4,948,763	$3,473,304
Tax at the domestic rates applicable to profits in the country concerned	$989,752	$694,661
Tax effect of revenues exempt from taxation	(365,177)	(107,857)
Tax effect of expenses not deductible for tax purposes	1,880	1,354
Tax effect of deferred tax assets / liabilities	193,835	44,306
Others	6,993	3,266
Corporate income surtax on undistributed retained earnings	-	3,997
Adjustments in respect of current income tax of prior periods	(10,738)	(15,294)
Total income tax expense recognized in profit or loss	$816,545	$624,433

(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

Deferred tax assets (liabilities) relate to the following:

For the year ended December 31, 2022

	Beginning balance as of January 1, 2022	Deferred tax income (expense) recognized in profit or loss	Deferred tax income (expense) recognized in other comprehensive income	Ending balance as of December 31, 2022
Temporary differences				
Defined benefit liabilities	$63,473	$(9,468)	$(404)	$53,601
Loss allowance	20,884	(3,989)	-	16,895
Inventory valuation losses	1,322	-	-	1,322
Unrealized impairment loss	655,374	(57,063)	-	598,311
Decommissioning costs	977	90	-	1,067
Components of buildings	5,570	39	-	5,609
Unrealized exchange losses	1,266	2,288	-	3,554
Unrealized exchange gains	(4,697)	3,668	-	(1,029)
Deferred tax income		$(64,435)	$(404)	
Net deferred tax assets	$744,169			$679,330
Reflected in balance sheet as follows:				
Deferred tax assets	$748,866			$680,359
Deferred tax liabilities	$(4,697)			$(1,029)

For the year ended December 31, 2021

	Beginning balance as of January 1, 2021	Deferred tax income (expense) recognized in profit or loss	Deferred tax income (expense) recognized in other comprehensive income	Ending balance as of December 31, 2021
Temporary differences				
Defined benefit liabilities	$64,060	$(6,071)	$5,484	$63,473
Loss allowance	14,441	6,443	-	20,884
Inventory valuation losses	1,322	-	-	1,322
Unrealized impairment loss	649,154	6,220	-	655,374
Decommissioning costs	887	90	-	977
Components of buildings	4,679	891	-	5,570
Unrealized exchange losses	3,167	(1,901)	-	1,266
Unrealized exchange gains	(3,489)	(1,208)	-	(4,697)
Allowance for sales return and discounts	193	(193)	-	-
Deferred tax income		$4,271	$5,484	
Net deferred tax assets	$734,414			$744,169
Reflected in balance sheet as follows:				
Deferred tax assets	$737,903			$748,866
Deferred tax liabilities	$(3,489)			$(4,697)

Unrecognized deferred tax assets

As of December 31, 2022 and 2021, the aggregate deductible temporary differences for which no deferred income tax assets have been recognized amounted to NT$279,852 thousand and NT$218,785 thousand, respectively.

Unrecognized deferred tax liabilities relating to the investment in subsidiaries

The Company did not recognize any deferred tax liability for taxes that would be payable on the unremitted earnings of the Company's overseas subsidiaries, as the Company has determined that undistributed profits of its subsidiaries will not be distributed in the foreseeable future. As of December 31, 2022 and 2021, the taxable temporary differences associated with investment in subsidiaries, for which deferred tax liability has not been recognized, aggregate to NT$263,610 thousand and NT$324,626 thousand, respectively.

The assessment of income tax returns

As of December 31, 2022, the assessment of the income tax returns of the Company through 2020. except 2019.

(25) Earnings per share

Basic earnings per share amounts are calculated by dividing net profit for the year attributable to ordinary equity holders of the parent entity by the weighted average number of ordinary shares outstanding during the year.

Diluted earnings per share amounts are calculated by dividing the net profit attributable to ordinary equity holders of the parent entity (after adjusting for interest on the convertible preference shares) by the weighted average number of ordinary shares outstanding during the year plus the weighted average number of ordinary shares that would be issued on conversion of all the dilutive potential ordinary shares into ordinary shares.

	For the years ended December 31,	
	2022	2021
A. Basic earnings per share		
Profit attributable to ordinary equity holders of the Company (in thousands)	$4,132,218	$2,848,871
Weighted average number of ordinary shares outstanding for basic earnings per share (in thousands)	1,176,884	1,176,884
Basic earnings per share (NT$)	$3.51	$2.42

	For the years ended December 31,	
	2022	2021
B. Diluted earnings per share		
Profit attributable to ordinary equity holders of the Company (in thousands)	$4,132,218	$2,848,871
Weighted average number of ordinary shares outstanding for basic earnings per share (in thousands)	1,176,884	1,176,884
Effect of dilution:		
Employee bonus-stock (in thousands)	6,934	4,458
Weighted average number of ordinary shares outstanding after dilution (in thousands)	1,183,818	1,181,342
Diluted earnings per share (NT$)	$3.49	$2.41

There have been no other transactions involving ordinary shares or potential ordinary shares between the reporting date and the date of completion of the financial statements.

(26) Changes in parent’s interest in subsidiaries

New shares issued by subsidiary's capital increase not subscribed in proportion to the shareholding

The subsidiary, HUA YA DEVELOPMENT CO., LTD., issued 8,800 thousand new shares on March 31, 2022 for an amount of NT$88,000 thousand, the Company purchased all of the new shares, consequently, the percentage of shareholding of HUA YA DEVELOPMENT CO., LTD. was increased to 41%. Therefore, the Differences in additional paid-in capital recognized in equity

Acquisition of shares issued by subsidiaries

In 2021, the Company acquired an additional 5% of the voting shares of GOYU BUILDING MATERIALS CO., LTD., A cash consideration of NT$20,000 thousand was paid to the non-controlling interest shareholders. Therefore, the difference between the actual acquisition and the book value, amounting to NT$1,782 thousand recognized as a decrease in unappropriated earnings.

7. Related Party Transactions

Information of the related parties that has transactions with the Company during the financial reporting period is as follows:

Name and nature of relationship of the related parties

Related Party Name	The Relationship with The Company
TAIWAN SECOM CO., LTD. and subsidiaries	Group with significant influence over the Company
WELLPOOL CO., LTD.	Subsidiary
JIN SHUN MARITIME LIMITED	Subsidiary
YUAN SHUN MARITIME LIMITED	Subsidiary
JING SHUN MARITIME LIMITED	Subsidiary
FENG SHUN MARITIME LIMITED	Subsidiary
HUI SHUN MARITIME LIMITED	Subsidiary
TAIPEI PORT TERMINAL COMPANY LIMITED	Subsidiary
KUOYUNG CONSTRUCTION & ENGINEERING CO., LTD.	Subsidiary
GOLDSUN NIHON CEMENT CO., LTD.	Subsidiary
REI SHIN CONSTRUCTION CO., LTD.	Subsidiary
GOYU BUILDING MATERIALS CO., LTD.	Subsidiary
GIMPO MARINE CO., LTD.	Subsidiary
REIXIN ASSET MANAGEMENT INC.	Subsidiary
LAKE VERNICIA DEVELOPMENT COMPANY	Subsidiary
GALC INC.	Subsidiary
RAIXIN QUALITY PRODUCTS LTD.	Associate
TRUST SANDSTONE CO., LTD.	Other related party
HOBBY WORKS CO., LTD	Other related party
FULL MAX CORPORATION LIMITED	Other related party

(1) Operating revenue – Sales

	For the years ended December 31,	
	2022	2021
Group with significant influence over the Company	$-	$451
Subsidiaries	-	180
Total	$-	$631

(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

The selling price and discount to the above related parties is depended on the product specifications and shipment distance. The terms were determined on order quantity, the discount of related parties was similar to bulk-order from non-related parties.

(2) Operating revenue – Other operating revenue

	For the years ended December 31,	
	2022	2021
Subsidiaries	$133,277	$109,947
Other related parties	32,094	29,758
Associate	-	6
Total	$165,371	$139,711

The general terms were similar to bulk-order from non-related parties.

(3) Operating costs (included purchase and other operating costs)

	For the years ended December 31,	
	2022	2021
Group with significant influence over the Company		
GOLDSUN EXPRESS & LOGISTICS CO., LTD	$513,693	$674,195
Others	1,159	1,042
Subsidiaries		
GOLDSUN NIHON CEMENT CO., LTD.	971,479	556,750
TAIPEI PORT TERMINAL COMPANY LIMITED	473,977	362,381
Others	165,124	136,230
Other related parties		
FULL MAX CORPORATION LIMITED	666,659	133,213
Total	$2,792,091	$1,863,811

The purchase price to the above related parties was determined through mutual agreement based on the market rates. The payment terms from the related party suppliers are comparable with third party suppliers.

(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

(4) Accounts receivable – related parties

	As of December 31,	
	2022	2021
Subsidiaries		
WELLPOOL CO., LTD.	$29,159	$20,284
Others	4,597	3,515
Group with significant influence over the Company	509	120
Other related parties		
TRUST SANDSTONE CO., LTD.	2,945	1,806
Others	-	509
Total	$37,210	$26,234

(5) Accounts payable – related parties

	As of December 31,	
	2022	2021
Group with significant influence over the Company		
GOLDSUN EXPRESS & LOGISTICS CO., LTD.	$102,121	$124,885
Others	1,080	510
Subsidiaries		
GOLDSUN NIHON CEMENT CO., LTD.	113,590	96,925
TAIPEI PORT TERMINAL COMPANY LIMITED	101,565	50,013
Others	27,498	13,444
Other related parties	-	551
Total	$345,854	$286,328

(6) Other receivable – related parties

	As of December 31,	
	2022	2021
Group with significant influence over the Company		
GOLDSUN EXPRESS & LOGISTICS CO., LTD.	$21,120	$22,172
Subsidiaries		
FENG SHUN MARITIME LIMITED	-	2,471
YUAM SHUN MARITIME LIMITED	-	12,198
JIN SHUN MARITIME LIMITED	8,801	-
JING SHUN MARITIME LIMITED	15,192	-
GIMPO MARINE CO., LTD	-	2,667
Others	2,503	641
Associate	3	697
Other related parties	94	30
Total	$47,713	$40,876

(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

(7) Prepayments

	As of December 31,	
	2022	2021
Group with significant influence over the Company	$19,443	$36,024

(8) Other payables – related parties

	As of December 31,	
	2022	2021
Group with significant influence over the Company	$24,829	$-
Subsidiaries	7,600	-
Total	$32,429	$-

(9) Financing provided

Other payables – related parties

	For the year ended December 31, 2022				
	Maximum balance	Ending balance	Rate	Total interest disbursement	Ending interest payable
REI SHIN CONSTRUCTION CO., LTD.	$550,000	$450,000	0.8%~1.25%	$2,583	$1,660

Effective January 7, 2022 to January 7, 2023. The Company should pay in full when the loan was expired but paying off in advance was permitted.

	For the year ended December 31, 2021				
	Maximum balance	Ending balance	Rate	Total interest disbursement	Ending interest payable
REI SHIN CONSTRUCTION CO., LTD.	$680,000	$400,000	0.91%~0.95%	$3,193	$1,848

Effective July 9, 2021 to July 9, 2022. The Company should pay in full when the loan was expired but paying off in advance was permitted.

(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

(10) Lease – Company as lessee

The lease term was based on market conditions, and paid rent monthly.

A. Acquisition of right-of-use assets

	For the year ended December 31,	
	2022	2021
Subsidiaries	$73,284	$165,294

During the years ended December 31, 2022 and 2021, the depreciation charge for above right-of-use assets amounting to NT$45,680 thousand and NT$64,217, respectively.

