Stock Code:3266

SUNTY DEVELOPMENT CO., LTD. AND SUBSIDIARIES

Consolidated Financial Statements

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

Address: 11F, NO.289, Section 4, Zhongxiao East Road, Da-an District, Taipei City 106, Taiwan

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

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Representation Letter

The entities that are required to be included in the combined financial statements of Sunty Development Co., Ltd. as of and for the year ended December 31, 2023 under the Criteria Governing the Preparation of Affiliation Reports, Consolidated Business Reports, and Consolidated Financial Statements of Affiliated Enterprises are the same as those included in the consolidated financial statements prepared in conformity with International Financial Reporting Standards No. 10 by the Financial Supervisory Commission, "Consolidated Financial Statements." In addition, the information required to be disclosed in the combined financial statements is included in the consolidated financial statements. Consequently, Sunty Development Co., Ltd. and subsidiaries do not prepare a separate set of combined financial statements.

Company name: Sunty Development Co., Ltd.
Chairman: Mai, Kuan-Chen
Date: March 11, 2024

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Independent Auditors' Report

To the Board of Directors of Sunty Development Co., Ltd.:

Opinion

We have audited the consolidated financial statements of Sunty Development Co., Ltd. and its subsidiaries ("the Group"), which comprise the consolidated balance sheet as of December 31, 2023 and 2022, the consolidated statement of comprehensive income, changes in equity and cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of material accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as of December 31, 2023 and 2022, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and with the International Financial Reporting Standards ("IFRSs"), International Accounting Standards ("IASs"), Interpretations developed by the International Financial Reporting Interpretations Committee ("IFRIC") or the former Standing Interpretations Committee ("SIC") endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

Basis for Opinion

We conducted our audits in accordance with the Regulations Governing Financial Statement Audit and Attestation Engagements of Certified Public Accountants and Standards on Auditing of the Republic of China. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the Norm of Professional Ethics for Certified Public Account of Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirement. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis of our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. Based on our judgment, the key audit matters that should be disclosed in this report are as follows:

1. Appropriateness of Recognition Timing of Building and Land Sales Revenue

   Please refer to notes 4(p) and 6(v) of the notes to consolidated financial statements for the accounting policy on revenue recognition and the description of revenue.

Description of key audit matter:

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

How the matter was addressed in our audit:

Our principal audit procedures included:

- Understanding the design of the Group's internal controls over the recognition of revenue and the accrual of receivables.

- Performing substantive tests on randomly selected samples of sales contracts, and real estate ownership transfer documents; as well as checking the sales data and general ledger to ensure consistency.

- Testing on sales transactions taking place befored and after the balance sheet date as well as confirming relevant transaction records and documentations to ensure that revenue was fairly presented in the appropriate period.

2. Valuation of Inventory

Please refer to Note 4(h) for the accounting policies on inventory valuation, Note 5 for the uncertainty of accounting estimations and assumptions for inventory valuation, and Note 6(d) for details of inventory valuation.

Description of key audit matter:

Inventories, which play a significant role in the Group's business operation, account for 73% of the Group's total assets, wherein the evaluation has to comply with the International Accounting Standards Bulletin No. 2. Moreover, if the net realizable value of inventories is inaccurately assessed, it will result in a negative impact on the financial report. Therefore, inventory evaluation has been recognized as one of our key audit matters.

How the matter was addressed in our audit:

- Understanding the Group's internal procedures and accounting processes over inventory valuation; obtaining the valuation information on the net realizable value of inventory on the date of the reporting; inspecting and performing sample testing on the comparable market data such as sales prices of the transactions in the neighborhood, registered sales prices of real estate published by contract prices of recent sales of the Group’s developments or Ministry of the Interior, or confirming and recalculating the investment return analysis of each developments, to evaluate if the net realizable value of inventory is fairly presented.

Other Matter

Sunty Development Co., Ltd. has prepared its parent-company-only financial statements as of and for the years ended December 31, 2023 and 2022, on which we have issued an unmodified opinion.

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

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with Regulations Governing the Preparation of Financial Reports by Securities Issuers and with the IFRSs, IASs, IFRIC, SIC endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

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

As part of an audit in accordance with the Standards on Auditing of the Republic of China, we exercise professional judgment and professional skepticism throughout the audit. We also:

1. Identify and assess the risks of material misstatement of the consolidated 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 Group's internal control.

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

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

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

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

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

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and 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 consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

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

KPMG

Taipei, Taiwan (Republic of China)
March 22, 2024

Notes to Readers

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

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

(English Translation of Consolidated Financial Statements and Report Originally Issued in Chinese)

SUNTY DEVELOPMENT CO., LTD. AND SUBSIDIARIES

Consolidated Balance Sheets

December 31, 2023 and 2022

(Expressed in Thousands of New Taiwan Dollars)

		December 31, 2023		December 31, 2022	
	Assets	**Amount**	**%**	**Amount**	**%**
	Current assets:				
1100	Cash and cash equivalents (note 6(a))	$ 1,089,358	8	510,903	4
1110	Current financial assets at fair value through profit or loss (notes 6(b) and (y))	198,978	2	267,185	2
1140	Current contract assets (note 6(v))	26,448	-	36,010	-
1150	Notes receivable, net (notes 6(c) and (y))	-	-	4,186	-
1170	Accounts receivable, net (notes 6(c) and (y))	99,885	1	45,783	-
1180	Accounts receivable - related parties, net (notes 6(c), (y) and 7)	613	-	-	-
1200	Other receivables, net (notes 6(y) and 7)	484	-	17,598	-
1220	Current income tax assets	555	-	13,516	-
1320	Inventory (for construction) (notes 6(d), 7 and 8)	9,641,873	73	10,738,974	75
1410	Prepayments	186,149	1	182,428	1
1476	Other current financial assets (notes 6(k), 8 and 9)	217,256	2	587,109	4
1479	Other current assets, others	2,469	-	946	-
1480	Current incremental costs to obtain a contract (note 6(k))	339,627	3	490,387	4
		11,803,695	90	12,895,025	90
	Non-current assets:				
1551	Investments accounted for using equity method (note 6(e))	30,425	-	-	-
1600	Property, plant and equipment (notes 6(h) and 8)	137,309	1	139,596	1
1755	Right-of-use assets (note 6(i))	130,976	1	141,992	1
1760	Investment property, net (notes 6(j) and 8)	945,223	7	969,608	7
1780	Intangible assets	-	-	194	-
1840	Deferred tax assets (note 6(s))	24,988	-	41,565	-
1975	Non-current net defined benefit asset (note 6(r))	12,012	-	8,584	-
1980	Other non-current financial assets (notes 6(k), 8 and 9)	56,793	1	78,143	1
		1,337,726	10	1,379,682	10
	Total assets	$ 13,141,421	100	14,274,707	100

		December 31, 2023		December 31, 2022	
	Liabilities and Equity	**Amount**	**%**	**Amount**	**%**
	Current liabilities:				
2100	Short-term borrowings (note 6(l))	$ 3,785,000	29	4,646,000	33
2110	Short-term notes and bills payable (note 6(m))	-	-	29,919	-
2130	Current lease liabilities (notes 6(v) and 9)	2,244,220	17	2,682,453	19
2150	Notes payable (note 6(y))	4,714	-	10,733	-
2170	Accounts payable (notes 6(y) and 7)	440,310	4	435,663	3
2180	Accounts payable to related parties (notes 6(y) and 7)	22,113	-	15,805	-
2200	Other payables (notes 6(r), (y) and 7)	173,881	1	166,453	1
2230	Current tax liabilities	40,035	-	19,323	-
2250	Current provisions (note 6(p))	5,722	-	14,515	-
2280	Current lease liabilities (note 6(o))	3,847	-	3,826	-
2322	Long-term borrowings, current portion (note 6(n))	30,000	-	30,000	-
2399	Other current liabilities-others (note 7)	10,147	-	11,196	-
		6,759,989	51	8,065,886	56
	Non-Current liabilities:				
2540	Long-term borrowings (note 6(n))	221,500	2	251,500	2
2550	Non-current provisions (note 6(p))	47,424	-	42,117	-
2573	Deferred tax liabilities-others (note 6(s))	-	-	61	-
2580	Non-current lease liabilities (note 6(o))	74,695	1	74,663	1
2645	Guarantee deposits (note 6(y))	2,950	-	3,350	-
		346,569	3	371,691	3
	Total liabilities	7,106,558	54	8,437,577	59
	Equity attributable to owners of the Company (note 6(t)):				
3100	Share capital	3,523,143	27	3,523,143	25
3200	Capital surplus	802,670	6	802,675	5
3300	Retained earnings	1,671,964	13	1,161,993	8
3400	Other equity interest	(252)	-	(43,951)	-
	Total equity attributable to owners of the Company:	5,997,525	46	5,443,860	38
36XX	Non-controlling interests	37,338	-	393,270	3
	Total equity	6,034,863	46	5,837,130	41
	Total liabilities and equity	$ 13,141,421	100	14,274,707	100

See accompanying notes to consolidated financial statements.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)

SUNTY DEVELOPMENT CO., LTD. AND SUBSIDIARIES

Consolidated Statements of Comprehensive Income

For the years ended December 31, 2023 and 2022

(In Thousands of New Taiwan Dollars)

		2023		2022	
		Amount	%	Amount	%
4000	**Operating revenues (notes 6(q), (v) and 7)**	$ 4,242,350	100	2,908,371	100
5000	**Operating costs (notes 6(d) and 7)**	3,002,296	71	2,339,461	81
5900	**Gross profit from operations**	1,240,054	29	568,910	19
	Operating expenses (note 7):				
6100	Selling expenses (note 6(k))	204,357	5	163,414	6
6200	Administrative expenses	287,595	7	216,845	7
6300	Research and development expenses	2,182	-	2,505	-
		494,134	12	382,764	13
6900	**Net operating income**	745,920	17	186,146	6
	Non-operating income and expenses:				
7100	Interest income (notes 6(x) and 7)	20,218	-	6,660	-
7020	Other gains and losses (notes 6(f), (i) and (x))	(4,472)	-	20,965	1
7050	Finance costs (notes 6(d) and (x))	(32,622)	-	(23,606)	(1)
7060	Share of profit (loss) of associates and joint ventures accounted for using equity method, net (note 6(e))	(3,818)	-	-	-
		(20,694)	-	4,019	-
7900	**Profit before income tax**	725,226	17	190,165	6
7950	**Less: Income tax expenses (note 6(s))**	81,011	2	32,092	1
	Profit for the period	644,215	15	158,073	5
8300	**Other comprehensive income (loss):**				
8310	**Components of other comprehensive income that will not be reclassified to profit or loss**				
8311	Gains (losses) on remeasurements of defined benefit plans (note 6(r))	3,166	-	3,816	-
8349	Less: Income tax related to components of other comprehensive income that will not be reclassified to profit or loss	-	-	-	-
	Total components of other comprehensive income that will not be reclassified to profit or loss	3,166	-	3,816	-
8360	**Components of other comprehensive income (loss) that will be reclassified to profit or loss**				
8361	Exchange differences on translation of foreign financial statements (note 6(t))	(13,687)	-	16,581	1
8399	Less: Income tax related to components of other comprehensive income that will be reclassified to profit or loss	1,427	-	(1,691)	-
	Items that may be reclassified to profit or loss	(12,260)	-	14,890	1
8300	**Other comprehensive income (net of tax)**	(9,094)	-	18,706	1
	Total comprehensive income	**$ 635,121**	**15**	**176,779**	**6**
	Profit (loss), attributable to:				
8610	Owners of parent	$ 683,723	16	200,247	7
8620	Non-controlling interests	(39,508)	(1)	(42,174)	(2)
		$ 644,215	**15**	**158,073**	**5**
	Comprehensive income attributable to:				
8710	Owners of parent	$ 680,420	16	209,870	7
8720	Non-controlling interests	(45,299)	(1)	(33,091)	(1)
		$ 635,121	**15**	**176,779**	**6**
	Basic earnings per share (NT dollar) (note 6(u))				
9750	**Basic earnings per share**	**$**	**1.94**		**0.57**
9850	**Diluted earnings per share**	**$**	**1.93**		**0.57**

See accompanying notes to consolidated financial statements.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)

SUNTY DEVELOPMENT CO., LTD. AND SUBSIDIARIES

Consolidated Statements of Changes in Equity

For the years ended December 31, 2023 and 2022

(Expressed in Thousands of New Taiwan Dollars)

	Equity attributable to owners of parent									
	Share capital		Retained earnings				Total other equity interest			
	Ordinary shares	Capital surplus	Legal reserve	Special reserve	Unappropriated retained earnings	Total retained earnings	Exchange differences on translation of foreign financial statements	Total equity attributable to owners of parent	Non-controlling interests	Total equity
Balance on January 1, 2022	$ 3,523,143	802,701	642,889	52,912	263,087	958,888	(50,716)	5,234,016	429,909	5,663,925
Profit for the period	-	-	-	-	200,247	200,247	-	200,247	(42,174)	158,073
Other comprehensive income, net of tax	-	-	-	-	2,858	2,858	6,765	9,623	9,083	18,706
Total comprehensive income	-	-	-	-	203,105	203,105	6,765	209,870	(33,091)	176,779
Appropriation and distribution of retained earnings:										
Legal reserve	-	-	8,753	-	(8,753)	-	-	-	-	-
Reversal of special reserve	-	-	-	(2,196)	2,196	-	-	-	-	-
Difference between consideration and carrying amount of subsidiaries acquired or disposed	-	(26)	-	-	-	-	-	(26)	-	(26)
Non-controlling interests (net of tax)	-	-	-	-	-	-	-	-	(3,548)	(3,548)
Balance on December 31, 2022	3,523,143	802,675	651,642	50,716	459,635	1,161,993	(43,951)	5,443,860	393,270	5,837,130
Profit for the period	-	-	-	-	683,723	683,723	-	683,723	(39,508)	644,215
Other comprehensive income, net of tax	-	-	-	-	2,405	2,405	(5,708)	(3,303)	(5,791)	(9,094)
Total comprehensive income	-	-	-	-	686,128	686,128	(5,708)	680,420	(45,299)	635,121
Appropriation and distribution of retained earnings:										
Legal reserve	-	-	20,311	-	(20,311)	-	-	-	-	-
Cash dividends of ordinary share	-	-	-	-	(176,157)	(176,157)	-	(176,157)	-	(176,157)
Reversal of special reserve	-	-	-	(6,765)	6,765	-	-	-	-	-
Disposal of subsidiaries or investments accounted for using equity method	-	-	-	-	-	-	49,407	49,407	(306,829)	(257,422)
Difference between consideration and carrying amount of subsidiaries acquired or disposed	-	(5)	-	-	-	-	-	(5)	-	(5)
Non-controlling interests (net of tax)	-	-	-	-	-	-	-	-	(3,804)	(3,804)
Balance on December 31, 2023	**$ 3,523,143**	**802,670**	**671,953**	**43,951**	**956,060**	**1,671,964**	**(252)**	**5,997,525**	**37,338**	**6,034,863**

See accompanying notes to consolidated financial statements.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)

SUNTY DEVELOPMENT CO., LTD. AND SUBSIDIARIES

Consolidated Statements of Cash Flows

For the years ended December 31, 2023 and 2022

(Expressed in Thousands of New Taiwan Dollars)

		For the years ended December 31	
		2023	2022
Cash flows from (used in) operating activities:			
Profit before income tax	$	725,226	190,165
Adjustments:			
Adjustments to reconcile profit (loss):			
Depreciation expense		31,794	33,045
Amortization expense		257	763
Net profit on financial assets or liabilities at fair value through profit or loss		(13,917)	2,599
Interest expense		32,622	23,606
Interest income		(20,218)	(6,660)
Dividend income		(593)	(1,886)
Share of loss of associates and joint ventures accounted for using equity method		3,818	-
Gain on disposal of property, plant and equipment		(944)	(20)
Losses on disposal of investments		14,848	-
Impairment loss		6,900	730
Gain on lease modification		-	(3)
Total adjustments to reconcile profit (loss)		54,567	52,174
Changes in operating assets and liabilities:			
Decrease (increase) in financial assets at fair value through profit or loss, mandatorily measured at fair value through profit or loss		73,230	(101,658)
Decrease in contract assets		9,562	19,243
Decrease in notes receivables		4,186	5,270
(Increase) decrease in account receivables		(54,715)	22,229
Decrease in other receivables		16,158	854
Decrease (increase) in inventories		830,427	(1,044,620)
Increase in prepayments		(7,681)	(37,903)
Decrease in other financial assets (current and non-current)		390,965	380,458
(Increase) decrease in other current assets		(1,523)	1,110
Decrease in current incremental costs of obtaining a contract		150,760	34,411
Increase in net defined benefit liabilities		(262)	(389)
Total changes in operating assets		1,411,107	(720,995)
(Decrease) increase in contract liabilities		(382,407)	19,910
(Decrease) increase in notes payables		(6,019)	8,594
Increase (decrease) in accounts payables		10,955	(70,368)
Increase (decrease) in other payables		62,289	(17,878)
Decrease in provisions		(3,486)	(293)
Decrease in other current liabilities		(805)	(11,507)
Total changes in operating liabilities		(319,473)	(71,542)
Total changes in operating assets and liabilities		1,091,634	(792,537)
Total adjustments		1,146,201	(740,363)
Cash inflow (outflow) generated from operations		1,871,427	(550,198)
Interest received		20,397	6,302
Interest paid		(115,322)	(85,010)
Income taxes paid		(37,529)	(30,822)
Net cash flows from (used in) operating activities		1,738,973	(659,728)

See accompanying notes to consolidated financial statements.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)

SUNTY DEVELOPMENT CO., LTD. AND SUBSIDIARIES

Consolidated Statements of Cash Flows (CONT'D)

For the years ended December 31, 2023 and 2022

(Expressed in Thousands of New Taiwan Dollars)

	For the years ended December 31	
	2023	**2022**
Cash flows from (used in) investing activities:		
Proceeds from disposal of subsidiaries	(51,693)	-
Acquisition of property, plant and equipment	(375)	(1,798)
Proceeds from disposal of property, plant and equipment	2,169	190
Dividends received	593	1,886
Net cash flows from (used in) investing activities	(49,306)	278
Cash flows from (used in) financing activities:		
Increase in short-term loans	1,010,000	1,933,170
Repayments of short-term loans	(1,871,000)	(1,077,000)
Increase in short-term notes and bills payables	59,838	789,250
Decrease in short-term notes and bills payables	(89,757)	(939,238)
Repayments of long-term loans	(30,000)	(30,000)
Increase in guarantee deposits received	538	74
Payment of lease liabilities	(1,871)	(4,023)
Cash dividends paid	(176,157)	-
Change in non-controlling interests	(3,809)	(3,574)
Net cash flows from (used in) financing activities	(1,102,218)	668,659
Effect of exchange rate changes on cash and cash equivalents	(8,994)	6,477
Net increase in cash and cash equivalents	578,455	15,686
Cash and cash equivalents at beginning of period	510,903	495,217
Cash and cash equivalents at end of period	$ **1,089,358**	**510,903**

See accompanying notes to consolidated financial statements.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)

SUNTY DEVELOPMENT CO., LTD. AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

For the years ended December 31, 2023 and 2022

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

(1) Company history

Sunty Development Co., Ltd. (hereinafter referred to as Sunty Property Development), originally known as Ocean Bright Co., Ltd., was established in March 1993. It engaged in business activities related to medicine and medical equipment. The Company's shares were traded on Taipei Exchange from October 18, 2004 and traded on the Taiwan Stock Exchange since December 24, 2014. Since 2008, the Group has entered the business of residents and commercial buildings developing, leasing and selling.

Sunty Development Co., Ltd. (hereinafter referred to as Sunty Development) was established on September 24, 1987, and primarily engaged in business of construction, sales, and leasing of residential and commercial buildings.

In response to the government' s policy of encouraging mergers and acquisitions, Sunty Property Development was merged with Sunty Development for enhancing the overall utilization of resources and expanding the scale of operation. On November 9, 2012, the shareholders of both companies passed the resolution in an interim shareholders' meeting. The consolidation has been registered and approved by FSC on January 24, 2013. According to consolidation agreement, the conversion ratio is 1.7 Sunty Development's ordinary share. The date of consolidation was set at 21 March 2013. After the merger, Sunty Property Development was legally the surviving company and Sunty Development was the elimination company. On April 3, 2013, the surviving company was approved by the Ministry of Economic Affairs to change its name to "Sunty Development Co., Ltd." (hereinafter referred to as the Company). The registered address is 11th floor, No. 289, Section 4, Zhongxiao East Road, Da-an District, Taipei City.

The Company and its subsidiaries (hereinafter referred to as "the Group") are principally engaged in residential and building development, leasing and sales, urban renewal and construction projects, etc.

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

These consolidated financial statements were authorized for issue by the Board of Directors on March 11, 2024.

(3) New standards, amendments and interpretations adopted:

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

The Group has initially adopted the following new amendments, which do not have a significant impact on its consolidated financial statements, from January 1, 2023:

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

(Continued)

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

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

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

The Group assesses that the adoption of the following new amendments, effective for annual period beginning on January 1, 2024, would not have a significant impact on its consolidated financial statements:

- Amendments to IAS 1 “Classification of Liabilities as Current or Non-current”
- Amendments to IAS 1 “Non-current Liabilities with Covenants”
- Amendments to IAS 7 and IFRS 7 “Supplier Finance Arrangements”
- Amendments to IFRS 16 “Lease Liability in a Sale and Leaseback”

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

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

- Amendments to IFRS 10 and IAS 28 “Sale or Contribution of Assets Between an Investor and Its Associate or Joint Venture”
- IFRS 17 “ Insurance Contracts” and amendments to IFRS 17 “ Insurance Contracts”
- Amendments to IAS 21 “Lack of Exchangeability”

(4) Summary of material accounting policies:

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

(a) Statement of compliance

These consolidated financial statements have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers (hereinafter referred to as “the Regulations”) and the IFRSs, IASs, IFRIC Interpretations, and SIC Interpretations endorsed and issued into effect by the FSC.

(b) Basis of preparation

(i) Basis of measurement

Except for the following significant accounts, the consolidated financial statements have been prepared on the historical cost basis:

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

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2) The defined benefit liabilities (assets) are measured at fair value of the plan assets less the present value of the defined benefit obligation, limited as explained in note 4(r).

(ii) Functional and presentation currency

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

(c) Basis of consolidation

(i) Principles for preparing consolidated financial statements

The consolidated financial statements comprise the Company and subsidiaries. Subsidiaries are entities controlled by the Group. The Group ‘controls’ an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

The financial statements of the subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases. Intragroup balances and transactions, and any unrealized income and expenses arising from intragroup transactions are eliminated in preparing the consolidated financial statements. The Group attributes the profit or loss and each component of other comprehensive income to the owners of the parent and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance.

The Group prepares consolidated financial statements using uniform accounting policies for like transactions and other events in similar circumstances.

Changes in the Group’s ownership interests in a subsidiary that do not result in a loss of control are accounted for as equity transactions. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received will be recognized directly in equity, and the Group will attribute it to the owners of the parent.

When the Group loses control over a subsidiary, it derecognizes the assets (including any goodwill) and liabilities of the subsidiary, and any related non-controlling interests and other components of equity. Any interest retained in the former subsidiary is measured at fair value when control is lost, with the resulting gain or loss being recognized in profit or loss. The Group recognizes as gain or loss in profit or loss the difference between (i) the fair value of the consideration received as well as any investment retained in the former subsidiary at its fair value at the date when control is lost; and (ii) the assets (including any goodwill), liabilities of the subsidiary as well as any related non-controlling interests at their carrying amounts at the date when control is lost, as gain or loss in profit or loss. When the Group loses control of its subsidiary, it accounts for all amounts previously recognized in other comprehensive income in relation to that subsidiary on the same basis as would be required if it had directly disposed of the related assets or liabilities.