B. Lease liabilities

	For the year ended December 31,	
	2022	2021
Subsidiaries	$74,180	$166,979
Current	34,379	64,654
Non-current	39,801	102,325

During the years ended December 31, 2022 and 2021, the interest on above lease liabilities amounting to NT$1,601 thousand and NT$2,650 thousand, respectively.

C. Refundable deposits

	For the year ended December 31,	
	2022	2021
Subsidiaries	$200	$1,948

(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

(11) Lease – Company as lessor

A. Lease revenue

	For the year ended December 31	
	2022	2021
Subsidiaries	$3,300	$3,711
Group with significant influence over the Company	5,815	4,695
Total	$9,115	$8,406

B. Guarantee deposits

	As of December 31,	
	2022	2021
Group with significant influence over the Company	$733	$733
Subsidiaries	649	649
Total	$1,382	$1,382

(12) Lease costs

	For the years ended December 31,	
	2022	2021
Group with significant influence over the Company		
GOYUN SECURITY CO., LTD.	$2,404	$2,296
GUOYUN TECHNOLOGY CO., LTD.	1,298	1,606
Others	588	653
Total	$4,290	$4,555

(13) Operating expense

	For the years ended December 31,	
	2022	2021
Group with significant influence over the Company	$46,552	$44,636
Subsidiaries	1,200	800
Total	$47,752	$45,436

(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

(14) Property transactions

The Company has purchased machinery, transport and other equipment and commissioned to build a business building, which were recognized as property plant and equipment:

	For the years ended December 31,	
	2022	2021
Group with significant influence over the Company	$22,412	$10,517
Subsidiaries	23	363
Total	$22,435	$10,880

(15) Key management personnel compensation

	For the years ended December 31,	
	2022	2021
Short-term employee benefits	$256,244	$210,533
Post-employment benefits	-	-
Total	$256,244	$210,533

8. Assets pledged as Security

The following table lists assets of the Company pledged as security:

	Carrying amount		
Assets pledged for security	December 31, 2022	December 31, 2021	Secured liabilities
Inventories－Land of construction	$210,368	$210,368	Bank loan
Financial assets at fair value through other comprehensive income, current	413,895	590,400	Bank loan、C/P
Financial assets at fair value through other comprehensive income, non-current	420,000	505,816	Bank loan、C/P
Long-term equity investment for under the equity method (Note)	1,208,334	1,120,588	Bank loan、C/P
Financial assets measured at amortized cost-current	58,548	71,838	Restricted account、Loan guarantee
Property, plant and equipment－Land and Buildings	1,864,811	1,921,614	Bank loan、C/P
Investment property, net	2,158,055	1,307,491	Bank loan、C/P
Total	$6,334,011	$5,527,027	

Note：The amount quoted in the public market.

(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

9. Commitments and Contingencies

(1) Promissory notes issued by the Company to secure bank loans and construction performance amounted to NT$5,037,155 thousand as of December 31, 2022.

(2) The Company provide endorsements or guarantees for subsidiaries, please refer to Note 13.

10. Losses due to Major Disasters

None.

11. Significant Subsequent Events

The Fair Trade Commission alleged that the Company engaged in concerted action with other premixed concrete companies, and in accordance with Fair Trade Commission No.1121360080 determined to fined NT$50,000 thousand. The Company has proposed administrative relief with the lawyer, whether violating the fair-trade laws depends on the outcome of the subsequent administrative litigation.

12. Others

(1) Categories of financial instruments

Financial assets

	As of December 31,	
	2022	2021
Financial assets at fair value through other comprehensive income	$1,331,052	$1,521,961
Financial assets measured at amortized cost		
Cash and cash equivalents (exclude cash on hand)	775,840	893,510
Financial assets measured at amortized cost	92,775	121,763
Notes receivable	1,024,245	1,161,314
Accounts receivable (including related parties)	4,900,905	4,816,405
Other receivables (including related parties)	66,425	57,517
Long-term receivable	15,555	22,092
Refundable deposits	28,546	18,255
Total	$8,235,343	$8,612,817

(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

Financial liabilities

	As of December 31,	
	2022	2021
Financial liabilities at amortized cost:		
Short-term loan	$2,630,000	$900,000
Short-term notes and bills payable	179,211	297,093
Accounts payable (including related parties)	1,571,417	1,884,845
Other payables (including related parties)	1,755,958	1,256,248
Lease liabilities	279,602	434,481
Long-term loan (including due in one year)	3,000,000	1,750,000
Long-term notes and bills payable	599,865	1,796,860
Guarantee deposits	21,493	31,955
Total	$10,037,546	$8,351,482

(2) Financial risk management objectives and policies

The Company's principal financial risk management objective is to manage the market risk, credit risk and liquidity risk related to its operating activates. The Company identifies, measures and manages the aforementioned risks based on the Company's policy and risk appetite.

The Company has established appropriate policies, procedures and internal controls for financial risk management. Before entering into significant transactions, due approval process by the Board of Directors and Audit Committee must be carried out based on related protocols and internal control procedures. The Company complies with its financial risk management policies at all times.

(3) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of the changes in market prices. Market risk includes currency risk, interest rate risk and other price risk (such as equity risk).

In practice, it is rarely the case that a single risk variable will change independently from other risk variable. In other words, there is usually interdependencies between risk variables. However, the sensitivity analysis disclosed below does not take into account the interdependencies between risk variables.

Foreign currency risk

The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's net investments in foreign subsidiaries. The net investments in foreign subsidiaries are a strategic investment that the Company has not hedged this.

The foreign currency sensitivity analysis of the possible change in foreign exchange rates on the Company's profit is performed on significant monetary items denominated in foreign currencies as at the end of the reporting period. The Company's foreign currency risk is mainly related to the volatility in the exchange rates for US dollars. The information of the sensitivity analysis is as follows:

When NTD strengthens/weakens against USD by 10%, the profits for the years ended 31 December 2022 and 2021 are decreased/increased by NT$28,745 thousand and NT$2,095 thousand, respectively.

When NTD strengthens/weakens against CNY by 10%, the profits for the years ended 31 December 2022 and 2021 are decreased/increased by NT$976 thousand and NT$18,241 thousand, respectively.

Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's loans and receivables at floating interest rates, bank borrowings with fixed interest rates and floating interest rates.

The Company manages its interest rate risk by maintaining a balanced portfolio of fixed and floating interest loans and debts, along with interest rate swaps.

The interest rate sensitivity analysis is performed on items assumed to be possessed for a fiscal year and exposed to interest rate risk as of the end of the reporting period, including borrowings with floating interest rates. The analysis indicates that when the interest rates increase / decrease by ten basis points, the Company's profit would decrease / increase by NT$5,449 thousand and NT$3,553 thousand for the years ended December 31, 2022 and 2021, respectively.

Equity price risk

The Company's listed and unlisted equity securities are susceptible to market price risk arising from uncertainties about future values of the investment securities. The Company's listed and unlisted equity securities are classified under financial assets at fair value through other comprehensive income. The Company manages the equity price risk through diversification and placing limits on individual and total equity instruments. Reports on the equity portfolio are submitted to the Company's senior management on a regular basis. The Company's Board of Directors reviews and approves all equity investment decisions.

The equity price sensitivity analysis is counting based on changes of fair value for a fiscal year. Assumed that when the investment price of measured at fair value through other comprehensive income of financial assets of publicly quoted entity increase / decrease by 10%, the Company's equity would increase / decrease by NT$122,959 thousand and NT$142,364 thousand for the year ended December 31, 2022 and 2021, respectively.

(4) Credit risk management

Credit risk is the risk that a counterparty will not meet its obligations under a contract, leading to a financial loss. The Company is exposed to credit risk from operating activities (primarily for accounts receivables and notes receivables) and from its financing activities, including bank deposits and other financial instruments.

Customer credit risk is managed by each business unit subject to the Company's established policy, procedures and control relating to customer credit risk management. Credit limits are established for all customers based on their financial position, rating from credit rating agencies, historical experience, prevailing economic condition and the Company's internal rating criteria etc. Certain customer's credit risk will also be managed by taking credit enhancing procedures, such as requesting for prepayment.

As of December 31, 2022, and 2021, amounts receivables from top ten customers are 26% and 24%, respectively, compared to the total accounts receivables of the Company. The credit concentration risk of other accounts receivables is insignificant.

Credit risk from balances with banks and other financial instruments is managed by the Company's treasury in accordance with the Company's policy. The Company only transacts with counterparties approved by the internal control procedures, which are banks and financial institutions, companies and government entities with good credit rating and with no significant default risk. Consequently, there is no significant credit risk for these counter parties.

(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

(5) Liquidity risk management

The Company's objective is to maintain a balance between continuity of funding and flexibility through the use of cash and cash equivalents, highly liquid equity investments, bank borrowings and convertible bonds. The table below summarizes the maturity profile of the Company's financial liabilities based on the contractual undiscounted payments and contractual maturity. The payment amount includes the contractual interest. The undiscounted payment relating to borrowings with variable interest rates is extrapolated based on the estimated interest rate yield curve as of the end of the reporting period.

Non-derivative financial instruments

	Less than 1 year	2 to 3 years	4 to 5 years	> 5 years	Total
As of December 31, 2022					
Loans	$3,448,678	$2,189,728	$-	$-	$5,635,406
Notes payable	179,211	-	-	-	179,211
Accounts payable	1,571,417	-	-	-	1,571,417
Other payables	1,273,529	-	-	-	1,273,529
Others payable-related parties	482,429	-	-	-	482,429
Lease liabilities (Note)	99,659	148,638	64,146	13,954	326,397
Long-term notes and bills payable	-	600,000	-	-	600,000
Guarantee deposits received	21,493	-	-	-	21,493
As of December 31, 2021					
Loans	$1,382,271	$1,294,270	$-	$-	$2,676,541
Notes payable	297,093	-	-	-	297,093
Accounts payable	1,884,845	-	-	-	1,884,845
Other payables	856,248	-	-	-	856,248
Others payable-related parties	400,977	-	-	-	400,977
Lease liabilities (Note)	100,072	221,299	110,981	45,022	477,374
Long-term notes and bills payable	-	1,800,000	-	-	1,800,000
Guarantee deposits received	31,955	-	-	-	31,955

Note: Including cash flows resulted from short-term leases or leases of low-value assets.