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(ii) List of subsidiaries in the consolidated financial statements:

Name of investor	Name of Subsidiary	Principal activity	Shareholding December 31, 2023	Shareholding December 31, 2022	Description
The Company	Hsin Tung Yang Construction Co., Ltd. (hereinafter referred to as Hsin Tung Yang Construction) (Note 1)	Comprehensive construction industry, etc.	75.97 %	74.90 %	The Company hold more than 50% interest of the subsidiary directly
The Company	Sunty International Land Development Co., Ltd. (hereinafter referred to as Sunty International)	Housing and Building Development, Rental and Hotel	100.00 %	100.00 %	The Company hold more than 50% interest of the subsidiary directly
The Company	Sunty Land Development Co., Ltd. (hereinafter referred to as Sunty Land Development)	Housing and Building Development, Rental and Hotel	100.00 %	100.00 %	The Company hold more than 50% interest of the subsidiary directly
The Company	Great Harbor Limited (Hereinafter referred to as G. H.)	Investment Holding	Note 2	51.00 %	The Company hold more than 50% interest of the subsidiary directly
G.H.	Cheng Du Sheng Yang Real Estate Development Limited Company (hereinafter referred to as Cheng Du Sheng Yang)	Real estate development	Note 3	100.00 %	The Company hold more than 50% interest of the subsidiary directly

Note 1: The Group has obtained 0.78% and 0.29% shares from non-related parties in May and June, 2023, resulting in an increase of shareholding percentage from 74.90% to 75.97%.

Note 2: The Group's subsidiary, Great Harbor Limited (G.H.), conducted a capital reduction, with the Group solely participating in the transaction and collecting the full amount of the refund, based on a resolution approved during the board meeting held on December 20, 2023, resulting in the Group's shareholding ratio in G.H. to decrease from 51.00% to 17.98% and lose control over G.H. on December 25, 2023. Thereafter, G.H. is considered to be no longer one of the Group's subsidiary.

Note 3: The Group lost control over G.H., who ceased to be the Group's subsidiary on December 25, 2023, resulting in Cheng Du Sheng Yang, a subsidiary of G.H., to be no longer one of the Group's subsidiary as well.

(iii) Subsidiaries excluded from the consolidated financial statements: None.

(d) Foreign currencies

(i) Foreign currency transactions

Transactions in foreign currencies are translated into the respective functional currencies of Group entities at the exchange rates at the dates of the transactions. At the end of each subsequent reporting period ("the reporting date"), monetary items denominated in foreign currencies are translated into the functional currencies using the exchange rate at that date. Non-monetary items denominated in foreign currencies that are measured at fair value are translated into the functional currencies using the exchange rate at the date that the fair value was determined. Non-monetary items denominated in foreign currencies that are measured based on historical cost are translated using the exchange rate at the date of the transaction.

(ii) Foreign operations

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

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

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

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

As the Group's operating cycle is longer than a year, assets and liabilities related to the operation are classified as current or non-current by their operating cycle. An asset is classified as current under one of the following criteria, and all other assets are classified as non-current:

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

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

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

(iv) The asset is cash or a 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.

(Continued)

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

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

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

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

(iv) The Group 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 counterparty, result in its settlement by issuing equity instruments do not affect its classification.

(f) Cash and cash equivalents

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

(g) Financial instruments

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

(i) Financial assets

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

On initial recognition, a financial asset is classified as measured at: amortized cost or FVTPL. Financial assets are not reclassified subsequent to their initial recognition unless the Group changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

1) Financial assets measured at amortized cost

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

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

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

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

2) Fair value through profit or loss (FVTPL)

All financial assets not classified as amortized cost or FVOCI described as above (e.g. financial assets held for trading and those that are managed and whose performance is evaluated on a fair value basis) are measured at FVTPL, including derivative financial assets. On initial recognition, the Group may irrevocably designate a financial asset, which meets the requirements to be measured at amortized cost or at FVOCI, as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

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

3) Impairment of financial assets

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

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

- debt securities that are determined to have low credit risk at the reporting date; and
- other debt securities and bank balances for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

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

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

(Continued)

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

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

- significant financial difficulty of the borrower or issuer;
- a breach of contract such as a default or being more than 180 days past due;
- the lender of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession that the lender would not otherwise consider;
- it is probable that the borrower will enter bankruptcy or other financial reorganization; or
- the disappearance of an active market for a security because of financial difficulties.

Loss allowances for financial assets measured at amortized cost are deducted from the gross carrying amount of the assets.

The gross carrying amount of a financial asset is written off when the Group has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. For corporate customers, the Group individually makes an assessment with respect to the timing and amount of write-off based on whether there is a reasonable expectation of recovery. The Group expects no significant recovery from the amount written off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's procedures for recovery of amounts due.

4) Derecognition of financial assets

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

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

(Continued)

SUNTY DEVELOPMENT CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(ii) Financial liabilities and equity instruments

1) Financial liabilities

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

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

2) Derecognition of financial liabilities

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

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

3) Offsetting of financial assets and liabilities

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

(h) Inventories

Inventories are measured at the lower of cost or net realizable value. The cost of inventories includes expenditures incurred in bringing them to their existing location and condition, and capitalization of interest.

The Group’s inventories are evaluated on a case-by-case basis using the selling price method, while the individual item approach is used in the comparison of cost and net realizable value. Net realizable value is the expected selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

(Continued)

(i) Investment in associates

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

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

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

Gains and losses resulting from transactions between the Group and an associate are recognized only to the extent of unrelated Group's interests in the associate. When the Group's share of losses of an associate equals or exceeds its interests in an associate, it discontinues recognizing its share of further losses. After the recognized interest is reduced to zero, additional losses are provided for, and a liability is recognized, only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate.

(j) Investment property

Investment property is property held either to earn rental income or for capital appreciation or for both, but not for sale in the ordinary course of business, use in the production or supply of goods or services, or for administrative purposes. Investment property is initially recognized at cost and then subsequently measured at cost, less accumulated depreciation and accumulated impairment losses. The depreciation methods, useful lives, and residual values of investment property are same as the practice of the property, plant, and equipment.

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

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

(k) Property, plant and equipment

(i) Recognition and measurement

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

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

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

(Continued)

(ii) Subsequent cost

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

(iii) Depreciation

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

Land is not depreciated.

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

1)Buildings	5～45 years
2)Transportation equipment	5 years
3)Office and other equipment	3～5 years

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

(l) Lease

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

(i) As a lessee

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

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

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

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

— fixed payments, including in-substance fixed payments;

(Continued)

- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee; and
- payments for purchase or termination options that are reasonably certain to be exercised.

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

- there is a change in future lease payments arising from the change in an index or rate; or
- there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee; or
- there is a change of its assessment on whether it will exercise a purchase; or
- there is a change of its assessment on whether it will exercise an extension or termination option; or
- there is any lease modifications

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

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

The Group presents right-of-use assets that do not meet the definition of investment and lease liabilities as a separate line item respectively in the statement of financial position.

The Group has elected not to recognize right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets. The Group recognizes the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

As a practical expedient, the Group elects not to assess all rent concessions that meets all the conditions as follows are lease modifications or not:

1) the rent concessions occurring as a direct con sequence of the COVID-19 pandemic;
2) the change in lease payments results in revised consideration for the lease that is substantially the same as, or less than, the consideration for the lease immediately preceding the change;
3) any reduction in lease payments affects only payments originally due on or before 30 June 2021; and

(Continued)

4) there is no substantive change to other terms and conditions of the lease.

In accordance with the practical expedient, the effect of the change in the lease liability is reflected in profit or loss in the period in which the event or condition that triggers the rent concession occurs.

(ii) As a lessor

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

When the Group is an intermediate lessor, it assesses the lease classification of a sub-lease with reference to the right-of-use asset arising from the head lease, not with reference to the underlying asset. If a head lease is a short-term lease to which the Group applies the exemption described above, then it classifies the sub-lease as an operating lease.

If an arrangement contains lease and non-lease components, the Group applies IFRS 15 to allocate the consideration in the contract.

(m) Intangible assets

(i) Recognition and measurement

Other intangible assets that are acquired by the Group and have finite useful lives are measured at cost less accumulated amortization and any accumulated impairment losses.

(ii) Subsequent expenditure

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

(iii) Amortization

Amortization is calculated over the cost of the asset, less its residual value, and is recognized in profit or loss on a straight-line basis over the estimated useful lives (3 years) of intangible assets, other than goodwill, from the date that they are available for use.

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

(n) Impairment of non-financial assets

At each reporting date, the Group reviews the carrying amounts of its non-financial assets (other than inventories, contract assets, and deferred tax assets) to determine whether there is any indication of impairment. If any such indication exists, then the asset’ s recoverable amount is estimated.

For impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGUs.

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

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

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

(o) Provisions

A provision is recognized if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects the current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognized as finance cost.

A provision for warranties is recognized when the underlying products or services are sold, based on historical warranty data and a weighting of all possible outcomes against their associated probabilities.

(p) Revenue recognition

(i) Revenue from contracts with customers

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

1) Land development and sale of real estate

The Group develops and sells residential properties and usually sales properties in advance during construction or before construction begins. Revenue is recognized when control over the properties has been transferred to the customer.

The revenue is measured at the transaction price agreed under the contract. For sale of readily available house, the consideration is due when legal title of a property has been transferred. For pre-selling properties, the consideration is usually received by installment during the period from contract inception until the transfer of properties to the customer. If the contract includes a significant financing component, the transaction price will be adjusted for the effects of the time value of money during the period, using the specific borrowing rate of the construction project.

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2) Construction contracts

The Group enters into contracts to build residential properties and commercial buildings. Because its customer controls the asset as it is constructed, the Group recognizes revenue over time on the basis of the construction costs incurred to date as a proportion of the total estimated costs of the contract. The consideration promised in the contract includes fixed and variable amounts. The customer pays the fixed amount based on a payment schedule. For some variable considerations (for example, a penalty payment calculated based on delay days) the Group recognizes revenue only to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognized will not occur. If the Group has recognized revenue, but not issued a bill, then the entitlement to consideration is recognized as a contract asset. The contract asset is transferred to receivables when the entitlement to payment becomes unconditional.

If the Group cannot reasonably measure its progress towards complete satisfaction of the performance obligation of a construction contract, the Group shall recognize revenue only to the extent of the costs expected to be recovered.

A provision for onerous contracts is recognized when the Group expects the unavoidable costs of performing the obligations under a construction contract exceed the economic benefits expected to be received under the contract.

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

For residential properties and commercial buildings, the Group offers a standard warranty to provide assurance that they comply with agreed upon specifications and has recognized warranty provisions for this obligation; please refer to note 6(p).

3) Consulting services and Management services

The Group provides advisory and management services. Revenue from providing services is recognized in the accounting period in which the services are rendered.

4) Rental revenues

The rental income arising from investment property is recognized in accordance with the straight-line method over the lease period; also, the given lease incentives is deemed as part of the overall rent income and it is credited to the rent income in accordance with the straight-line method over the lease period. The income generated from the sublease of property is recognized as operating revenue.

5) Financing components

The Group assesses whether the financial factors are significant at the contract level in accordance with IFRS15 Application Guidance - The Real Estate Industry, wherein the calculation can be made on a case-by-case basis. After the Group has taken into account the industry characteristics and market borrowing rates, it determines that the financial factors are considered material when they account for more than 5% of the total contract price. In addition, the Group expects that (i) the financing components are not substantive to individual contract or (ii) the period between the transfer of the promised goods or services to the customer and payment by the customer does not exceed one year. As a consequence, the Group does not adjust any of the transaction prices for the time value of money.

(ii) Revenue from contracts with customers - Incremental costs of obtaining a contract

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

2) Costs to fulfil a contract

If the costs incurred in fulfilling a contract with a customer are not within the scope of another Standard (for example, IAS 2 Inventories, IAS 16 Property, Plant and Equipment or IAS 38 Intangible Assets), the Group recognizes an asset from the costs incurred to fulfil a contract only if those costs meet all of the following criteria:

a) the costs relate directly to a contract or to an anticipated contract that the Group can specifically identify;

b) the costs generate or enhance resources of the Group that will be used in satisfying (or in continuing to satisfy) performance obligations in the future; and

c) the costs are expected to be recovered.

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

(Continued)

(q) Employee benefits

(i) Defined contribution plans

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

(ii) Defined benefit plans

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

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

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

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

(iii) Short-term employee benefits

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

(r) Income Taxes

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

(Continued)

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

Deferred taxes arise due to temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and their respective tax bases. Deferred taxes are recognized except for the following:

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

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

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

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

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

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

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

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

  1) the same taxable entity; or

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

(Continued)

SUNTY DEVELOPMENT CO., LTD. AND SUBSIDIARIES
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(s) Earnings per share

Disclosures are made of basic and diluted earnings per share attributable to ordinary equity holders of the Company. The basic earnings per share is calculated based on the profit attributable to the ordinary shareholders of the Company divided by weighted average number of ordinary shares outstanding. The diluted earnings per share is calculated based on the profit attributable to ordinary shareholders of the Company, divided by weighted average number of ordinary shares outstanding after adjustment for the effects of all potentially dilutive ordinary shares.

(t) Operating segments

An operating segment is a component of the Group that engages in business activities from which it may incur revenues and incur expenses (including revenues and expenses relating to transactions with other components of the Group). Operating results of the operating segment are regularly reviewed by the Group’s chief operating decision maker to make decisions about resources to be allocated to the segment and assess its performance. Each operating segment consists of standalone financial information.

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

When preparing the consolidated financial statements, management of the Group had determined its accounting policies based on its judgments and made accounting estimates and assumptions based on a rational expectation of future events depending on the circumstances at the balance sheet date. If there is any difference between any significant accounting estimates and assumption made and actual results, the historical experience, and other factors will be taken into account in order to continue assessment and adjustment.

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

(a) Judgment regarding significant influence of associates

The Group has less than 20% of the voting or potential voting rights of Great Harbor Limited. However, the Group has determined that it has significant influence because it has representation on the board of Great Harbor Limited.

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the next financial year is as follows:

(a) Valuation of inventories and investment properties

As inventories and investment properties are stated at the lower of cost or net realizable value, the Group estimates the net realizable value of inventories for obsolescence and unmarketable items at the end of the reporting period and then writes down the cost of inventories to net realizable value. The net realizable value of the inventory is mainly determined based on assumptions as to future demand within a specific time horizon. Due to the rapid industrial transformation, there may be significant changes in the net realizable value of inventories. The investment properties are also measured at fair value using the income approach. Please refer to note 6(d) and 6(j) for further description of the valuation of inventories and investment properties.

(Continued)

The Group's accounting policies and disclosures included financial and non-financial assets and liabilities measured at fair value. The Group' s financial instrument valuation group conducts independent verification on fair value by using data sources that are independent, reliable, and representative of exercise prices. The valuation group periodically reviews significant unobservable inputs and adjustments. If the input data for valuation models is provided by external third parties (such as agency and pricing service institution), the valuation group would evaluate the evidence supporting such input data in order to ensure that the fair value measurement and hierarchy meet the IFRSs. The investment property should be evaluated regularly by using the evaluation methods and parametric assumptions announced by FSC, or be appraised by appointed external appraiser.

The Group uses the observable market data to evaluate its assets and liabilities. The different inputs of levels of fair value hierarchy in determination of fair value are as follows:

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

If there is any movement of financial instruments measured at fair value between level 1, Level 2, and Level 3, the Group recognizes the movement at the reporting date. Please refer notes as follows:

(a) Note 6(j) Investment property.

(b) Note 6(y) Financial instruments.

(6) Explanation of significant accounts:

(a) Cash and cash equivalents

	December 31, 2023	December 31, 2022
Cash and cash on hand	$ 990	1,000
Demand deposits	563,031	198,988
Checking account deposits	6,900	13,529
Time deposits	518,437	297,386
Cash and cash equivalents in the statements of cash flows	**$ 1,089,358**	**510,903**

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

(b) Financial Assets and Liabilities at Fair Value through Profit or Loss (“FVTPL”)

		December 31, 2023	December 31, 2022
Mandatorily measured at fair value through profit or loss:			
Non-derivative financial assets			
Beneficiary certificate	$	115,156	194,936
Stocks listed on domestic markets		83,822	72,249
Total	$	**198,978**	**267,185**

For the gains or losses on remeasurement at fair value, please refer to note 6(x).

As of December 31, 2023 and 2022, the financial assets were not pledged.

(c) Notes and accounts receivable (including related parties)

		December 31, 2023	December 31, 2022
Notes receivable	$	-	4,186
Accounts receivable (including related parties)		100,498	45,783
	$	**100,498**	**49,969**

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

	December 31, 2023		
	Gross carrying amount	Weighted-average loss rate	Loss allowance Provision
Current	$ **100,498**	**-**	**-**

	December 31, 2022		
	Gross carrying amount	Weighted-average loss rate	Loss allowance Provision
Current	$ **49,969**	**-**	**-**

For the years ended December 31, 2023 and 2022, there is no credit losses recognized or reversed.

(d) Inventories (for construction)

	December 31, 2023	December 31, 2022
Prepayments for land and buildings	$ 95,817	-
Land held for construction site	3,392,460	4,007,496
Construction in progress	5,305,298	5,795,125
Buildings and land held for sale	848,298	936,353
	$ 9,641,873	**10,738,974**

(i) For the years ended December 31, 2023 and 2022, the cost of goods sold amounted to $2,680,413 thousand and $2,044,027 thousand, respectively.

(ii) For the years ended December 31, 2023 and 2022, the inventory valuation losses recognized due to inventories written down to net realizable value amounted to $9,024 thousand and $15,161 thousand, respectively.

(iii) For the years ended December 31, 2023 and 2022, construction in progress of the Group is calculated using a capitalization rate of 2.33% and 1.80%, respectively. The interest capitalized amounted to $83,087 thousand and $63,572 thousand, respectively.

(iv) As of December 31, 2023, the Group entrusted a parcel of its land to other related party, at the amount of $67,560 thousand, due to business need.

(v) For the information on inventories pledged as collateral as of December 31, 2023 and 2022, please refer to note 8.

(e) Investments accounted for using equity method

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

	December 31, 2023	December 31, 2022
Associates	**$ 30,425**	**-**

(i) Associates

Associates which are material to the Group consisted of the followings

Name of Associates	Nature of Relationship with the Group	Main operating location/ Registered Country of the Company	Proportion of shareholding and voting rights December 31, 2023
Great Harbor Limited (Note 1)	General Investment	Samoa	17.98 %

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Note 1: G.H. conducted a capital reduction amounting to US$15,510 thousand (NT$481,365 thousand), with the Group solely participating in the transaction and collecting the full amount of the refund mentioned above, based on a resolution approved during the board meeting held on December 20, 2023, resulting in the Group's shareholding ratio in G.H. to decrease from 51.00% to 17.98% and lose control over G.H. on December 25, 2023. Thereafter, G.H. is considered to be no longer one of the Group's subsidiary. However, the Group still possesses a significant influence over G.H., wherein its investment has been accounted for under the equity method.

The summarized financial information of the Group's significant associates is as follows. The financial information has been adjusted for the amounts included in the Consolidated Financial Statement of associates according to IFRS. This is to reflect the fair value adjustments made by the Group upon acquisition of equity interests in associates and adjustments made for differences of accounting policies:

1) Summary of the financial information of Great Harbor Limited

	December 31, 2023
Current assets	$ 24,935
Non current assets	170,607
Current liabilities	26,330
Non current liabilities	-
Net assets	**$ 169,212**
Net assets attributable to non-controlling interests	**$ -**
Net assets attributable to investee	**$ 169,212**

	2023.12.25~ 2023.12.31
Operating revenue	**$ -**
Net loss from continuing operations for the period	$ (21,238)
Other comprehensive income	(1,756)
Total comprehensive income	**$ (22,994)**

	2023
Share of net assets of associates as of January 1	$ -
Increase	34,559
Comprehensive income attributable to the Group	(4,134)
Share of net assets of associates as of December 31	**$ 30,425**

(ii) Collateral

As of December 31, 2023 and 2022, the Group did not provide any investment accounted for using equity method as collaterals for its loans.

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(f) Loss control of subsidiaries

Based on a resolution approved during the G.H.'s board meeting held on December 20, 2023, G.H. conducted a capital reduction amounting to US$15,510 thousand (NT$481,365 thousand), consisting 33.02% of the Group’ s total investment in G.H., with the Group solely participating in the transaction and collecting the full amount mentioned above, resulting in the Group's shareholding ratio in G.H. to decrease from 51.00% to 17.98% and lose control over G.H. on December 25, 2023. Thereafter, G.H. is considered to be no longer one of the Group’s subsidiary. Out of the said total amount, the loss on disposal of investments of $14,848 thousand, recognized as other gains and losses in the consolidated statements of comprehensive income, included the comprise gains on capital reduction of $101,345 thousand, losses of residual investments measured at fair value of $66,786 thousand, and losses of exchange differences on translation of foreign financial statements of $49,407 thousand according to International Financial Reporting Standards.

Great Harbor Limited's assets and liabilities on the date of loss of control are analyzed as follows:

Cash and cash equivalents	$ 533,058
Financial assets at fair value through profit or loss	8,746
Inventories	343,921
Prepayments	3,882
Other receivables	764
Other financial assets—current	197
Property, plant and equipment	66
Other financial assets—non-current	36
Deferred tax assets	7,319
Other payables	(53,786)
Contract liabilities—current	(54,895)
Other current liabilities—other	(240)
Guarantee deposits	(922)
Carrying amount of net assets (before loss of control)	**$ 788,146**

(g) Material non-controlling interests of subsidiaries

The material non-controlling interests of subsidiaries were as follows:

Subsidiary	Major operation place/ Country	Percentage of non-controlling interests December 31, 2023	Percentage of non-controlling interests December 31, 2022
Great Harbor Limited	Samoa	(Note)	49.00 %
Hsin Tung Yang Construction Co., Ltd.	Taiwan	24.03 %	25.10 %

Note: On December 25, 2023, the Company lost control over G.H., which ceased to be the Company’s subsidiary on that day, please refer to note 6(e) and 6(f).

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The following information of the aforementioned subsidiaries have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers. Included in this information is the fair value adjustment made during the acquisition and relevant difference in accounting principles between the Group as at the acquisition date. Intra-group transactions were not eliminated in this information.