(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

(6) Fair values of financial instruments

Information of reconciliation for liabilities during 2022 is as follows:

	Short-term loans	Other payable – related parties	Long-term loans (including due in one year)	Long-term notes and bills payable	Lease liabilities	Guarantee deposits	Balance of liabilities arising from financing activities
2022.01.01	$900,000	$400,000	$1,750,000	$1,796,860	$434,481	$31,955	$5,313,296
Cash flow	1,730,000	50,000	1,250,000	(1,196,995)	(121,734)	(10,462)	1,700,809
Non-cash change	-	-	-	-	(33,145)	-	(33,145)
2022.12.31	$2,630,000	$450,000	$3,000,000	$599,865	$279,602	$21,493	$6,980,960

Information of reconciliation for liabilities during 2021 is as follows:

	Short-term loans	Other payable – related parties	Long-term loans (including due in one year)	Long-term notes and bills payable	Lease liabilities	Guarantee deposits	Balance of liabilities arising from financing activities
2021.01.01	$1,300,000	$380,000	$2,500,000	$1,748,296	$558,193	$28,157	$6,514,646
Cash flow	(400,000)	20,000	(750,000)	48,564	(123,372)	3,798	(1,201,010)
Non-cash change	-	-	-	-	(340)	-	(340)
2021.12.31	$900,000	$400,000	$1,750,000	$1,796,860	$434,481	$31,955	$5,313,296

(7) Fair values of financial instruments

A. The methods and assumptions applied in determining the fair value of financial instruments:

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The following methods and assumptions were used by the Company to measure or disclose the fair values of financial assets and financial liabilities:

a. The carrying amount of cash and cash equivalents, trade receivables, trade payable and other current liabilities approximate their fair value due to their short maturities.

b. For financial assets and liabilities traded in an active market with standard terms and conditions, their fair value is determined based on market quotation price (including listed equity securities, beneficiary certificates etc.) at the reporting date.

c. Fair value of equity instruments without market quotations (including private placement of listed equity securities, unquoted public company and private company equity securities) are estimated using the market method valuation techniques based on parameters such as prices based on market transactions of equity instruments of identical or comparable entities and other relevant information (for example, inputs such as discount for lack of marketability, P/E ratio of similar entities and Price-Book ratio of similar entities). The income method assesses the recoverable amount based on the present value of the financial assets that are expected to be received from cash dividends or disposals at the market

d. Fair value of debt instruments without market quotations, bank loans, bonds payable and other non-current liabilities are determined based on the counterparty prices or valuation method. The valuation method uses DCF method as a basis, and the assumptions such as the interest rate and discount rate are primarily based on relevant information of similar instrument (such as yield curves published by the Taipei Exchange, average prices for Fixed Rate Commercial Paper published by Reuters and credit risk, etc.)

e. The fair value of derivatives which are not options and without market quotations, is determined based on the counterparty prices or discounted cash flow analysis using interest rate yield curve for the contract period. Fair value of option-based derivative financial instruments is obtained using the counterparty prices or appropriate option pricing model (for example, Black-Scholes model) or other valuation method (for example, Monte Carlo Simulation).

B. Fair value of financial instruments measured at amortized cost

Among the fair value of the Company’s financial assets and financial liabilities measured at amortized cost, cash and cash equivalents, trade receivables, trade payable, other current liabilities and bonds payable whose carrying amount approximate their fair value.

C. Fair value measurement hierarchy for financial instruments

Please refer to Note 12(8) for fair value measurement hierarchy for financial instruments of the Company.

(8) Fair value measurement hierarchy

A. Fair value measurement hierarchy

All asset and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, based on the lowest level input that is significant to the fair value measurement as a whole. Level 1, 2 and 3 inputs are described as follows:

Level 1 – Quoted (unadjusted) market prices in active markets for identical assets or liabilities that the entity can access at the measurement date

Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly

Level 3 – Unobservable inputs for the asset or liability

For assets and liabilities that are recognized in the financial statements on a recurring basis, the Company determines whether transfers have occurred between Levels in the hierarchy by re-assessing categorization at the end of each reporting period.

B. Fair value measurement hierarchy of the Company's assets and liabilities

The Company does not have assets that are measured at fair value on a non-recurring basis. Fair value measurement hierarchy of the Company's assets and liabilities measured at fair value on a recurring basis is as follows:

As of December 31, 2022

	Level 1	Level 2	Level 3	Total
Financial assets:				
Financial assets at fair value through other comprehensive income				
Equity instrument measured at fair value through other comprehensive income	$1,229,593	$-	$101,459	$1,331,052

(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

As of December 31, 2021

	Level 1	Level 2	Level 3	Total
Financial assets:				
Financial assets at fair value through other comprehensive income				
Equity instrument measured at fair value through other comprehensive income	$1,424,427	$-	$97,534	$1,521,961

Transfers between Level 1 and Level 2 during the period

During the years ended December 31, 2022 and 2021, there were no transfers between Level 1 and Level 2 fair value measurements.

Reconciliation for fair value measurements in Level 3 of the fair value hierarchy for movements during the period is as follows:

	Assets
	Measured at fair value through other comprehensive income
	Stock
Beginning balances as of January 1, 2022	$97,534
Acquisition	12,060
Disposal	(8,643)
Total gains recognized for the year ended December 31, 2022:	
Amount recognized in OCI (present in Unrealized gains or losses on measured at fair value through other comprehensive income equity instrument investment)	508
Ending balances as of December 31, 2022	$101,459
Beginning balances as of January 1, 2021	$103,824
Capital deducted by cash	(8,540)
Disposal	(3,614)
Total gains recognized for the year ended December 31, 2021:	
Amount recognized in OCI (present in Unrealized gains or losses on measured at fair value through other comprehensive income equity instrument investment)	5,864
Ending balances as of December 31, 2021	$97,534

(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

Total profits and losses recognized in profit or loss for the year ended 31 December 2022 in the table above contain gains or losses related to assets on hand in the amount of NT$0 thousand.

Information on significant unobservable inputs to valuation

Description of significant unobservable inputs to valuation of recurring fair value measurements categorized within Level 3 of the fair value hierarchy is as follows:

As of December 31, 2022

	Valuation techniques	Significant unobservable inputs	Quantitative information	Relationship between inputs and fair value	Sensitivity of the input to fair value
Financial assets: Measured at fair value through other comprehensive income					
Stocks	Market approach	Earnings per share	7.82	The higher the earnings, the higher the fair value of the stocks	10% increase (decrease) in the earnings would result in increase (decrease) in the Company's equity by NT$1,564 thousand.
Stocks	Income approach	Discount rate	16.35	The higher the discount rate, the lower the fair value of the stocks	10% increase (decrease) in the discount rate would result in increase (decrease) in the Company's equity by NT$60 thousand.
Stocks	Asset approach	Discount for lack of marketability	20%~60%	The higher the discount for lack of marketability, the lower the fair value of the stocks	10% increase (decrease) in the discount for lack of marketability would result in (decrease) increase in the Company's equity by NT$8,337 thousand.

As of December 31, 2021

	Valuation techniques	Significant unobservable inputs	Quantitative information	Relationship between inputs and fair value	Sensitivity of the input to fair value
Financial assets: Measured at fair value through other comprehensive income					
Stocks	Market approach	Earnings per share	7.37	The higher the earnings, the higher the fair value of the stocks	10% increase (decrease) in the earnings would result in increase (decrease) in the Company's equity by NT$1,474 thousand.
Stocks	Income approach	Discount rate	16.65~81.91	The higher the discount rate, the lower the fair value of the stocks	10% increase (decrease) in the discount rate would result in increase (decrease) in the Company's equity by NT$133 thousand.
Stocks	Asset approach	Discount for lack of marketability	20%~60%	The higher the discount for lack of marketability, the lower the fair value of the stocks	10% increase (decrease) in the discount for lack of marketability would result in (decrease) increase in the Company's equity by NT$7,907 thousand.

(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

Valuation process used for fair value measurements categorized within Level 3 of the fair value hierarchy

The Company's Finance Department is responsible for validating the fair value measurements and ensuring that the results of the valuation are in line with market conditions, based on independent and reliable inputs which are consistent with other information, and represent exercisable prices. The Department analyses the movements in the values of assets and liabilities which are required to be re-measured or re-assessed as per the Company's accounting policies at each reporting date.

C. Fair value measurement hierarchy of the Company's assets and liabilities not measured at fair value but for which the fair value is disclosed

As of December 31, 2022

	Level 1	Level 2	Level 3	Total
Financial assets not measured at fair value but for which the fair value is disclosed:				
Investment properties (please refer to Note 6(10))	$-	$-	$7,029,634	$7,029,634

As of December 31, 2021

	Level 1	Level 2	Level 3	Total
Financial assets not measured at fair value but for which the fair value is disclosed:				
Investment properties (please refer to Note 6(10))	$-	$-	$6,833,723	$6,833,723

(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

(9) Significant assets and liabilities denominated in foreign currencies

Information regarding the significant assets and liabilities denominated in foreign currencies is listed below:

(Unit: Foreign currency: thousands, NTD: thousands)

	As of 31 December, 2022		
	Foreign currencies	Foreign exchange rate	NTD
Financial assets			
Monetary items:			
USD	$9,360	30.71	$287,446
CNY	2,213	4.41	9,760
Non-monetary items:			
USD	173,337	30.71	5,323,174

	As of 31 December, 2021		
	Foreign currencies	Foreign exchange rate	NTD
Financial assets			
Monetary items:			
USD	$757	27.68	$20,954
CNY	42,029	4.34	182,406
Non-monetary items:			
USD	168,955	27.68	4,676,685

Foreign exchange gains or losses on monetary finacial assets and finacial liabilities as below:

	For the years ended December 31,	
	2022	2021
USD	$(17,669)	$2,472
CNY	4,082	19,286

The above information is disclosed based on the carrying amount of foreign currency (after conversion of functional currency).

(10) Capital management

The primary objective of the Company's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximize shareholder value. The Company manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Company may adjust dividend payment to shareholders, return capital to shareholders or issue new shares.

13. Additional disclosure

(1) Information at significant transactions

A. Financing provided to other: Please refer to Attachment 1.
B. Endorsement/Guarantee provided to others: Please refer to Attachment 2.
C. Securities held: Please refer to Attachment 3.
D. Individual securities acquired or disposed of with accumulated amount exceeding the lower of NT$300 million and 20 percent of the capital stock: None.
E. Acquisition of individual real estate with amount exceeding the lower of NT$300 million and 20 percent of the capital stock: Please refer to Attachment 4.
F. Disposal of individual real estate with amount exceeding the lower of NT$300 million and 20 percent of the capital stock: Please refer to Attachment 5.
G. Related party transactions for purchases and sales amounts exceeding the lower of NT$100 million and 20 percent of the capital stock: Please refer to Attachment 6.
H. Receivables from related parties with amounts exceeding the lower of NT$100 million and 20 percent of capital stock: Please refer to Attachment 7.
I. Financial instruments and derivative transactions: None.
J. Significant intercompany transactions between consolidated entities: Please refer to Attachment 8.
K. Names, locations and other information of investee companies (not including investees in Mainland China): Please refer to Attachment 9.

(2) Information on investments in mainland China

A. Names, main businesses and products, total amount of paid-in capital, method of investment, accumulated outflow of investment from Taiwan, percentage of ownership, investment income recognized, carrying amount, accumulated inward remittance of earnings, and upper limit on investment of investees in Mainland China: Please refer to Attachment 10.
B. Directly or indirectly significant transactions through third regions with the investees in Mainland China, including price, payment terms, unrealized gain or loss, and other events with significant effects on the operating results and financial condition: Please refer to Attachment 1, and 2.

(3) Information of Major shareholders

List all shareholders with ownership of 5% or greater showing the name of the shareholder, the number of shares owned, and percentage of ownership of each shareholder: Please refer to Attachment 11.