(i) Summary of the financial information of Great Harbor Limited:

		December 31, 2022
Current assets	$	1,001,248
Non-current assets		7,680
Current liabilities		(138,519)
Non-current liabilities		(1,820)
Net assets	**$**	**868,589**
Non-controlling interests	**$**	**354,063**

		January 1, 2023~ December 24, 2023	For the year ended December 31, 2022
Sales revenue	**$**	**124,990**	**130,557**
Net loss	$	(21,872)	(84,542)
Other comprehensive income		(13,371)	16,581
Total comprehensive income	**$**	**(35,243)**	**(67,961)**
Net loss attributable to non-controlling interests	**$**	**(40,682)**	**(35,713)**
Comprehensive income attributable to non-controlling interests	**$**	**(47,234)**	**(27,589)**
Net cash flows from operating activities	$	232,031	33,330
Net cash flows from investing activities		-	-
Net cash flows from (used in) financing activities		(1,754)	43
Increase in cash and cash equivalents	**$**	**230,277**	**33,373**
Dividends paid to non-controlling interests	**$**	**-**	**-**

(ii) Summary of the financial information of Hsin Tung Yang Construction Co., Ltd.:

		December 31, 2023	December 31, 2022
Current assets	$	531,074	383,913
Non-current assets		86,770	86,916
Current liabilities		(350,903)	(230,879)
Non-current liabilities		(11,702)	(15,404)
Net assets	**$**	**255,239**	**224,546**
Non-controlling interests	**$**	**37,338**	**39,207**

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SUNTY DEVELOPMENT CO., LTD. AND SUBSIDIARIES
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	For the years ended December 31	
	2023	2022
Sales revenue	$ 857,125	711,152
Net income	$ 33,179	2,463
Other comprehensive income	3,166	3,816
Total comprehensive income	$ 36,345	6,279
Profit (loss) attributable to non-controlling interests	$ 1,174	(6,461)
Comprehensive income attributable to non-controlling interests	$ 1,935	(5,502)
Net cash flows from (used in) operating activities	$ 37,814	(3,314)
Net cash flows from investing activities	2,542	2,076
Net cash used in financing activities	(7,698)	(15,817)
Increase (decrease) in cash and cash equivalents	$ 32,658	(17,055)
Dividends paid to non-controlling interests	$ (1,358)	(3,288)

(h) Property, plant and equipment

The cost, depreciation, and impairment of the property, plant and equipment of the Group for the years ended December 31, 2023 and 2022, were as follows:

	Land	Buildings and construction	Facilities	Office equipment	Construction in progress	Total
Cost or deemed cost:						
Balance on January 1, 2023	$ 152,951	88,211	363	5,824	12,293	259,642
Additions	-	-	-	375	-	375
Disposal	-	-	(84)	(1,160)	-	(1,244)
Loss control of subsidiaries	-	-	-	(1,663)	-	(1,663)
Effect of changes in foreign exchange rates	-	-	-	(38)	-	(38)
Balance on December 31, 2023	$ 152,951	88,211	279	3,338	12,293	257,072
Balance on January 1, 2022	$ 165,839	89,191	559	6,627	12,293	274,509
Additions	-	1,408	-	390	-	1,798
Disposal	-	-	(196)	(1,283)	-	(1,479)
Transfer in/ out	(12,888)	(2,388)	-	-	-	(15,276)
Effect of changes in foreign exchange rates	-	-	-	90	-	90
Balance on December 31, 2022	$ 152,951	88,211	363	5,824	12,293	259,642
Depreciation and impairments loss:						
Balance on January 1, 2023	$ 38,200	63,966	301	5,286	12,293	120,046
Depreciation	-	2,294	19	250	-	2,563
Disposal	-	-	(53)	(1,160)	-	(1,213)
Loss control of subsidiaries	-	-	-	(1,597)	-	(1,597)
Effect of changes in foreign exchange rates	-	-	-	(36)	-	(36)
Balance on December 31, 2023	$ 38,200	66,260	267	2,743	12,293	119,763

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	Land	Buildings and construction	Facilities	Office equipment	Construction in progress	Total
Balance on January 1, 2022	$ 38,200	62,762	445	5,993	12,293	119,693
Depreciation	-	1,982	36	275	-	2,293
Disposal	-	-	(180)	(1,128)	-	(1,308)
Transfer in/ out	-	(778)	-	-	-	(778)
Effect of changes in foreign exchange rates	-	-	-	146	-	146
Balance on December 31, 2022	$ 38,200	63,966	301	5,286	12,293	120,046
Carrying amounts:						
Balance on December 31, 2023	$ 114,751	21,951	12	595	-	137,309
Balance on January 1, 2022	$ 127,639	26,429	114	634	-	154,816
Balance on December 31, 2022	$ 114,751	24,245	62	538	-	139,596

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

(i) Right-of-use assets

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

	Land	Buildings and construction	Office equipment	Vehicles	Total
Cost:					
Balance on January 1, 2023	$ 154,571	4,877	2,136	2,361	163,945
Additions	531	1,393	-	-	1,924
Disposal	-	(2,858)	-	(1,132)	(3,990)
Effect of changes in foreign exchange rates	-	(17)	-	-	(17)
Balance on December 31, 2023	$ 155,102	3,395	2,136	1,229	161,862
Balance on January 1, 2022	$ 154,225	7,214	2,260	7,167	170,866
Additions	-	2,540	612	-	3,152
Lease modification	346	-	-	-	346
Disposal	-	(4,907)	(736)	(4,806)	(10,449)
Effect of changes in foreign exchange rates	-	30	-	-	30
Balance on December 31, 2022	$ 154,571	4,877	2,136	2,361	163,945
Depreciation and impairment losses:					
Balance on January 1, 2023	$ 16,496	3,023	884	1,550	21,953
Depreciation	3,582	1,471	427	559	6,039
Impairment loss	6,900	-	-	-	6,900
Disposal	-	(2,857)	-	(1,133)	(3,990)
Effect of changes in foreign exchange rates	-	(16)	-	-	(16)
Balance on December 31, 2023	$ 26,978	1,621	1,311	976	30,886

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SUNTY DEVELOPMENT CO., LTD. AND SUBSIDIARIES
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	Land	Buildings and construction	Office equipment	Vehicles	Total
Balance on January 1, 2022	$ 12,258	5,571	1,154	4,227	23,210
Depreciation	3,508	2,332	466	1,107	7,413
Impairment loss	730	-	-	-	730
Disposal	-	(4,907)	(736)	(3,784)	(9,427)
Effect of changes in foreign exchange rates	-	27	-	-	27
Balance on December 31, 2022	**$ 16,496**	**3,023**	**884**	**1,550**	**21,953**
Carrying amount:					
Balance on December 31, 2023	**$ 128,124**	**1,774**	**825**	**253**	**130,976**
Balance on January 1, 2022	**$ 141,967**	**1,643**	**1,106**	**2,940**	**147,656**
Balance on December 31, 2022	**$ 138,075**	**1,854**	**1,252**	**811**	**141,992**

The aforementioned land on right-of-use assets is recognized according to the superficies contract of the land in West Central District, Tainan City. The duration is until July 2063. Please refer to note 6(o) for more information.

In 2023 and 2022, the Group assessed that the recoverable amount of the above mentioned right-of-use assets was lower than the carrying amount, and recognized an impairment loss of $6,900 thousand and $730 thousand, respectively, which was recorded under other gains and losses.

(j) Investment property

The movements in cost, depreciation, and impairment of investment property of the Group for the years ended December 31, 2023 and 2022 were as follows:

	Owned property		Right-of-use assets	
	Land	Buildings	Land	Total
Cost:				
Balance on January 1, 2023	$ 105,198	1,075,216	34,782	1,215,196
Disposal	(980)	(400)	-	(1,380)
Balance on December 31, 2023	**$ 104,218**	**1,074,816**	**34,782**	**1,213,816**
Balance on January 1, 2022	$ 92,310	1,072,828	31,163	1,196,301
Lease modifications	-	-	3,619	3,619
Reclassification	12,888	2,388	-	15,276
Balance on December 31, 2022	**$ 105,198**	**1,075,216**	**34,782**	**1,215,196**

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	Owned property		Right-of-use assets	
	Land	Buildings	Land	Total
Accumulated depreciation and impairment losses:				
Balance on January 1, 2023	$ 6,291	236,314	2,983	245,588
Depreciation	-	22,392	800	23,192
Disposal	-	(187)	-	(187)
Balance on December 31, 2023	**$ 6,291**	**258,519**	**3,783**	**268,593**
Balance on January 1, 2022	$ 6,291	212,997	2,183	221,471
Depreciation	-	22,539	800	23,339
Reclassification	-	778	-	778
Balance on December 31, 2022	**$ 6,291**	**236,314**	**2,983**	**245,588**
Carrying amount:				
Balance on December 31, 2023	**$ 97,927**	**816,297**	**30,999**	**945,223**
Balance on January 1, 2022	**$ 86,019**	**859,831**	**28,980**	**974,830**
Balance on December 31, 2022	**$ 98,907**	**838,902**	**31,799**	**969,608**
Fair value:				
Balance on December 31, 2023				**$ 1,043,598**
Balance on December 31, 2022				**$ 1,031,670**

In August 2011, the Group signed a contract with the National Property Administration for the establishment of land development rights on the national land at No.5, Guanghuan Section, Banqiao District, New Taipei City. The lifetime of the land is until October 2061. The Group's project "Sun-yang-you-see" is completed and promoted by the building lease transfer method and the land lease method. Please refer to note 6(o) for more information.

Measurement of the fair value of investment property is based on an independent evaluator (with professional qualifications) or the Group used income approach or sales comparison approach (checking the recent selling price of the premises, or by inquiring the selling price of premises nearby from the "Actual Selling Price of Real Estate" website). Under the valuation techniques for financial instruments measured at fair value, the inputs are categorized at level 3.

As of December 31, 2023 and 2022, the Group had pledged parts of its investment property as collaterals for its loans and financial guarantee; please refer to note 8.

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

	December 31, 2023	December 31, 2022
Other financial assets－current	$ 217,256	587,109
Incremental costs of obtaining a contract	339,627	490,387
Other financial assets－non-current	56,793	78,143
	$ 613,676	**1,155,639**

(i) Other current and non-current financial assets

Other financial assets comprise the guarantee of the trust of pre-sale building and land, and the guarantee of joint construction, etc.

(ii) Current incremental costs of obtaining a contract

The Group expects that the service fees paid to intermediaries, and the bonus for the internal sales department are recoverable. Therefore, the Group capitalized them as contract assets. For the years ended December 31, 2023 and 2022, the Group recognized the amounts of $9,778 thousand and $119,033 thousand, respectively, as incremental costs of obtaining a contract. Capitalized service fees are amortized when the related revenues are recognized. For the years ended December 31, 2023 and 2022 the Group recognized $160,538 thousand and $153,444 thousand of amortized expense, respectively.

(iii) Collateral

As of December 31, 2023 and 2022, the other financial assets were pledged as collateral, please refer to note 8.

(l) Short-term borrowings

The short-term borrowings were summarized as follows:

	December 31, 2023	December 31, 2022
Unsecured bank loans	$ 1,415,000	1,140,000
Secured bank loans	2,370,000	3,506,000
Total	**$ 3,785,000**	**4,646,000**
Unused short-term credit lines	**$ 6,572,344**	**6,970,000**
Range of interest rates	**2.15%~2.73%**	**1.93%~2.82%**

(i) The Group borrowed $1,010,000 thousand and $1,933,170 thousand of short-term loans, for the years ended December 31, 2023 and 2022, respectively. In addition, the Group repaid $1,871,000 thousand and $1,077,000 thousand for the years ended December 31, 2023 and 2022, respectively.

(ii) Please refer to note 8 for a description of the Group's assets pledged as collateral to secure the bank loans and note 6(y) for the information of liquidity risk exposure.

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(m) Short-term notes and bills payable

The Group's short-term notes and bills payable details were as follows:

	December 31, 2023	December 31, 2022
Commercial paper payable	$ -	29,919

(i) The amounts of commercial paper payable, which will mature in June 2023 and February 2023, increased by $59,838 thousand and $789,250 thousand, and the repayment amounts were $89,757 thousand and $939,238 thousand for the years ended December 31, 2023 and 2022, respectively.

(ii) Please refer to note 6(y) for the information of liquidity risks.

(n) Long-term borrowings

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

	December 31, 2023			
	Currency	Rate	Maturity year	Amount
Secured bank loans	NTD	2.86%	2025	$ 251,500
Less: current portion				(30,000)
				$ 221,500
Unused long-term credit lines				$ -

	December 31, 2022			
	Currency	Rate	Maturity year	Amount
Secured bank loans	NTD	2.57%	2025	$ 281,500
Less: current portion				(30,000)
				$ 251,500
Unused long-term credit lines				$ -

(i) As of December 31, 2023 and 2022, the repayment amount were both $30,000 thousand.

(ii) Please refer to note 8 and 6(y) for descriptions of the Group's assets pledged as collateral for bank loans, and for disclosure of liquidity risk.

(o) Lease liabilities

Lease liabilities of the Group were as follows:

	December 31, 2023	December 31, 2022
Current	$ 3,847	3,826
Non-current	$ 74,695	74,663

For the maturity analysis, please refer to note 6(y) Financial instruments.

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The amounts recognized in profit or loss were as follows:

	For the years ended December 31	
	2023	**2022**
Interest on lease liabilities	$ **2,196**	**553**
Expenses relating to short-term leases	$ **12,224**	**10,113**

The amounts recognized in the statement of cash flows for the Group were as follows:

	For the years ended December 31	
	2023	**2022**
Total cash outflow for leases	$ **16,291**	**14,689**

The Group leases vehicles, office equipment and land with lease terms of one to five years. The aforementioned leases are short-term or leases of low-value items which the Group has elected not to recognize right-of-use assets and lease liabilities for these leases. In addition, the rent is calculated based on the declaration of land value for the current period of 50 years. The above future rent payable is evaluated in accordance with the present obligation at the reporting date and calculated at the declared of the land value for the year ended December 31, 2022. The Group has not considered the increase of the declaration of land value in the future.