ATTACHMENT 1 : Financing provided to others for the year ended December 31, 2022

(Unit:Foreign currency: thousands, NTD: thousands)

No. (Note 1)	Name of financing provider	Name of counter party	Account (Note 2)	Maximum balance for the period	Ending balance	Actual amount provided	Interest rate	Nature of financing activity (Note 3)	Amount of sales to (purchase from) counter-party	Reason for financing	Allowance for doubtful accounts	Assets pledged Item	Assets pledged Value	Limit of financing amount for individual counter-party (Note 4)	Limit of total financing amount (Note 4)
1	REI SHIN CONSTRUCTION CO., LTD.	GOLDSUN BUILDING MATERIALS CO., LTD.	Other receivable	NT$ 550,000	NT$ 550,000	NT$ 450,000	0.8%~1.25%	2	-	Operating	-	-	-	NT$ 773,505	NT$ 773,505
2	KUOYUNG CONSTRUCTION & ENGINEERING CO., LTD.	GIMPO MARINE CO., LTD.	Other receivable	NT$ 110,000	NT$ 110,000	NT$ 91,000	1.45%~1.98%	2	-	Operating	-	-	-	NT$ 161,502	NT$ 161,502
		GOLDSUN NIHON CEMENT CO., LTD.	Other receivable	NT$ 30,000	NT$ 30,000	-	-	2	-	Operating	-	-	-	NT$ 161,502	NT$ 161,502
3	YUAN SHUN MARITIME LTD.	HUI SHUN MARITIME LTD.	Other receivable	US$ 4,560 (NTD 144,990)	US$ 4,500 (NTD 138,195)	US$ 3,400 (NTD 104,414)	1%~2%	2	-	Operating	-	-	-	US$ 30,410 (NT$ 933,884)	US$ 30,410 (NT$ 933,884)
		FENG SHUN MARITIME LTD.	Other receivable	US$ 2,000 (NTD 64,440)	US$ 2,000 (NTD 61,420)	US$ 1,600 (NTD 49,136)	2.00%	2	-	Operating	-	-	-	US$ 30,410 (NT$ 933,884)	US$ 30,410 (NT$ 933,884)
		JIN SHUN MARITIME LTD.	Other receivable	US$ 1,000 (NTD 30,890)	US$ 1,000 (NTD 30,710)	-	-	2	-	Operating	-	-	-	US$ 30,410 (NT$ 933,884)	US$ 30,410 (NT$ 933,884)
4	JIN SHUN MARITIME LTD.	HUI SHUN MARITIME LTD.	Other receivable	US$ 1,500 (NTD 44,910)	-	-	-	2	-	Operating	-	-	-	US$ 28,459 (NT$ 873,986)	US$ 28,459 (NT$ 873,986)
		GOLDSUN BUILDING MATERIALS CO., LTD.	Other receivable	US$ 1,000 (NTD 29,940)	-	-	-	2	-	Operating	-	-	-	US$ 28,459 (NT$ 873,986)	US$ 28,459 (NT$ 873,986)
5	JING SHUN MARITIME LTD.	GOLDSUN BUILDING MATERIALS CO., LTD.	Other receivable	US$ 600 (NTD 18,264)	-	-	-	2	-	Operating	-	-	-	US$ 19,948 (NT$ 612,596)	US$ 19,948 (NT$ 612,596)
6	GOLDSUN CONCRETE (SUZHOU) CO., LTD.	GOLDSUN (SUZHOU) BUILDING MATERIALS CO., LTD.	Other receivable	RMB 102,268 (NT$ 451,000)	RMB 100,000 (NT$ 441,000)	RMB 45,000 (NT$ 198,450)	2.01%	2	-	Operating	-	-	-	RMB 196,722 (NT$ 867,546)	RMB 196,722 (NT$ 867,546)
		GOLDSUN CONCRETE (WUJIANG) CO., LTD.	Other receivable	RMB 81,814 (NT$ 360,800)	RMB 80,000 (NT$ 352,800)	-	-	2	-	Operating	-	-	-	RMB 196,722 (NT$ 867,546)	RMB 196,722 (NT$ 867,546)
		GOLDSUN CONCRETE (CHANGSHU) CO., LTD.	Other receivable	RMB 81,814 (NT$ 360,800)	RMB 80,000 (NT$ 352,800)	-	-	2	-	Operating	-	-	-	RMB 196,722 (NT$ 867,546)	RMB 196,722 (NT$ 867,546)
7	GOLDSUN CONCRETE (CHANGSHU) CO., LTD.	GOLDSUN (SUZHOU) BUILDING MATERIALS CO., LTD.	Other receivable	RMB 102,268 (NT$ 451,000)	NT$ 100,000 (NT$ 441,000)	NT$ 42,000 NT$ 185,220	2.01%	2	-	Operating	-	-	-	RMB 275,207 (NT$ 1,213,664)	RMB 275,207 (NT$ 1,213,664)
		GOLDSUN CONCRETE (WUJIANG) CO., LTD.	Other receivable	RMB 81,814 (NT$ 360,800)	RMB 80,000 (NT$ 352,800)	-	-	2	-	Operating	-	-	-	RMB 275,207 (NT$ 1,213,664)	RMB 275,207 (NT$ 1,213,664)
		GOLDSUN CONCRETE (SUZHOU) CO., LTD.	Other receivable	RMB 81,814 (NT$ 360,800)	RMB 80,000 (NT$ 352,800)	-	-	2	-	Operating	-	-	-	RMB 275,207 (NT$ 1,213,664)	RMB 275,207 (NT$ 1,213,664)
8	GOLDSUN CONCRETE (WUJIANG) CO., LTD.	GOLDSUN (SUZHOU) BUILDING MATERIALS CO., LTD.	Other receivable	RMB 102,268 (NT$ 451,000)	RMB 100,000 (NTD 441,000)	-	-	2	-	Operating	-	-	-	(NT$ 340,510) (NT$ 1,501,650)	RMB 340,510 (NT$ 1,501,650)
		GOLDSUN CONCRETE (SUZHOU) CO., LTD.	Other receivable	RMB 81,814 (NT$ 360,800)	RMB 80,000 (NTD 352,800)	-	-	2	-	Operating	-	-	-	RMB 340,510 (NT$ 1,501,650)	RMB 340,510 (NT$ 1,501,650)

ATTACHMENT 1 : Financing provided to others for the year ended December 31, 2022

(Unit:Foreign currency: thousands, NTD: thousands)

No. (Note 1)	Name of financing provider	Name of counter party	Account (Note 2)	Maximum balance for the period	Ending balance	Actual amount provided	Interest rate	Nature of financing activity (Note 3)	Amount of sales to (purchase from) counter-party	Reason for financing	Allowance for doubtful accounts	Assets pledged Item	Assets pledged Value	Limit of financing amount for individual counter-party (Note 4)	Limit of total financing amount (Note 4)
9	GOLDSUN (SUZHOU) BUILDING MATERIALS CO., LTD.	GOLDSUN CONCRETE (CHANGSHU) CO., LTD.	Other receivable	RMB 81,814 (NT$ 360,800)	RMB 80,000 (NT$ 352,800)	-	-	2	-	Operating	-	-	-	RMB 340,510 (NT$ 1,501,650)	RMB 340,510 (NT$ 1,501,650)
		GOLDSUN CONCRETE (SUZHOU) CO., LTD.	Other receivable	RMB 81,814 (NT$ 360,800)	RMB 80,000 (NT$ 352,800)	-	-	2	-	Operating	-	-	-	RMB 317,252 (NT$ 1,399,080)	RMB 317,252 (NT$ 1,399,080)
		GOLDSUN CONCRETE (WUJIANG) CO., LTD.	Other receivable	RMB 81,814 (NT$ 360,800)	RMB 80,000 (NT$ 352,800)	-	-	2	-	Operating	-	-	-	RMB 317,252 (NT$ 1,399,080)	RMB 317,252 (NT$ 1,399,080)
		GOLDSUN CONCRETE (CHANGSHU) CO., LTD.	Other receivable	RMB 81,814 (NT$ 360,800)	RMB 80,000 (NT$ 352,800)	-	-	2	-	Operating	-	-	-	RMB 317,252 (NT$ 1,399,080)	RMB 317,252 (NT$ 1,399,080)

Note 1: The parent company and its subsidiaries are coded as follows:

(1) The parent company is coded "0".

(2) The subsidiaries are coded consecutively beginning from "1" in the order presented in the table above.

Note 2: Fill in if the nature of financial statement account is financing.

Note 3: The method of filling out the capital loan and nature is:

(1) For business transactions fill in "1"

(2) For short-term financing funds necessity fill in "2"

Note 4: YUAN SHUN MARITIME LTD., JIN SHUN MARITIME LTD., JING SHUN MARTIME LTD., GOLDSUN CONCRETE (SUZHOU) CO., LTD., GOLDSUN CONCRETE (CHANGSHU) CO., LTD., and GOLDSUN CONCRETE (WUJIANG) CO., LTD..
GOLDSUN (SUZHOU) BUILDING MATERIALS CO., LTD. shall not exceed double of the net asset value from the latest financial statement. RUEI SHIN CONSTRUCTIN CO., LTD and KUOYUNG CONSTRUCTION & ENGINEERING CO., LTD. shall not exceed the 40% net asset value from the latest financial statement.

Note 5: GOLDSUN CONCRETE (WUJIANG) CO., LTD., GOLDSUN (SUZHOU) BUILDING MATERIALS CO., LTD., GOLDSUN CONCRETE (CHANGSHU) CO., LTD., and GOLDSUN CONCRETE (SUZHOU) CO., LTD..'s
ending balance would be duplicate calculated in collaboration. Actual ending balance was RMB$80,000 thousand except RMB$100,000 thousand of GOLDSUN (SUZHOU) BUILDING MATERIALS CO., LTD. The ending balance didn't exceed the limit.

ATTACHMENT 2 : Endorsement/Guarantee provided to others for the year ended December 31, 2022

(Unit:Foreign currency: thousands, NTD: thousands)

No. (Note 1)	Name of endorsers	Endorsee		Endorsement limit for a single entity (Note 3)	Maximum balance for the period (Note 4)	Ending balance (Note 5)	Actual amount provided (Note 6)	Amount of collateral guarantee/endorsement	Percentage of accumulated guarantee amount to net assets value from the latest financial statement	Limit of total guarantee/endorsement amount (Note 3)	Guarantee provided by Parent Company (Note 7)	Guarantee provided by A Subsidiary (Note 7)	Guarantee provided to Subsidiaries in Mainland China (Note 7)
		Name of endorsees	Relationship (Note 2)										
1	REI SHIN CONSTRUCTIN CO., LTD	GOLDSUN BUILDING MATERIALS CO., LTD.	3	$3,867,523	$2,700,000	$2,700,000	$600,000	$-	139.62%	$3,867,523		Y	
2	REIXIN ASSET MANAGEMENT INC.	GOLDSUN BUILDING MATERIALS CO., LTD.	3	2,235,621	884,000	884,000	-	-	79.08%	2,235,621		Y	
3	GOLDSUN CONCRETE (CHANGSHU) CO., LTD.	GOLDSUN CONCRETE (SUZHOU) CO., LTD. and other two companies	4	3,034,160	1,804,000	1,764,000	268,393	-	290.69%	3,034,160			Y
4	GOLDSUN (SUZHOU) BUILDING MATERIALS CO., LTD.	GOLDSUN CONCRETE (SUZHOU) CO., LTD. and other two companies	4	3,497,700	1,804,000	1,764,000	134,218	-	252.17%	3,497,700			Y
5	GOLDSUN CONCRETE (WUJIANG) CO., LTD.	GOLDSUN CONCRETE (SUZHOU) CO., LTD. and other two companies	4	3,754,125	1,804,000	1,764,000	238,691	-	234.94%	3,754,125			Y

Note 1: The parent company and its subsidiaries are coded as follows:

(1) The parent company is coded "0".

(2) The subsidiaries are coded consecutively beginning from "1" in the order presented in the table above.

Note 2: Relationship between the endorser/guarantor and the party being endorsed/guaranteed is classified into the following six categories:

(1) Having business relationship.

(2) The endorser/guarantor parent company owns directly more than 50% voting shares of the endorsed/guaranteed subsidiary.

(3) The endorser/guarantor parent company and its subsidiaries jointly own more than 50% voting shares of the endorsed/guaranteed company.

(4) The endorsed/guaranteed parent company directly or indirectly owns more than 90% voting shares of the endorser/guarantor subsidiary.

(5) Mutual guarantee of the trade as required by the construction contract.

(6) Due to joint venture, each shareholder provides endorsements/guarantees to the endorsed/guaranteed company in proportion to its ownership.