(p) Provisions

	December 31, 2023	**December 31, 2022**
Current	$ 5,722	14,515
Non-current	47,424	42,117
Balance on December 31	$ **53,146**	**56,632**

For the years ended December 31, 2023 and 2022, the details of warranty were as follows:

	For the years ended December 31			
	2023		**2022**	
	Current	**Non-current**	**Current**	**Non-current**
Balance on January 1	$ 14,515	42,117	14,531	42,394
Warranty made during the year	-	9,849	-	3,360
Warranty used during the year	(8,793)	(4,542)	(16)	(3,637)
Balance on December 31	$ **5,722**	**47,424**	**14,515**	**42,117**

The provision for warranties mainly relates to property sales and construction contract for the years ended December 31, 2023 and 2022. The warranties are estimated based on the historical data, the Group expects that most of the liability occur within 1 year after sales.

(Continued)

(q) Operating lease

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

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

		December 31, 2023	December 31, 2022
Less than one year	$	30,785	28,784
One to two years		27,724	26,674
Two to three years		26,632	26,298
Three to four years		26,632	26,329
Four to five years		25,806	26,329
More than five years		496,819	523,194
Total undiscounted lease payments	**$**	**634,398**	**657,608**

For the years ended December 31, 2023 and 2022, rental income from investment properties amounted to $29,550 thousand and $29,247 thousand, respectively.

(r) Employee benefits

(i) Defined benefit plans

The reconciliation of defined benefit obligation at present value and plan asset at fair value were as follows:

		December 31, 2023	December 31, 2022
Present value of the defined benefit obligations	$	-	28,636
Fair value of plan asset		(12,012)	(37,220)
Net defined benefit assets	**$**	**(12,012)**	**(8,584)**

The Group's employee benefit liabilities were as follows:

		December 31, 2023	December 31, 2022
Compensated absences liabilities (were recognized as other payables)	**$**	**6,843**	**6,944**

The Group makes defined benefit plan contributions to the pension fund account with Bank of Taiwan that provides pension benefits for employees upon retirement. Plans (covered by the Labor Standards Law) entitle a retired employee to receive retirement benefits based on years of service and average monthly salary for the six months prior to retirement.

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1) Composition of plan assets

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

The Group's contributions to the pension funds were deposited with Bank of Taiwan, which amounted to $12,091 thousand as of December 31, 2023. For information on the utilization of the labor pension fund assets including the assets allocation and yield of the fund, please refer to the website of the Bureau of Labor Funds, Ministry of Labor.

2) Movements in present value of the defined benefit obligations

The changes in present value of the defined benefit obligations for the Group were as follows:

	For the years ended December 31	
	2023	**2022**
Defined benefit obligations on January 1	$ 28,636	29,240
Current service cost and interest cost	358	161
Remeasurements loss (gain):		
－Actuarial gain arising from experience	(3,116)	(765)
Benefits paid	(25,878)	-
Defined benefit obligations on December 31	**$ -**	**28,636**

3) Movements in the fair value of the plan assets

The changes in the present value of the defined benefit plan assets for the Group were as follows:

	For the years ended December 31	
	2023	**2022**
Fair value of plan assets on January 1	$ 37,220	33,619
Interest income	468	186
Remeasurements loss (gain):		
－Return on plan assets excluding interest income	50	3,051
Contributions paid by the employer	152	364
Benefits paid	(25,878)	-
Fair value of plan assets on December 31	**$ 12,012**	**37,220**

(Continued)

4) Expenses recognized in profit or loss

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

	For the years ended December 31	
	2023	**2022**
Net interest of net assets for defined benefit obligations	$ (110)	(25)

The expenses recognized in the consolidated income statement were as follows:

	For the years ended December 31	
	2023	**2022**
Operating expenses	$ (110)	(25)
Actual return on plan assets	$ 518	3,237

5) Actuarial assumptions

The principal actuarial assumptions of the actuarial valuation were as follows:

	December 31, 2023	**December 31, 2022**
Discount rate	1.25 %	1.25 %
Future salary increase rate	2.75 %	2.75 %

The expected allocation payment to be made by the Group to the defined benefit plans for the one-year period after the reporting date is $0 thousand. The weighted average lifetime of the defined benefits plans is 0 years.

6) Sensitivity analysis

Calculations of the present value of the defined benefit obligation were based on the judgements and estimates made on the actuarial assumptions as of the balance sheet date, including discount rate, employee turnover rate and future salary changes. Any changes in the actuarial assumptions may significantly impact the amount of the defined benefit obligations.

If the actuarial assumptions had changed, the impact on the present value of the defined benefit obligation for 2023 and 2022 shall be as follows:

	Influences of defined benefit obligations	
	Increase	**Decrease**
December 31, 2023		
Discount rate（0.25%）	$ -	-
Future salary increasing rate（1.00%）	-	-

(Continued)

	Influences of defined benefit obligations	
	Increase	**Decrease**
December 31, 2022		
Discount rate（0.25%）	(331)	340
Future salary increasing rate（1.00%）	1,396	(1,293)

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

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

(ii) Defined contribution plans

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

For the years ended December 31, 2023 and 2022, the Group’s pension costs under the defined contribution method were $6,611 thousand and $6,553 thousand, respectively. Contributions to the Bureau of Labor Insurance were $6,400 thousand and $6,085 thousand, respectively.

(s) Income taxes

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

	For the years ended December 31	
	2023	**2022**
Current tax expense		
Current period	$ 47,137	3,842
Additional tax on undistributed earnings	670	3,959
Land value increment tax	19,374	23,982
Adjustment for prior years	3,328	-
	70,509	31,783
Deferred tax expense		
Origination and reversal of temporary differences	10,502	309
Income tax expense	**$ 81,011**	**32,092**

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(ii) The amount of income tax recognized in other comprehensive income for 2023 and 2022 was as follows:

	For the years ended December 31	
	2023	**2022**
Items that may be reclassified subsequently to profit or loss:		
Exchange differences on translation of foreign financial statements	**$ 1,427**	**(1,691)**

(iii) The reconciliation of income tax and profit before tax for 2023 and 2022 is as follows:

	For the years ended December 31	
	2023	**2022**
Income before tax	$ 725,226	190,165
Income tax expense at domestic statutory tax rate	$ 145,045	38,033
Effect of tax rates in foreign jurisdiction	(897)	(4,808)
Additional tax on undistributed earnings	670	3,959
Difference between financial and tax recognition method	4,998	172
Investment losses	(94,539)	-
Valuation gains relating to financial assets	(1,962)	679
Income from tax exemption on land	(2,497)	(43,856)
Reclassification of previously unrecognized tax losses	-	(5,228)
Current-year losses for which no deferred tax asset was recognized	2,254	983
Adjustment for prior periods	3,328	-
Land value increment tax	19,374	23,982
Others	5,237	18,176
Total	**$ 81,011**	**32,092**

(iv) Deferred tax assets and liabilities

1) Unrecognized deferred tax assets

Deferred tax assets have not been recognized in respect of the following items:

	December 31, 2023	**December 31, 2022**
The carryforward of unused tax losses	$ 13,714	13,876
Tax effect of deductible temporary differences	4,981	3,613
	$ 18,695	**17,489**

(Continued)

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The R.O.C Income Tax Act allows tax losses, as assessed by the tax authorities, to offset taxable income over a period of ten years for local tax reporting purposes. Deferred tax assets have not been recognized in respect of these items because it is not probable that future taxable profit will be available against which the Group can utilize the benefits therefrom.

As of December 31, 2023, the information of the Group's unused tax losses for which no deferred tax assets were recognized are as follows:

Year of occurrence	Unused balance	Expiry year
2014	$ 10,780	2024
2015	8,427	2025
2016	7,240	2026
2017	10,551	2027
2018	7,041	2028
2019	7,542	2029
2020	4,225	2030
2021	4,110	2031
2022	4,225	2032
2023	4,427	2033
	$ 68,568	

2) Recognized deferred tax assets and liabilities

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

	Provisions	Exchange differences on translation of foreign financial statements	Others	Total
Deferred tax asset:				
Balance on January 1, 2023	$ 11,327	10,989	19,249	41,565
Recognized in profit or loss	(697)	(12,353)	2,486	(10,564)
Recognized in other comprehensive income	-	1,427	-	1,427
Loss control of subsidiaries	-	-	(7,318)	(7,318)
Exchange differences on translation of foreign financial statements	-	-	(122)	(122)
Balance on December 31, 2023	$ 10,630	63	14,295	24,988

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	Provisions	Exchange differences on translation of foreign financial statements	Others	Total
Balance on January 1, 2022	$ 11,385	12,680	19,303	43,368
Recognized in profit or loss	(58)	-	(190)	(248)
Recognized in other comprehensive income	-	(1,691)	-	(1,691)
Exchange differences on translation of foreign financial statements	-	-	136	136
Balance on December 31, 2022	**$ 11,327**	**10,989**	**19,249**	**41,565**

	Others
Deferred tax liabilities:	
Balance on January 1, 2023	$ 61
Recognized in profit or loss	(61)
Balance at December 31, 2023	**$ -**
Balance on January 1, 2022	$ -
Recognized in profit or loss	61
Balance on December 31, 2022	**$ 61**

(v) The Group's business income tax declaration has been approved by the collection authority until 2021.

(t) Capital and other Equity

(i) Ordinary shares

As of December 31, 2012, the Company's government registered total authorized share capital and issued capital stock amounted to $1,350,000 thousand and $1,298,000 thousand, comprising 135,000 thousand shares and 129,800 thousand shares, respectively, with the par value of $10 per share. On March 21, 2013, the Company increased its capital by 179,160 thousand new shares. Later on, the Board of Director approved to increase the capital 50,000 thousand shares. As of December 31, 2023 and 2022, the Company's authorized share capital and issued capital stock amounted to $5,000,000 thousand and $3,523,143 thousand.

(ii) Capital surplus

The components of the capital surplus were as follows:

	December 31, 2023	December 31, 2022
Share capital	$ 750,000	750,000
Cash capital increase reserved for employees	2,983	2,983
Difference arising from subsidiary's share price and its carrying value	49,687	49,692
	$ 802,670	**802,675**

(Continued)

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

(iii) Retained earnings

The Company's Articles of Incorporation stipulates that if the Company has earnings for the year, the earnings should first be used to strengthen its financial structure and improve its profitability. The remainder, if any, shall be decided by the board for distribution. Company's net profit should first be used to offset the deficits, if any, before paying any income taxes. Of the remaining balance, 10% is to be appropriated as legal reserve, and then any remaining profit together with any undistributed retained earnings shall be distributed according to the distribution plan proposed by the Board of Directors and submitted to the stockholders' meeting for approval. The Company considered appropriating its earnings by distributing cash or by issuing new shares according to its business and investment plans. The cash dividends shall not be less than 10% of the total shareholders' dividends.