(6) Industry partners who are engaged in the sales of pre-construction homes and conduct joint guarantee for the performance of contract based on Consumer Protection Act.

Note 3: The procedure of endorsement is showed as the follows:

(1) For the Company, the endorsement / guarantee amount limit for a single entity that shall not exceed 50% of the Company's net asset value from the latest financial statement;

the total amount shall not exceed 50% of net asset value from the latest financial statement.

(2) REI SHIN CONSTRUCTIN CO., LTD and REIXIN ASSET MANAGEMENT INC. endorsement / guarantee amount limit for a single entity and total that shall not exceed double of the net asset value from the latest financial statement.

Other subsidiary, the endorsement / guarantee amount limit for a single entity and total that should not exceed 500% net assets value both from the latest financial statement.

Note 4: The maximum endorsements/guarantees amount current year.

Note 5: All endorsements/guarantees that have been approved by bank shall be calculated in ending balance.

Note 6: Please fill in the actual amount provided by the endorsers.

Note 7: Parent company endorsed/guaranteed for the subsidiaries, subsidiaries endorsed/guaranteed for the parent company, or endorsement/guarantee for entities in China shall fill in "Y".

ATTACHMENT 3 : Securities held as of December 31, 2022

(Unit:Foreign currency: thousands, NTD: thousands)

Names of companies held	Type and name of securities	Relationship with the Company	Financial statement account	December 31, 2022				Remark
				Units (thousand) / bonds / shares (thousand)	Carrying amount	Percentage of ownership (%)	Fair value/Net assets value	
GOLDSUN BUILDING MATERIALS CO., LTD.	Stock-							
	TAIWAN CEMENT CORPORATION		Financial assets at fair value through other comprehensive income, current	18,478,794	$621,811	-	$621,811	12,300 thousand shares provide for loan guarantee
	KINPO ELECTRONICS, INC.		Financial assets at fair value through other comprehensive income, current	1,000,000	13,500	-	13,500	
	TAIWAN SECOM CO., LTD	Investor under the equity method	Financial assets at fair value through other comprehensive income, non-current	5,935,000	593,500	1%	593,500	4,200 thousand shares provide for loan guarantee
	TAIWAN SHIN KONG SECURITY CO.,LTD		Financial assets at fair value through other comprehensive income, non-current	20,000	782	-	782	
	TAIWAN AIRPORT SERVICE CO., LTD.		Financial assets at fair value through other comprehensive income, non-current	7,405,200	54,873	17%	54,873	7,405 thousand shares provide for loan guarantee
	OVERSEAS INVESTMENT & DEVELOPMENT CORP.		Financial assets at fair value through other comprehensive income, non-current	2,000,000	15,640	2%	15,640	
	ANFENG SPRING ENTERPRISE CO., LTD.		Financial assets at fair value through other comprehensive income, non-current	150,000	2,452	5%	2,452	
	CHINESE PRODUCTS PROMOTION CENTRE		Financial assets at fair value through other comprehensive income, non-current	1,334	-	-	-	
	MING REN LU CONCRETE CO., Ltd.		Financial assets at fair value through other comprehensive income, non-current	200,000	2,000	9%	2,000	
	REGENERATED CONCRETE CO., Ltd.		Financial assets at fair value through other comprehensive income, non-current	300,000	3,000	9%	3,000	
	EVERTERMINAL CO., LTD.		Financial assets at fair value through other comprehensive income, non-current	714,826	16,434	1%	16,434	
	CHI HSIANG BROWNSTONE CO., LTD.		Financial assets at fair value through other comprehensive income, non-current	6,300	7,060	18%	7,060	
KUNYUNG CONSTRUCTION & ENGINEERING CO., LTD	Stock-							
	GOLDSUN BUILDING MATERIALS CO., LTD.	Parent Company	Financial assets at fair value through other comprehensive income, non-current	238,323	6,018	-	6,018	Included in treasury shares
	TAIWAN CEMENT CORPORATION		Financial assets at fair value through other comprehensive income, current	923,939	31,091	-	31,091	
	TAIWAN SECOM CO., LTD.		Financial assets at fair value through other comprehensive income, non-current	2,000,000	200,000	-	200,000	
REIXIN ASSET MANAGEMENT CO., LTD.	Stock-							
	GOLDSUN BUILDING MATERIALS CO., LTD.	Parent Company	Financial assets at fair value through other comprehensive income, non-current	2,877,785	72,664	-	72,664	Included in treasury shares
TAIWAN BUILDING MATERIALS (HONG KONG) LIMITED	Capital-							
	FUZHOU SANSHUN STONE MATERIAL CO., LTD.		Financial assets at fair value through other comprehensive income, non-current	-	320,313	19%	320,313	
	FUJIAN HENGZHONG SAND STONE CO., LTD.		Financial assets at fair value through other comprehensive income, non-current	-	18,354	19%	18,354	

Attachment 4 : Acquisition of individual real estate with amount exceeding the lower of NT$300 million and 20 percent of the capital stock for the year ended December 31, 2022

(Unit: NTD: thousands)

Company name	Name of property	Transaction date (Note 1)	Transaction amount	Status of payment	Counterparty	Relationship with the Company	If the counter-party is a related party, disclose the previous transfer information				References for determining price	Purpose of acquisition and current condition	Other terms
							Owner	Relationship with the Company	Transfer date	Amount			
Goldsun Building Materials Co., Ltd.	Parcel number 91-11, 91-12, 91-13, 91-14, 91-15 and 91-16 for the 6 plots of land on the Jiuzong Section of Neihu District in Taipei City	May 6,2022	$2,076,100	Based on contract terms	Note 2	Unrelated party	Not applicable	Not applicable	Not applicable	Not applicable	In response to the Company's long-term development and planning	Determined at prices agreed on by both parties upon negotiation or through price comparison with reference to appraisal reports issued by professional appraisal institutions	None

Note 1: The date of occurrence is the date of board resolution.

Note 2: The transaction counterparty is a natural person and is not a related person of the Company, so the name may be exempt from being disclosed.

Attachment 5: Disposal of individual real estate with amount exceeding the lower of NT$300 million and 20 percent of the capital stock for the year ended December 31, 2022

(Unit:Foreign currency: thousands, NTD: thousands)

Real estate disposed by	Real estate	Transaction date or date of the event (Note 5)	Acquisition date	Carrying value	Transaction amount (Note 4)	Status of collection of proceeds	Gain (loss) on disposal	Counterparty	Relationship with the seller	Reason for disposal	Price reference	Other terms
GOLDSUN BUILDING MATERIALS CO., LTD.	Wannei St., Sanmin Dist., Kaohsiung City No.763 The land ownership :1/2	November 15,2021	March 15,1993	$573,315	$2,316,496	Based on contract terms	$1,743,181	Bijiang Enterprises Co., Ltd	Unrelated party	Optimize assets and Enrich the working capital of the Company	Determined at prices agreed on by both parties upon negotiation or through price comparison with reference to appraisal reports issued by professional appraisal institutions	None
	No. 427, Minzu 1st Rd., Sanmin Dist., Kaohsiung City The building ownership :1/2		July 1,2001	-								

Note 1: The disposal of assets shall be appraised, the appraisal results need to be noted in the "Price reference" column.

Note 2: Paid-in capital referred to herein is the paid-in capital of parent company. In the case that shares were issued with no par value or a par value other than NT$10 per share, the 20 % of paid-in capital shall be replaced by 10% of equity attributable to owners of the parent in the calculation.

Note 3: Transaction date or date of the event, refers to the date of signing the transaction, the date of payment, the date of entrustment transaction, the date of transfer, the date of resolution of the board of directors or the date on which the transaction object and transaction amount are fully funded.

Note 4: The amount is total amount of the contract deduct land value increment tax, business tax and related necessary expenses.

Note 5: The date is contract signing date, the Company transferred the use right to buyer and registered on January 3, 2022.

Attachment 6:Related party transactions for purchases and sales amounts exceeding the lower of NT$100 million and 20 percent of capital stock for the year ended December 31, 2022

(Unit:Foreign currency: thousands, NTD: thousands)

Company	Related party	Relationship	Transactions				Details of non-arm's length transaction		Notes and accounts receivable (payable)		Note
			Purchases (Sales)	Amount	Percentage of total purchases (sales)	Term	Unit Price	Term	Balance	Percentage of total receivables (payable)	
GOLDSUN BUILDING MATERIALS CO., LTD.	GOLDSUN EXPRESS & LOGISTICS CO., LTD.	Associate Company	(Note)	$513,693	(Note)	Net 30 days	$-	-	$(102,121)	(5.83)%	
GOLDSUN BUILDING MATERIALS CO., LTD.	GOLDSUN NIHON CEMENT CO., LTD.	Subsidiary	Operating Cost	971,479	-9%	Net 30 days	-	-	(113,590)	(6.49)%	
GOLDSUN BUILDING MATERIALS CO., LTD.	TAIPEI PORT TERMINAL CO., LTD.	Subsidiary	Operating Cost	473,977	-4%	Net 30 days	-	-	(101,565)	(5.80)%	
GOLDSUN NIHON CEMENT CO., LTD.	GOLDSUN BUILDING MATERIALS CO., LTD.	Parent company	Operating Income	(971,479)	88%	Net 30 days	-	-	113,590	99.98 %	
TAIPEI PORT TERMINAL CO., LTD.	GOLDSUN BUILDING MATERIALS CO., LTD.	Parent company	Operating Income	(473,977)	81%	Net 30 days	-	-	101,565	92.99 %	

Note : The Company provided the services of shipping cement to GOLDSUN BUILDING MATERIALS CO., LTD. and accounted to "Other operating income".

Attachment 7: Receivables from related parties with amounts exceeding the lower of NT$100 million and 20 percent of capital stock as of December 31, 2022

(Unit:Foreign currency: thousands, NTD: thousands)

Related Party	Company Name	Relationship	Ending Balance	Turnover Rate (%)	Overdue		Amounts Received in Subsequent	Allowance for Impairment
					Amount	Actions Taken		
TAIPEI PORT TERMINAL CO., LTD.	GOLDSUN BUILDING MATERIALS CO., LTD.	Parent Company	$101,565	-	$-	-	$101,565	$-
GOLDSUN NIHON CEMENT CO., LTD.	GOLDSUN BUILDING MATERIALS CO., LTD.	Parent Company	113,590	-	$-	-	113,590	$-

Attachment 8: Significant intercompany transactions between consolidated entities for the year ended December 31, 2022

(Unit:Foreign currency: thousands, NTD: thousands)

No.	Company	Counter-party	Relationship	Account	Amount	Term	As a percentage of total assets or revenues
	Year of 2022						
0	GOLDSUN BUILDING MATERIALS CO., LTD.	WELLPOOL CO., LTD.	1	Sales revenue	$74,504	(Note 4)	0.35%
0	GOLDSUN BUILDING MATERIALS CO., LTD.	WELLPOOL CO., LTD.	1	Accounts receivables	29,159	(Note 4)	0.07%
0	GOLDSUN BUILDING MATERIALS CO., LTD.	GOLDSUN NIHON CEMENT CO., LTD.	1	Cost of goods sold	971,479	(Note 4)	4.57%
0	GOLDSUN BUILDING MATERIALS CO., LTD.	GOLDSUN NIHON CEMENT CO., LTD.	1	Accounts payable	113,590	(Note 4)	0.29%
0	GOLDSUN BUILDING MATERIALS CO., LTD.	REI SHIN CONSTRUCTIN CO., LTD	1	Sales revenue	20,800	(Note 4)	0.05%
0	GOLDSUN BUILDING MATERIALS CO., LTD.	GIMPO MARINE CO., LTD.	1	Cost of goods sold	56,312	(Note 4)	0.26%
0	GOLDSUN BUILDING MATERIALS CO., LTD.	TAIPEI PORT TERMINAL COMPANY LIMITED	1	Cost of goods sold	473,977	(Note 4)	2.23%
0	GOLDSUN BUILDING MATERIALS CO., LTD.	TAIPEI PORT TERMINAL COMPANY LIMITED	1	Accounts payable	101,565	(Note 4)	0.26%
0	GOLDSUN BUILDING MATERIALS CO., LTD.	JIN SHUN MARITIME LTD.	1	Cost of goods sold	32,226	(Note 4)	0.15%
0	GOLDSUN BUILDING MATERIALS CO., LTD.	YUAN SHUN MARITIME LTD.	1	Cost of goods sold	26,278	(Note 4)	0.12%
1	RUEI SHIN CONSTRUCTIN CO., LTD	GOLDSUN BUILDING MATERIALS CO., LTD.	2	Other operating income	23,198	(Note 4)	0.11%

Note 1: Information about related party transactions should be stated. The numbers of each company are illustrated as follows:

(1) 0 is for the parent company.

(2) Each subsidiary is numbered from 1.

Note 2: The relationship between related parties are as follows:

(1) Parent company and subsidiary.

(2) Subsidiary and Parent company.

(3) Subsidiary and subsidiary.

Note 3: Transaction amount is stated as a ratio of total assets or total revenues. Ratios of assets or liabilities accounts are calculated as ending balance divided by total assets, and ratios of profit or loss accounts are calculated as accumulated amount for the year divided by total revenues.

Note 4: The Company's sales to related parties are handled according to the general sales conditions; its collection period is equivalent to ordinary customers.

Note 5: This table includes transactions for amounts over $10,000 thousand.

ATTACHMENT 9: Names, locations and related information of investee companies (Not including investment in Mainland China) for the year ended December 31, 2022

(Unit:Foreign currency: thousands, NTD: thousands)

Investor Company	Investee Company	Location	Main business and products	Original / investment amount		Investment as of December 31, 2022			Net income (loss) of investee company	Investment income (loss) recognized	Note
				Ending balance	Beginning balance	Number of shares	Percentage of ownership (%)	Book value			
GOLDSUN BUILDING MATERIALS CO., LTD.	KUNYUNG CONSTRUCTION & ENGINEERING CO., LTD	Taipei, TW	Construction of civil and architectural construction projects	$835,000	$835,000	30,000,000	100%	$397,827	$14,360	$13,907	
	REI SHIN CONSTRUCTION CO., LTD	Taipei, TW	Real estate rental, sale and development	-	-	80,000,000	100%	1,584,942	6,456	6,614	
	WELLPOOL CO., LTD.	Taipei, TW	Sales of calcium silicate board and other boards	303,653	303,653	18,280,389	51%	563,583	187,628	95,131	15,000 thousand shares provide for loan guarantee
	GOLDSUN NIHON CEMENT CO., LTD.	Kaohsiung, TW	Cement import and sale	119,121	119,121	11,460,000	59%	155,536	23,122	13,589	
	TAIPEI PORT TERMINAL COMPANY LIMITED	Taipei, TW	International trade, warehousing and tally packaging	2,477,200	2,477,200	250,000,000	100%	2,477,455	(4,951)	(4,720)	
	HUA YA DEVELOPMENT CO., LTD	Taipei, TW	Hotel operator	284,928	196,928	24,514,108	41%	244,065	(6,894)	(2,642)	
	GOYU BUILDING MATERIALS CO., LTD.	Chiayi, TW	Sales of building materials	280,000	280,000	28,000,000	70%	256,299	10,268	7,707	
	GIMPO MARINE CO., LTD.	New Taipei City, TW	Shipping	100,000	100,000	10,000,000	100%	94,608	5,302	5,302	
	REIXIN ASSET MANAGEMENT INC.	Taipei, TW	Real estate rental, sale and development	(Note)	(Note)	100,000,000	100%	1,045,206	(408)	(5,528)	
	LAKE VERNICIA DEVELOPMENT COMPANY	Taipei, TW	Crop cultivation, special crop cultivation,and edible mushroom cultivation	1,000	1,000	100,000	100%	374	(236)	(236)	
	GALC INC.	Taipei, TW	Construction and architectural works	21,000	21,000	2,100,000	70%	28,188	10,107	7,075	

ATTACHMENT 9: Names, locations and related information of investee companies (Not including investment in Mainland China) for the year ended December 31, 2022

(Unit:Foreign currency: thousands, NTD: thousands)

Investor Company	Investee Company	Location	Main business and products	Original / investment amount		Investment as of December 31, 2022			Net income (loss) of investee company	Investment income (loss) recognized	Note
				Ending balance	Beginning balance	Number of shares	Percentage of ownership (%)	Book value			
GOLDSUN BUILDING MATERIALS CO., LTD.	JIN SHUN MARITIME LTD.	Hong Kong	Shipping	$583,591 (USD 19,000)	$314,216 (USD 10,000)	148,200,000	100%	$436,993	$38,144	$38,144	
	YUAN SHUN MARITIME LTD.	Hong Kong	Shipping	466,588 (USD 15,150)	466,588 (USD 15,150)	118,170,000	100%	466,942	1,631	1,631	
	JING SHUN MARITIME LTD.	Hong Kong	Shipping	307,970 (USD 10,000)	307,970 (USD 10,000)	10,000,001	100%	306,298	(777)	(777)	
	FENG SHUN MARITIME LTD.	Hong Kong	Shipping	192,481 (USD 6,250)	192,481 (USD 6,250)	6,250,001	100%	173,623	(17,724)	(17,724)	
	HUI SHUN MARITIME LTD.	Hong Kong	Shipping	253,931 (USD 9,000)	- -	9,000,001	100%	245,428	(29,964)	(29,964)	
	EASE GREAT INVESTMENTS LTD.	Samoa	Investment and holding	2,334,183 (USD 59,640)	2,334,183 USD 59,640	59,640,000	100%	3,354,459	71,430	71,430	
	TAIWAN BUILDING MATERIALS (HONG KONG) LIMITED	Hong Kong	Investment	480,289 (USD 15,436)	480,289 (USD 15,436)	116,686,664	100%	339,431	(265)	(265)	
	RAIXIN QUALITY PRODUCTS LTD.	Taipei, TW	Upholstery and sales of furniture	66,386	66,386	5,421,023	39%	15,738	(21,291)	(8,289)	Associates
WELLPOOL CO., LTD.	GAPE-GOLDSUN CORPORATION	Taipei, TW	Sales of calcium silicate board and other boards	1,283	1,283	100,000	100%	1,493	13	-	
EASE GREAT INVESTMENTS LTD.	GREAT SMART LTD.	Cayman	Investment and holding	629,364 (USD 19,390)	629,364 (USD 19,390)	19,390,000	100%	859,418	14,659	-	
	GOLDSUN INTERNATIONAL DEVELOPMENT CORP.	Cayman	Investment and holding	1,316,300 (USD 40,100)	1,316,300 (USD 40,100)	40,100,000	100%	2,492,642	56,829	-	

Note 1: RUEI SHIN CONSTRUCION CO., LTD., a subsidiary, independently operated business to a newly incorporated company, REIXIN ASSET MANAGEMENT INC., that the Company own 100% share.
The transferred business value is estimated 1,000,000 thousand. The Company transferred part of its obtained 100,000 thousand new shares issued by REIXIN ASSET MANAGEMENT INC. as consideration. The division reference date was January 1, 2020.

ATTACHMENT 10: Investment in Mainland China as of December 31, 2022

(Unit:Foreign currency: thousands, NTD: thousands)

Investee Company	Main business and products	Total amount of paid-in capital	Method of investment	Accumulated outflow of investment from Taiwan as of January 1, 2022	Investment flows		Accumulated outflow of investment from Taiwan as of December 31, 2022	Net income (loss) of investee Company	Percentage of ownership	Investment income (loss) recognized	Carrying value as of December 31, 2022	Accumulated inward remittance of earnings as of December 31, 2022
					Outflow	Inflow						
GOLDSUN CONCRETE (SUZHOU) CO., LTD.	Production and sales of ready-mixed concrete and cement products	$402,217 (USD 11,882)	(Note 1)	$402,217 (USD 11,882)	$-	$-	$402,217 (USD 11,882)	$1,982 (Note 4)	100%	$1,982 (Note 4)	$433,773 (Note 4)	$33,567
GOLDSUN (CHANGSHU) CONCRETE CO., LTD.	Production and sales of ready-mixed concrete and cement products	459,388 (USD 14,200)	(Note 1)	459,388 (USD 14,200)	-	-	459,388 (USD 14,200)	15,446 (Note 4)	100%	15,446 (Note 4)	606,832 (Note 4)	242,608
GOLDSUN CONCRETE (WUJIANG) CO., LTD.	Production and sales of ready-mixed concrete and cement products	197,939 (USD 5,960)	(Note 1)	197,939 (USD 5,960)	-	-	197,939 (USD 5,960)	4,061 (Note 4)	100%	4,061 (Note 4)	750,825 (Note 4)	-
GOLDSUN (SUZHOU) BUILDING MATERIALS CO., LTD.	Production and sales of ready-mixed concrete and	198,527 (USD 5,960)	(Note 1)	198,527 (USD 5,960)	-	-	198,527 (USD 5,960)	35,693 (Note 4)	100%	35,693 (Note 4)	699,540 (Note 4)	-
LIANYUAN CONCH CEMENT CO., LTD.	Cement production and distribution	2,383,120 (USD 74,800)	(Note 2)	376,549 (USD 10,800)	-	-	376,549 (USD 10,800)	99,022 (Note 4)	20%	19,804 (Note 4)	844,831 (Note 4)	145,190
FUZHOU SANSHUN STONE MATERIAL CO., LTD.	Sandstone processing	1,016,143 (USD 33,503)	(Note 3)	453,555 (USD 14,566)	-	-	453,555 (USD 14,566)	-	19%	-	320,313 (Note 5)	-
FUJIAN HENGZHONG SAND STONE CO., LTD.(Note9)	Sandstone processing	134,790 (RMB 30,000)	(Note 3)	24,777 (USD 810)	-	-	24,777 (USD 810)	-	19%	-	18,354 (Note 5)	-

Accumulated investment in Mainland China as of December 31, 2022	Investment amounts authorized by Investment Commission, MOEA	Upper limit on investment
$3,138,413 (USD 95,580)	$1,457,136 (USD 52,642)	$14,638,234 (Note 6)

Note 1: The Company established EASE GREAT INVESTMENTS LTD. in a third region. The Company reinvested in GOLDSUN INTERNATIONAL DEVELOPMENT CORP. (through EASE GREAT INVESTMENTS LTD.) and then invested in Mainland China.

Note 2: The Company established EASE GREAT INVESTMENTS LTD. in a third region. The Company reinvested in GREAT SMART LTD. (through EASE GREAT INVESTMENTS LTD.) and then invested in Mainland China.

Note 3: The Company established TAIWAN BUILDING MATERIALS (HONG KONG) LIMITED. in a third region and then invested in Mainland China.

Note 4: Amount was recognized based on the audited financial statements.

Note 5: The Company recognized the investment as " Financial assets at fair value through other comprehensive income, non-current".

Note 6: Based on the new regulations issued by the Investment Commission of the Ministry of Economic Affairs (MOEA) in 2008, The ceiling amount of Investment limits on mainland China was 60% of consolidated net worth or net worth (higher).