1) Legal reserve

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

2) Special reserve

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

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3) Earnings distribution

The 2022 and 2021 distribution of earnings were resolved at the shareholders' meetings on June 7, 2023 and June 9, 2022, respectively. No earnings distribution for 2021 was allocated due to the operation needs. The amount of dividends distributed for 2022 was as follows:

	2022	
	Amount per share (dollars)	**Amount**
Dividends distributed to ordinary shareholders:		
Cash	$ 0.50	**176,157**

The amounts of cash dividends on the appropriations of earnings for 2023 had been approved and proposed during the board meeting on March 11, 2024, and the amount of dividends distributed was as follows:

	2023	
	Amount per share (dollars)	**Amount**
Dividends distributed to ordinary shareholders		
Cash	$ 0.75	**264,236**

(iv) Other comprehensive income accumulated in reserves, net of tax

	Exchange differences on translation of foreign financial statements	**Non-controlling interests**	**Total**
Balance on January 1, 2023	$ (43,951)	(24,473)	(68,424)
Exchange differences on translation of net assets of foreign operations	(5,708)	(6,552)	(12,260)
Profit reclassified to profit or loss on disposal of foreign operations	49,407	-	49,407
Loss control of subsidiaries	-	31,025	31,025
Balance on December 31, 2023	**$ (252)**	**-**	**(252)**
Balance on January 1, 2022	$ (50,716)	(32,598)	(83,314)
Exchange differences on translation of net assets of foreign operations	6,765	8,125	14,890
Balance on December 31, 2022	**$ (43,951)**	**(24,473)**	**(68,424)**

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(u) Earnings per share

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

	For the years ended December 31	
	2023	**2022**
Basic earnings per share		
Profit attributable to ordinary shareholders of the Company	**$ 683,723**	**200,247**
Weighted average number of ordinary shares outstanding (shares in thousands)	352,314	352,314
Basic earnings per share	**$ 1.94**	**0.57**
Diluted earnings per share		
Profit attributable to ordinary shareholders	**$ 683,723**	**200,247**
Weighted-average number of ordinary shares outstanding (shares in thousands)	352,314	352,314
Effect of employee share bonus	1,118	677
Weighted average number of ordinary shares outstanding (diluted)	**353,432**	**352,991**
Diluted earnings per share	**$ 1.93**	**0.57**

(v) Revenue from contracts with customers

(i) Disaggregation of revenue

	For the year ended December 31, 2023		
	Sales of real estate department	**Engineering department**	**Total**
Primary geographical markets:			
Asia	**$ 3,915,627**	**326,723**	**4,242,350**
Major products/services lines:			
Sales of real estates	$ 3,868,593	-	3,868,593
Construction contractors	-	325,137	325,137
Others	47,034	1,586	48,620
	$ 3,915,627	**326,723**	**4,242,350**
Timing of revenue recognition:			
Gradually transferred construction over time	$ -	325,137	325,137
Gradually transferred revenue over time	47,034	-	47,034
Transfer of products upon a point in time	3,868,593	1,586	3,870,179
	$ 3,915,627	**326,723**	**4,242,350**

(Continued)

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	For the year ended December 31, 2022		
	Sales of real estate department	Engineering department	Total
Primary geographical markets:			
Asia	$ 2,604,118	304,253	2,908,371
Major products/services lines:			
Sales of real estates	$ 2,551,351	-	2,551,351
Construction contractors	-	302,759	302,759
Others	52,767	1,494	54,261
	$ 2,604,118	304,253	2,908,371
Timing of revenue recognition:			
Gradually transferred construction over time	$ -	302,759	302,759
Gradually transferred revenue over time	52,767	1,494	54,261
Transfer of products upon a point in time	2,551,351	-	2,551,351
	$ 2,604,118	304,253	2,908,371

(ii) Contract balances

	December 31, 2023	December 31, 2022	January 1, 2022
Contract assets- construction	$ 26,448	36,010	55,253
Contract liabilities- construction	$ 81,631	18	16,538
Contract liabilities- sales of real estate	1,534,034	2,030,806	1,975,181
Contract liabilities- unearned revenue	626,819	650,012	664,669
Contract liabilities- installments claim receivables	1,736	1,617	4,869
Total	$ 2,244,220	2,682,453	2,661,257

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

The beginning balance of contract liability on January 1, 2023 and 2022, were $737,607 thousand and $480,824 thousand, respectively.

The major change in the balance of contract assets and contract liabilities is the difference between the time frame in the performance obligation to be satisfied and the payment to be received. There is no significant changes for the years ended December 31, 2023 and 2022. Please refer to note 9 for details of building lease and land lease contract of installments claim receivables transferred to financial institutions.

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

In accordance with the Articles of Incorporation, the Company should contribute no less than 2%, but not exceed 10% of the profit as employee compensation and less than 3% as directors' and supervisors' remuneration when there is profit for the year. However, if the Company has accumulated deficits, the profit should be reserved to offset the deficit.

For the years ended December 31, 2023 and 2022, the Company estimated its remuneration to employees amounting to $19,214 thousand and $7,468 thousand, respectively, and the remuneration to directors amounting to $7,686 thousand and $2,489 thousand, respectively. The abovementioned estimated amounts are calculated based on the net profits before tax of each period (excluding the remuneration to employees and directors), multiplied by a certain percentage of the remuneration to employees and directors. These remunerations were expensed under operating costs or operating expenses during 2023 and 2022. There is no discrepancy under the circumstances of actual distribution. The information is available on the Market Observation Post System website.

(x) Non-operating income and expenses

(i) Interest income

The details of interest income were as follows:

	For the years ended December 31	
	2023	**2022**
Interest income from bank deposits	$ 20,165	6,548
Other interest income	53	112
Total interest income	**$ 20,218**	**6,660**

(ii) Other gains and losses

The details of other gains and losses were as follows:

	For the years ended December 31	
	2023	**2022**
Gains on disposals of property, plant and equipment	$ 944	20
Losses on disposals of investments	(14,848)	-
Gains on modification of leases	-	3
Foreign exchange (losses) gain	(5,173)	22,434
Gains (losses) on financial assets at fair value through profit or loss	13,917	(2,599)
Impairment losses	(6,900)	(730)
Dividend income	593	1,886
Others	6,995	(49)
Other gains and losses, net	**$ (4,472)**	**20,965**

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(iii) Finance costs

The details of finance costs were as follows:

	For the years ended December 31	
	2023	2022
Interest expenses	$ 32,622	23,606

(y) Financial instruments

(i) Credit risk

1) Credit risk exposure

The carrying amounts of financial assets and contract assets represented the maximum amount exposed to credit risk.

2) Concentration of credit risk

The Group has a large and unconnected customer base and is therefore not at risk of significant concentration of credit risk, and the Group is connected with a good credit counterparty in the open market and expects that the counterparty will not breach the contract. Therefore, there is little possibility of credit risk.

3) Receivables and debt securities

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

Other financial assets at amortized cost are other receivables, which is considered to have low risk, and thus, the impairment provision recognized during the period was limited to 12 months expected losses. No provision for losses has been made as of December 31, 2023 and 2022.

(ii) Liquidity risk

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

	Carrying amount	Contractual cash flows	Within 6 months	6-12 months	1-2 years	2-5 years	Over 5 years
December 31, 2023							
Non-derivative financial liabilities							
Secured bank loans	$ 2,621,500	2,790,399	486,647	40,690	267,796	1,891,477	103,789
Unsecured bank loans	1,415,000	1,446,539	912,813	53,716	391,613	88,397	-
Trade payables	641,018	641,018	607,967	28,741	-	4,310	-
Lease liabilities	78,542	124,616	2,295	1,602	2,422	5,363	112,934
Guarantee deposits received	2,950	2,950	-	-	2,950	-	-
	$ 4,759,010	5,005,522	2,009,722	124,749	664,781	1,989,547	216,723

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	Carrying amount	Contractual cash flows	Within 6 months	6-12 months	1-2 years	2-5 years	Over 5 years
December 31, 2022							
Non-derivative financial liabilities							
Secured bank loans	$ 3,787,500	4,005,633	552,598	50,353	1,425,585	1,832,472	144,625
Unsecured bank loans	1,140,000	1,169,301	783,961	74,988	6,084	304,268	-
Short-term notes and bills payable	29,919	30,000	30,000	-	-	-	-
Trade payables	628,654	628,654	553,109	71,235	-	4,310	-
Lease liabilities	78,489	127,031	2,071	1,807	3,003	5,516	114,634
Guarantee deposits received	3,350	3,350	-	-	3,350	-	-
	$ 5,667,912	**5,963,969**	**1,921,739**	**198,383**	**1,438,022**	**2,146,566**	**259,259**

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

(iii) Currency risk

1) Exposure to foreign currency risk

The Group's significant exposures to foreign currency risk were as follow:

	December 31, 2023			December 31, 2022		
	Foreign Currency	Average Exchange Rate	NTD	Foreign Currency	Average Exchange Rate	NTD
Financial assets						
Monetary items						
USD:NTD	$ 16,162	30.7050	496,254	157	30.7150	4,835
CNY:NTD	-	-	-	9,408	6.9256	288,954

2) Sensitivity analysis

The Group's exposure to foreign currency risk arises from the translation of the foreign currency exchange gains and losses on cash and cash equivalents that are denominated in foreign currency. As of December 31, 2023 and 2022, a strengthening (weakening) of 1% of the exchange rate of the functional currency of the Group and the Group against the main foreign currencies would increased (decreased) profit after tax by $4,963 thousand and $2,938 thousand. The analysis of the two periods was conducted using the same basis, assuming all other variables held constant.

(Continued)

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3) Foreign exchange gain and loss on monetary items

The amounts of conversion gains and losses (including realized and unrealized) of monetary items of the Group which were converted into NTD, and the exchange rate information converted to the Group's functional currency, NTD, are as follows:

	For the years ended December 31			
	2023		2022	
	Exchange gain (loss)	Average exchange rate	Exchange gain (loss)	Average exchange rate
NTD	$ (8,139)	-	371	-
CNY	2,966	4.3986	22,063	4.4240

(iv) Interest rate analysis

Please refer to the notes on liquidity risk management and interest rate exposure of the Group's financial instruments.

The following sensitivity analysis is based on the risk exposure to the interest rates risk of derivative and non-derivative financial instruments on the reporting date. Regarding liabilities with variable interest rates, the analysis is based on the assumption that the amount of liabilities outstanding at the reporting date was outstanding throughout the year. The rate of change is expressed as the interest rate increases or decreases by 1% when reporting to management internally, which also represents the Group management' s assessment of the reasonably possible interest rate change.

If the interest rate increases/decreases by 1%, the Group' s net income will decrease/increase by $11,380 thousand and $13,424 thousand for the years ended December 31, 2023 and 2022, respectively, with all other variable factors remaining constant.

(v) Other price risk

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

	For the years ended December 31	
	2023	2022
	Net Income	Net Income
Increase 3%	$ 4,775	3,056
Decrease 3%	$ (4,775)	(3,056)

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(vi) Fair value information

1) Type and fair value of financial instruments

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

	December 31, 2023				
		Fair Value			
	Book Value	Level 1	Level 2	Level 3	Total
Financial assets at fair value through profit or loss					
Non-derivative financial assets mandatorily measured at fair value through profit or loss	$ 198,978	198,978	-	-	198,978
Financial assets measured at amortized cost					
Cash and cash equivalents	$ 1,089,358	-	-	-	-
Notes receivable, trade receivables and other receivables	100,982	-	-	-	-
Other financial assets-current	217,256	-	-	-	-
Other financial assets-non-current	56,793	-	-	-	-
Subtotal	$ 1,464,389	-	-	-	-
Financial liabilities measured at amortized cost					
Short-term loans	$ 3,785,000	-	-	-	-
Notes payable, trade payables and other payables	641,018	-	-	-	-
Long-term loans (including current portion)	251,500	-	-	-	-
Lease liabilities	78,542	-	-	-	-
Guarantee deposits received	2,950	-	-	-	-
Subtotal	$ 4,759,010	-	-	-	-

	December 31, 2022				
		Fair Value			
	Book Value	Level 1	Level 2	Level 3	Total
Financial assets at fair value through profit or loss					
Non-derivative financial assets mandatorily measured at fair value through profit or loss	$ 267,185	267,185	-	-	267,185
Financial assets measured at amortized cost					
Cash and cash equivalents	$ 510,903	-	-	-	-
Notes receivable, trade receivables and other receivables	67,567	-	-	-	-
Other financial assets-current	587,109	-	-	-	-
Other financial assets-non-current	78,143	-	-	-	-
Subtotal	$ 1,243,722	-	-	-	-

(Continued)

	December 31, 2022				
		Fair Value			
	Book Value	Level 1	Level 2	Level 3	Total
Financial liabilities measured at amortized cost					
Short-term loans	$ 4,646,000	-	-	-	-
Short-term notes and bills payable	29,919	-	-	-	-
Notes payable, trade payables and other payables	628,654	-	-	-	-
Long-term loans (including current portion)	281,500	-	-	-	-
Lease liabilities	78,489	-	-	-	-
Guarantee deposits received	3,350	-	-	-	-
Subtotal	$ 5,667,912	-	-	-	-

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

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

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

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

3) Valuation techniques for financial instruments measured at fair value

a) Non-derivative financial instruments

A financial instrument is regarded as being quoted in an active market if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency and those prices represent actual and regularly occurring market transactions on an arm's-length basis.