Attachment 11: Information of Major Shareholder as of December 31, 2022

(Unit: share)

Shares/Name	Number of shares		Percentage of ownership (%)
	Ordinary Stock	Preferred stock	
SHIN LAN ENTERPRISE INC.	80,995,341	-	6.86%
TAIWAN SECOM CO., LTD.	77,705,747	-	6.58%

Note 1: The information of major shareholders presented in this table is provided by the Taiwan Depository & Clearing Corporation based on the number of ordinary shares and preference shares held by shareholders with ownership of 5% or greater, that have been issued without physical registration (including treasury shares) by the Company as of the last business day for the current quarter. The share capital in the consolidated financial statements may differ from the actual number of shares that have been issued without physical registration because of different preparation basis.

Note 2: If a shareholder delivers the shareholdings to the trust, the above information will be disclosed by the individual truster who opened the trust account. For shareholders who declare insider shareholdings with ownership greater than 10% in accordance with the Security and Exchange Act, the shareholdings include shares held by shareholders and those delivered to the trust over which shareholders have rights to determine the use of trust property. For information relating to insider shareholding declaration, please refer to the Market Observation Post System.

Note 3: The preparation of the table is done by calculating the distribution of the balance of each credit transactions based on the shareholder registers (not buying to cover) whose shares are suspended for transfer for the shareholder extraordinary meeting.

Note 4: Shareholding percentage (%) = The total number of shares held by the shareholder / The total number of shares that have been delivered without physical registration.

Note 5: The total number of shares (including treasury shares) that have been delivered without physical registration is 1,180,000,000 shares = 1,180,000,000 shares (ordinary shares) + 0 shares (preferred shares).

THE CONTENTS OF STATEMENTS OF MAJOR ACCOUNTING ITEMS

GOLDSUN BUILDING MATERIALS CO., LTD.

1. Statement of Cash and cash equivalents

December 31, 2022

(In Thousands of New Taiwan Dollars)

Item	Description	Amount	Note
Cash on hand and petty cash		$4,550	
Bank savings			
Checking accounts		232,948	
Savings accounts		201,589	
Time deposits		44,100	
Savings accounts - Foreign currency	USD 4,860 thousand / Exchange rate 30.71	143,981	
	CNY 2,213 thousand / Exchange rate 4.41	9,759	
	GBP 0.01 thousand / Exchange rate 37.09	1	
Time deposits - Foreign currency	USD 4,500 thousand / Exchange rate 30.71	143,462	
Total		$780,390	

GOLDSUN BUILDING MATERIALS CO., LTD.

2.Statement of Financial assets at fair value through other comprehensive income, current

December 31, 2022

(In Thousands of New Taiwan Dollars)

Name of securities	Description	Units bonds /shares	Par Value	Amount	Rate	Cost	Fair Value		Changes in fair value attributable to changes in credit risk	Note
							Unit Price	Amount		
Stock	TAIWAN CEMENT CORPORATION	18,478,794	$10	$184,788	-	$365,470	$33.65	$621,811	-	12,300 thousand shares provide for loan guarantee
Stock	KINPO ELECTRONICS, INC.	1,000,000	10	10,000	-	16,728	13.56	13,500	-	
Total				$194,788		$382,198		$635,311		

GOLDSUN BUILDING MATERIALS CO., LTD.

3.Statement of Notes receivable

December 31, 2022

(In Thousands of New Taiwan Dollars)

Item	Description	Amount	Note
Third Parties			
YUNG CHING CONSTRUCTION CO., LTD.		$52,750	
Others	The amount of individual client in others does not exceed 5% of the account balance.	971,899	
Subtotal		1,024,649	
Less: Loss allowance		(404)	
Total		$1,024,245	

GOLDSUN BUILDING MATERIALS CO., LTD.

4.Statement of Accounts receivable

December 31, 2022

(In Thousands of New Taiwan Dollars)

Item	Description	Amount	Note
Third Parties			
DA-CIN CONSTRUCTION CO., LTD.		$311,766	
RUENTEX ENGINEERING & CONSTRUCTION CO., LTD.		278,241	
Others	The amount of individual client in others does not exceed 5% of the account balance.	4,356,296	
Subtotal		4,946,303	
Less: Loss allowance		(82,608)	
Total		4,863,695	
Related parties			
WELLPOOL CO., LTD.		29,159	
GOYU BUILDING MATERIALS CO., LTD.		4,154	
Others	The amount of individual client in others does not exceed 5% of the account balance.	3,897	
Subtotal		37,210	
Total		$4,900,905	

GOLDSUN BUILDING MATERIALS CO., LTD.

5.Statement of Other receivables

December 31, 2022

(In Thousands of New Taiwan Dollars)

Item	Description	Amount	Note
Third Parties			
Others	The amount of individual client in others does not exceed 5% of the account balance.	$18,712	
Related parties			
GOLDSUN EXPRESS & LOGISTICS CO., LTD.		21,120	
JING SHUN MARITIME LIMITED		15,192	
JIN SHUN MARITIME LIMITED		8,801	
Others		2,600	
Subtotal		47,713	
Total		$66,425	

GOLDSUN BUILDING MATERIALS CO., LTD.

6.Statement of Inventories

December 31, 2022

(In Thousands of New Taiwan Dollars)

Item	Description	Amount: Cost	Amount: Net realizable value	Note
Raw materials		$335,749	$335,749	Net realizable value represents market value.
Buildings for Sale		90,280	109,544	Net realizable value represents market value.
Construction land		210,368	363,999	Net realizable value represents market value.
Subtotal		636,397	$809,292	
Less: Allowance for inventory valuation losses		(10,408)		
Total		$625,989		

GOLDSUN BUILDING MATERIALS CO., LTD.

7.Statement of Prepayments

December 31, 2022

(In Thousands of New Taiwan Dollars)

Item	Description	Amount	Note
Prepayments			
Prepayment for purchases	Cement, Furnace dust, Gravel, Sand stone, Oil…	$276,926	
Prepaid expenses		59,468	
Others		15,183	
Total		$351,577	

GOLDSUN BUILDING MATERIALS CO., LTD.

8.Statement of Financial assets at fair value through other comprehensive income, noncurrent

For the year ended December 31, 2022

(In Thousands of New Taiwan Dollars)

	Beginning balance		Addition		Decrease		Adjustments for change in value	Ending balance		Collateral	Note
	Shares	Fair value	Shares	Amount	Shares	Amount		Shares	Fair value		
Stock											
TAIWAN SECOM CO., LTD.	5,935,000	$617,240	-	$-	-	$-	$(23,740)	5,935,000	$593,500	4,200 thousand shares provide for loan guarantee	
TAIWAN SHIN KONG SECURITY CO., LTD.	20,000	787	-	-	-	-	(5)	20,000	782	None	
TAIWAN AIRPORT SERVICE CO., LTD.	7,405,200	69,017	-	-	-	-	(14,144)	7,405,200	54,873	7,405 thousand shares provide for loan guarantee	
FUHWA VENTURE CAPITAL INC.	15,000	1,228	-	-	15,000	(8,642) Note	7,414	-	-	None	
OVERSEAS INVESTMENT & DEVELOPMENT CORP.	2,000,000	14,740	-	-	-	-	900	2,000,000	15,640	None	
ANFENG SPRING ENTERPRISE CO., LTD.	150,000	2,498	-	-	-	-	(46)	150,000	2,452	None	
CHINESE PRODUCTS PROMOTION CENTRE	1,334	-	-	-	-	-	-	1,334	-	None	
EVERTERMINAL CO., LTD.	714,826	10,051	-	-	-	-	6,383	714,826	16,434	None	
MING REN LU CONCRETE CO., Ltd.	-	-	200,000	2,000	-	-	-	200,000	2,000	None	
REGENERATED CONCRETE CO., Ltd.	-	-	300,000	3,000	-	-	-	300,000	3,000	None	
CHI HSIANG BROWNSTONE CO., LTD.	-	-	6,300	7,060	-	-	-	6,300	7,060	None	
Total		$715,561		$12,060		$(8,642)	$(23,238)		$695,741		

Note: Cash capital reduction.

GOLDSUN BUILDING MATERIALS CO., LTD.

9.Statement of changes in Investments accounted for using equity method

For the year ended December 31, 2022

(In Thousands of New Taiwan Dollars)

Item	Beginning balance		Addition(Note1)		Decrease(Note2)		Ending balance			Fair value / Net assets value		Collateral	Note
	Shares	Amount	Shares	Amount	Shares	Amount	Shares	%	Amount	Unit price (NTD)	Fair value		
RUEI SHIN CONSTRUCTIN CO., LTD.	80,000,000	$1,579,396	-	$5,546	-	$-	80,000,000	100%	$1,584,942	$19.83	$1,586,010	None	subsidiary
WELLPOOL CO., LTD.	18,280,389	549,877	-	95,967	-	(82,261)	18,280,389	51%	563,583	66.10	1,208,334	15,000 thousand shares provide for loan guarantee	subsidiary
GOLDSUN NIHON CEMENT CO., LTD.	11,460,000	153,407	-	13,589	-	(11,460)	11,460,000	59%	155,536	13.57	155,536	None	subsidiary
KUOYUNG CONSTRUCTION & ENGINEERING CO., LTD.	30,000,000	412,482	-	14,336	-	(28,991)	30,000,000	100%	397,827	13.26	397,827	None	subsidiary
EASE GREAT INVESTMENTS LTD.	59,640,000	3,237,133	-	544,578	-	(427,252)	59,640,000	100%	3,354,459	37.53	2,238,151	None	subsidiary
HWA YA DEVELOPMENT CO., LTD.	15,714,108	158,449	8,800,000	88,258	-	(2,642)	24,514,108	41%	244,065	9.96	244,065	None	subsidiary
TAIPEI PORT TERMINAL COMPANY LIMITED	250,000,000	2,482,120	-	-	-	(4,665)	250,000,000	100%	2,477,455	9.91	2,477,400	None	subsidiary
JIN SHUN MARITIME LIMITED	78,000,000	109,232	70,200,000	327,761	-	-	148,200,000	100%	436,993	2.95	436,993	None	subsidiary
YUAN SHUN MARITIME LIMITED	118,170,000	429,106	-	50,455	-	(12,619)	118,170,000	100%	466,942	3.95	466,942	None	subsidiary
JING SHUN MARITIME LIMITED	10,000,001	282,553	-	30,468	-	(6,723)	10,000,001	100%	306,298	30.63	306,298	None	subsidiary
FENG SHUN MARITIME LIMITED	6,250,001	191,160	-	20,877	-	(38,414)	6,250,001	100%	173,623	27.78	173,623	None	subsidiary
HUI SHUN MARITIME LIMITED	-	-	9,000,001	275,392	-	(29,964)	9,000,001	100%	245,428	27.27	245,430	None	subsidiary
TAIWAN BUILDING MATERIALS (HONG KONG) LIMITED	116,686,664	427,500	-	53,012	-	(141,081)	116,686,664	100%	339,431	2.91	339,431	None	subsidiary
GOYU BUILDING MATERIALS CO., LTD.	28,000,000	248,592	-	7,707	-	-	28,000,000	70%	256,299	9.15	256,299	None	subsidiary
GIMPO MARINE CO., LTD.	10,000,000	89,306	-	5,302	-	-	10,000,000	100%	94,608	9.46	94,608	None	subsidiary
REIXIN ASSET MANAGEMENT INC.	100,000,000	1,045,775	-	5,180	-	(5,749)	100,000,000	100%	1,045,206	10.45	1,045,427	None	subsidiary
LAKE VERNICIA DEVELOPMENT COMPANY	100,000	611	-	-	-	(237)	100,000	100%	374	3.74	374	None	subsidiary
GALC INC.	2,100,000	22,126	-	7,075	-	(1,013)	2,100,000	70%	28,188	13.42	28,188	None	subsidiary
RAIXIN QUALITY PRODUCTS LTD.	5,421,023	24,027	-	-	-	(8,289)	5,421,023	39%	15,738	2.90	15,738	None	associate
Total		$11,442,852		$1,545,503		$(801,360)			$12,186,995				

Note 1: Including new investment, investment gain and exchange differences on translation of foreign operations.

Note 2: Including capital deducted by cash, investment loss and exchange differences on translation of foreign operations.

GOLDSUN BUILDING MATERIALS CO., LTD.

10.Statement of changes in Right-of-use assets

For the year ended December 31, 2022

(In Thousands of New Taiwan Dollars)

	Beginning balance	Additions	Disposals	Ending balance	Note
Land	$625,870	$174,738	$354,684	$445,924	
Buildings	72,711	8,961	-	81,672	
Machinery equipment	-	13,240	-	13,240	
Transportation equipment	3,900	12,088	3,900	12,088	
Total	$702,481	$209,027	$358,584	$552,924	

GOLDSUN BUILDING MATERIALS CO., LTD.

11.Statement of changes in accumulated depreciation and impairment of Right-of-use assets

For the year ended December 31, 2022

(In Thousands of New Taiwan Dollars)

	Beginning balance	Depreciation	Disposals	Ending balance	Note
Land	$221,418	$106,801	$144,306	$183,913	
Buildings	27,872	16,824	-	44,696	
Machinery equipment	-	551	-	551	
Transportation equipment	3,900	908	3,900	908	
Total	$253,190	$125,084	$148,206	$230,068	

GOLDSUN BUILDING MATERIALS CO., LTD.

12.Statement of Short-term borrowings

December 31, 2022

(In Thousands of New Taiwan Dollars)

Type	Description	Ending balance	Contract period	Interest rate	Loan commitment	Collateral	Note
Secured bank loans		$1,672,000	Jul. 6, 2022~May. 26, 2023	1.48%~2%	Please refer to Note 6(12)	Please refer to Note 8	
Unsecured bank loans		958,000	Oct. 31, 2022~Mar. 31, 2023	1.48%~1.71%			
Total		$2,630,000					

GOLDSUN BUILDING MATERIALS CO., LTD.

13.Statement of Notes payable

December 31, 2022

(In Thousands of New Taiwan Dollars)

Vendor name	Description	Amount	Note
Third parties			
CHC RESOURCES CO., LTD.		$51,471	
SOUTHEAST CEMENT CO., LTD.		33,469	
LUCKY CEMENT CO., LTD.		20,390	
CHIA HSIN CEMENT CO., LTD.		15,488	
LIHONG MIXED CO., LTD.		14,333	
CHANG DA SANDSTONE LTD.		13,304	
YI TONG FIBER CO., LTD.		11,534	
Others	The amount of individual vendor in others does not exceed 5% of the account balance.	19,222	
Total		$179,211	

GOLDSUN BUILDING MATERIALS CO., LTD.

14.Statement of Accounts payable

December 31, 2022

(In Thousands of New Taiwan Dollars)

Vendor name	Description	Amount	Note
Third parties			
RUENTEX MATERIALS CO., LTD.		$262,441	
YU CHING TANG CO., LTD.		71,022	
CHIN LING SANDSTONE LTD.		70,616	
HUNG YUN SANDSTONE CO., LTD.		63,651	
XIN DE ENTERPRISE CO., LTD.		63,175	
Others	The amount of individual vendor in others does not exceed 5% of the account balance.	694,658	
Subtotal		1,225,563	
Related parties			
GOLDSUN NIHON CEMENT CO., LTD.		113,590	
GOLDSUN EXPRESS & LOGISTICS CO., LTD.		102,121	
TAIPEI PORT TERMINAL COMPANY LTD.		101,565	
Others	The amount of individual vendor in others does not exceed 5% of the account balance.	28,578	
Subtotal		345,854	
Total		$1,571,417	

GOLDSUN BUILDING MATERIALS CO., LTD.

15.Statement of Other payables

December 31, 2022

(In Thousands of New Taiwan Dollars)

Item	Description	Amount	Note
Payables on equipment		$425,381	
Payroll payable		400,704	
Shipping payable		229,667	
Others		217,777	
Subtotal		1,273,529	
Related parties			
REI SHIN CONSTRUCTION CO., LTD.		450,000	
Others	The amount of individual vendor in others does not exceed 5% of the account balance.	32,429	
Subtotal		482,429	
Total		$1,755,958	

GOLDSUN BUILDING MATERIALS CO., LTD.

16.Statement of Lease liabilities

December 31, 2022

(In Thousands of New Taiwan Dollars)

Item	Description	Period	Discount rate	Ending balance	Note
Current lease liabilities					
Land		Jan. 1, 2017-Nov. 30, 2029	1.15%~1.336%	$79,168	
Buildings		Feb. 1, 2020-Jan. 31, 2025	1.336%	14,797	
Transportation equipment		Sep. 19, 2022-Sep. 18, 2027	1.150%	1,770	
Machinery equipment		Dec. 1, 2022-Nov. 30, 2027	0.93%	1,645	
Subtotal				97,380	
Non-current lease liabilities					
Land		Jan. 1, 2017-Nov. 30, 2029	1.15%~1.336%	149,694	
Buildings		Feb. 1, 2020-Jan. 31, 2025	1.340%	17,990	
Transportation equipment		Sep. 19, 2022-Sep. 18, 2027	1.150%	4,466	
Machinery equipment		Dec. 1, 2022-Nov. 30, 2027	0.930%	10,072	
Subtotal				182,222	
Total				$279,602	

GOLDSUN BUILDING MATERIALS CO., LTD.

17.Statement of Other current liabilities

December 31, 2022

(In Thousands of New Taiwan Dollars)

Item	Description	Amount	Note
Fund held in custody	Business tax, and etc.	$114,732	
Receipts under custody	Income tax collection	6,196	
	Others	904	
Total		$121,832	
.			

GOLDSUN BUILDING MATERIALS CO., LTD.

18.Statement of Advance receipt

December 31, 2022

(In Thousands of New Taiwan Dollars)

Item	Description	Amount	Note
Advance rent		$8,768	

GOLDSUN BUILDING MATERIALS CO., LTD.

19.Statement of Long-term borrowings

December 31, 2022

(In Thousands of New Taiwan Dollars)

Lender	Description	Amount	Contract period	Interest rate	Collateral	Note
More than one year due						
Bank of East Asia	Unsecured loans	$210,000	Aug. 18, 2021~ Aug. 18, 2024	1.916%	Note1	Effective Aught 18, 2019 (the drawdown), principal payable semi-annually after 12 months. A total of 5 instalments of which were amortized at an average of 20% of the principal. For the commitment, please refer to Note 6(12).
Bank Of Taiwan	Secured loans	1,420,000	Jul. 12, 2022 ~ Jul. 12, 2027	1.545%	Note1	Effective Jan. 12, 2024, principal payable semi-annually which will repay by eight instalments, amount of payment was NTD$250,000 thousand, interest paid every month.
First Commercial Bank	Unsecured loans	770,000	Dec. 29, 2022 ~ Dec. 29, 2024	2.200%	None	The principal is repaid at the due date, interest paid every month.
KGI Bank Co., Ltd	Unsecured loans	410,000	Dec. 1, 2022 ~ Dec. 1,2023	1.990%	None	The principal is repaid at the due date, interest paid every month.
KGI Bank Co., Ltd	Secured loans	190,000	Dec. 1, 2022 ~ Dec. 1,2023	1.990%	None	The principal is repaid at the due date, interest paid every month.
Subtotal		3,000,000				
Less: current portion						
Bank of East Asia		(70,000)				
Bank Of Taiwan		(142,000)				
KGI Bank Co., Ltd		(600,000)				
Total		$2,188,000				

Note1: For the guarantee, please refer to Note 8.

GOLDSUN BUILDING MATERIALS CO., LTD.

20.Statement of Long-term notes and bills payable

December 31, 2022

(In Thousands of New Taiwan Dollars)

Item	Guarantee or acceptance agency	Contract term	Interest rate	Amount			Collateral
				Issue amount	Unamortized short-term notes discount	Book value	
Commercial promissory note	Grand Bills	Dec. 29, 2022~ Jan. 5, 2023	1.34% (excluding handling charge)	$600,000	$135	$599,865	For the guarantee, please refer to Note 8.

GOLDSUN BUILDING MATERIALS CO., LTD.

21.Statement of Operating revenue

For the year ended December 31, 2022

(In Thousands of New Taiwan Dollars)

Item	Quantity	Amount	Note
Sales of ready mixed concrete	6,341,368 m^3	$16,690,553	
Less: Sales discounts		(32,019)	
Net sales		16,658,534	
Other operating revenue	Selling sandstone, squares, etc.	276,812	
Rent revenue	Tainan Shopping Mall, Goldsun building and other rent	48,712	
Total		$16,984,058	

GOLDSUN BUILDING MATERIALS CO., LTD.

22.Statement of Operating costs

For the year ended December 31, 2022

(In Thousands of New Taiwan Dollars)

Item	Amount		Note
	Subtotal	Total	
Sales cost of products			
Direct material		$10,475,149	
Beginning of year	$171,952		
Add: raw material purchased	10,802,292		
Less: raw material, end of year	(313,573)		
Sale of raw materials	(185,522)		
Production overheads		2,575,590	
Manufacturing costs		13,050,739	
Add: work in process, beginning of year			
Less: work in process, end of year			
Cost of finished goods		13,050,739	
Add: finished goods, beginning of year			
Less: finished goods, end of year			
Others		(18,352)	
Sales cost of purchased goods		29,245	
Beginning of year			
Add: purchase current year	29,245		
Less: purchased goods, end of year			
Costs of goods sold		13,061,632	
Rent costs		53,679	
Other operating costs		220,635	
Total		$13,335,946	

GOLDSUN BUILDING MATERIALS CO., LTD.

23.Statement of Production overheads

For the year ended December 31, 2022

(In Thousands of New Taiwan Dollars)

Item	Description	Amount	Note
Shipping expense		$974,039	
Salaries		684,348	
Depreciation and depletion		295,622	
Repair expense		109,132	
Consumable materials and tools		101,248	
Others	The amount of individual vendor in others does not exceed 5% of the account balance.	411,201	
Total		$2,575,590	

GOLDSUN BUILDING MATERIALS CO., LTD.

24.Statement of Sales and marketing

For the year ended December 31, 2022

(In Thousands of New Taiwan Dollars)

Item	Description	Amount	Note
Salaries		$81,153	
Entertainment expense		9,003	
Insurance expense		8,489	
Others	The amount of individual vendor in others does not exceed 5% of the account balance.	13,506	
Total		$112,151	

GOLDSUN BUILDING MATERIALS CO., LTD.

25.Statement of General and administrative expenses

For the year ended December 31, 2022

(In Thousands of New Taiwan Dollars)

Item	Description	Amount	Note
Salaries		$311,407	
Depreciation		31,057	
Others	The amount of individual vendor in others does not exceed 5% of the account balance.	131,524	
Total		$473,988	

GOLDSUN BUILDING MATERIALS CO., LTD.

26.Statement of Research and development expenses

For the year ended December 31, 2022

(In Thousands of New Taiwan Dollars)

Item	Description	Amount	Note
Salaries		$6,964	
Depreciation		2,491	
Others	The amount of individual vendor in others does not exceed 5% of the account balance.	9,992	
Total		$19,447	