If a quoted price of a financial instrument can be obtained in time and often from exchanges, brokers, underwriters, industrial union, pricing institute, or authorities and such price can reflect those actual trading and frequently happen in the market, then the financial instrument is considered to have a quoted price in an active market. The market for the said financial instrument shall be seen as inactive should the aforementioned requirements have not been met. In general, a market with low trading volume or high bid-ask spreads is an indication of a nonactive market.

If the financial instruments possessed by the Group has quoted market prices in active markets, the fair value was as follows:

Financial assets and liabilities with standard terms and conditions and traded in an active market, for example, investment in stock of listed companies and corporate bonds: the fair value is based on the market quoted price.

Measurements of fair value of financial instruments without an active market are based on a valuation technique or quoted price from a competitor. Fair value measured by a valuation technique can be extrapolated from similar financial instruments, the discounted cash flow method, or other valuation technique including a model using observable market date at the reporting date. (Such as yield curve of Taipei Exchange and Reuter's fixing rates for stocks)

b) Derivative financial instruments

Measurement of structured derivatives is based on option pricing models (i.e Black-Scholes model) and other valuation methods.

Fair value is measured by using the discounted cash flow method to calculate the probability of occurrence of the pre-tax, pre-depreciation and pre-amortization earnings and readjust the estimated cash flow using the discount rate that reflects the adjustments after risk.

4) Transfers between levels

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

(z) Financial risk management

(i) Overview

The Group has exposure to the following risks from its financial instruments:

1) Credit risk

2) Liquidity risk

3) Market risk

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

(ii) Risk management framework

The Board of Directors has overall responsibility for the establishment and oversight of the risk management framework. The Board has established the Risk Management Committee, which is responsible for developing and monitoring the Group’s risk management policies. The committee reports regularly to the Board of Directors on its activities.

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

The Group Audit Committee oversees how management monitors compliance with the Group's risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the Group. The Group Audit Committee is assisted in its oversight role by the Internal Audit. Internal Audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the Audit Committee.

(iii) Credit risk

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

1) Accounts receivable and other receivables

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, there is no risk of significant concentration; and the merger is conducted through open markets with a credit-good counterparty, which is expected to not result in a breach of contract by the counterparty, so there is little possibility of credit risk.

The Group's accounts receivable and other receivables were mainly due from the customer. Customers rated as high risk were classified as restricted customers and monitored, and those customers will transact with the Group only on a prepayment basis in the future.

The majority of the Group's customers are mostly those in the construction industry. In order to reduce accounts receivable credit risk, the Group continuously assesses the financial condition of its customers. If it is necessary, the Group will ask for guarantees or warranties. However, there is no other significant concentration of credit risk. Furthermore, the Group monitors and reviews the recoverable amount of the accounts receivables to ensure the uncollectible amount is recognized appropriately as impairment loss.

The Group establishes an allowance for doubtful accounts that represents its estimate on incurred losses in respect of trade receivables and other receivables. This allowance mainly comprises a specific loss component that relates to individually significant exposures, and a collective loss component established for groups of similar assets in respect of losses that have been incurred but not yet identified. This allowance for the loss component is determined based on historical payment statistics of similar financial assets.

2) Investments

The credit risk exposure in the bank deposits, investments with fixed income and other financial instruments are measured and monitored by the Group's finance department. As the Group deals with the banks and other external parties with good credit standing and financial institutions, corporate organization and government agencies which are graded above investment level, management believes that the Group do not have compliance issues and no significant credit risk.

3) Guarantees

The Group's policy is to provide financial guarantees to the companies that have business relationship and the subsidiaries that the Group directly and indirectly hold more than 50% voting shares. As of December 31, 2023 and 2022, there is no guarantee outstanding.

(iv) Liquidity risk

The Group manages and maintains sufficient cash and cash equivalents so as to cope with its operations and mitigate the effects of fluctuations in cash flows. The Group's management supervises the banking facilities and ensures in compliance with the terms of the loan agreements.

Bank borrowing is an essential liquidity source for the Group. As of December 31, 2023 and 2022, the Group's unused credit line were amounted to $7,133,211 thousand and $7,510,283 thousand, respectively.

(v) Market risk

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

The Group did not buy and sell derivatives for manage market risks.

1) Currency risk

The interest was denominated in the currency used in the borrowings. Borrowings were generally denominated in currencies that match with the cash flows generated by the underlying operations of the Group, primarily NTD. This provided an economic hedge without derivatives being entered into, and therefore, hedge accounting was not applied in these circumstances.

2) Interest rate risk

The Group ensures that the most cost-effective strategy is adopted by maintaining an appropriate fixed and floating interest rate mix and evaluating it regularly.

3) Other market price risk

The Group is not exposed to equity price risk due to passive investment strategy on trading listed equity securities.

(aa) Capital management

The objectives of the Board' s policy are to maintain an optimal capital structure to keep the investors, creditors, the market faith, and the future operation. The total capital and equity include share capital, capital surplus, retained earnings, and other equity plus net debt. The Board of Directors monitors the return on capital, as well as the level of dividends to ordinary shareholders.

The Group's debt to equity ratio at the reporting date was as follows:

	December 31, 2023	December 31, 2022
Total liabilities	$ 7,106,558	8,437,577
Less: cash and cash equivalents	(1,089,358)	(510,903)
Net debt	6,017,200	7,926,674
Total Equity	6,034,863	5,837,130
Adjusted equity	**$ 12,052,063**	**13,763,804**
Debt-to-equity ratio on December 31	**49.93%**	**57.59%**

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

The Company's non-cash investing and financing activities for the years ended December 31, 2023 and 2022, are as follows:

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

(ii) Reconciliation of liabilities arising from financing activities are as follows:

			Non-cash changes		
	January 1, 2023	Cash flows	Acquisition	Foreign exchange movement	December 31, 2023
Long-term loans (including current portion)	$ 281,500	(30,000)	-	-	251,500
Short-term loans	4,646,000	(861,000)	-	-	3,785,000
Lease liabilities	78,489	(1,871)	1,924	-	78,542
Short-term notes payables	29,919	(29,919)	-	-	-
Total liabilities from financing activities	**$ 5,035,908**	**(922,790)**	**1,924**	**-**	**4,115,042**

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	January 1, 2022	Cash flows	Non-cash changes		December 31, 2022
			Acquisition	Foreign exchange movement	
Long-term loans (including current portion)	$ 311,500	(30,000)	-	-	281,500
Short-term loans	3,789,830	856,170	-	-	4,646,000
Lease liabilities	77,106	(4,023)	2,127	3,279	78,489
Short-term notes payable	179,907	(149,988)	-	-	29,919
Total liabilities from financing activities	$ 4,358,343	672,159	2,127	3,279	5,035,908

(7) Related-party transactions:

(a) Names and relationship with the Group

The followings are entities that have had transactions with the Group during the periods covered in the consolidated financial statements:

Name of related party	Relationship with the Group
Great Harbor Limited (G.H.)	Associate (Note 3)
Cheng Du Sheng Yang Real Estate Development Limited Company (Cheng Du Sheng Yang)	Associate (Note 3)
Hsing Yang Engineering Co., Ltd. (Hsing Yang Engineering)	Other related party
Shi Yang Construction Co., Ltd. (Shi Yang Construction)	Other related party
Hsin Tung Yang Real Estate Agent Co., Ltd. (Hsin Tung Yang Real Estate Agent)	Other related party
Hsin Tung Yang Co., Ltd.	Other related party
Syang Apartment Building Management and Maintenance Co., Ltd.	Other related party (Note 1)
Syang Security Co., Ltd.	Other related party (Note 1)
LI, ○-WAN	Other related party
MAI, ○-JEN	Other related party
JIAN,○-YU	Other related party (Note 2)
CHIEN,○-YING	Key management personnel of the Group (Note 2)
MAI,○-WEI	Key management personnel of the Group
LIU,○-HUI	Key management personnel of the subsidiary (Note 3)

Note 1: The individual no longer served as a director beginning in April 2023.

Note 2: No longer served as a director on December 31, 2022. Other related party is second degree relationship of key management personnel of the Group.

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Note 3: G.H. conducted a capital reduction, with the full amount being refunded to the Group, resulting in the Group's shareholding ratio in G.H. to decrease and lose control, but still has a significant influence, over G.H. on December 25, 2023. Thereafter, G.H. is considered to be no longer one of the Group's subsidiary. On the other hand, Cheng Du Sheng Yang and Mr. Liu are G.H.' s subsidiary and the key management personnel of the Group, respectively.

(b) Significant transactions with related parties

(i) Sales revenue

	For the years ended December 31	
	2023	**2022**
Other related party	$ 190	-

There is no material difference between the above prices and sales terms of lands and roads to other related parties and the non-related parties.

(ii) The amounts of contract out and design by the Group from related parties were as follows:

For the year ended December 31, 2023	Principal activity	Total contract price	The amount of the current period	Priced amount
Other related party	Construction work	$ 344,341	55,809	115,592

For the year ended December 31, 2022				
Other related party	Construction work	$ 329,447	39,162	60,336

The terms and pricing of purchase transactions with related parties and other vendors are based on contract. The payment terms ranged from one to two months.

(iii) Creditor debt situation

The Group's significant claims and liabilities with related parties were as follows:

Account title	Category of related party	December 31, 2023	December 31, 2022
Accounts receivable	Associates	$ 613	-
Other receivables	Other related party	$ 1	4
Unearned receipts	Other related parties	$ 59	59
Accounts payable	Other related parties	$ 22,124	15,805
Other payables	Other related party	$ 3,800	-

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(iv) Leases between the Group and the related parties as of December 31, 2023 and 2022 were as follows:

For the year ended December 31, 2023	Assets	Period	Payment method	Rent income (expense)
Other related party	Partial office of Zhongxiao East Road, Taipei	2023.01.01~2023.12.31	One-time payment	$ (1,469)
〃	11F, No.289, Section 4, Zhongxiao East Road, Taipei	〃	〃	$ (2,731)
〃	Partial office of Zhongxiao East Road, Taipei	2022.10.01~2023.12.31	One-time receivable	$ 1,065

For the year ended December 31, 2022	Assets	Period	Payment method	Rent income (expense)
Other related party	Partial office of Zhongxiao East Road, Taipei	2022.01.01~2022.12.31	One-time payment	$ (1,469)
〃	11F, No.289, Section 4, Zhongxiao East Road, Taipei	〃	〃	$ (2,728)
〃	Partial office of Zhongxiao East Road, Taipei	2022.09.01~2023.12.31	One time receivable	$ 266

(v) The Group signed a lease agreement on the fixed-term use rights of the building and land rights leases with the key management personnel in September 2018. In 2023 and 2022, the rental income was both $137 thousand.

(vi) Others

1) In December 2013, the Group signed a joint-construction agreement with other related parties to cover for the urban renewal costs. Both parties agreed to share the costs in proportion to 40% and 60%, respectively. As of December 31, 2023 and 2022, the guarantee interest income both amounted to $21 thousand. The joint-construction project was completed in December 2018.

2) In 2023 and 2022, the operation and construction expenses paid by the Group to other related parties and major management groups amounted to $2,643 thousand and $3,565 thousand, respectively.

3) The Group' business transactions with other related parties amounted to $72 and $13 thousand in 2023 and 2022.

4) In May 2022, the Group signed the cost-sharing agreement with other related parties amounted to $13 thousand per month. The Group has received $156 thousand and $98 thousand in 2023 and 2022.

5) As of December 31, 2023 and 2022, the costs of refundable note for the construction work paid by the Group to its other related party - Shi Yang Construction Co., Ltd. (Shi Yang) each amounted to $16,486 thousand.

6) As of December 31, 2023 and 2022, the Group collected the note received from construction work from other related parties amounting to $42,189 thousand and $36,834 thousand, respectively.

7) The Group entrusted a parcel of its land located at Huaxing Section, Wenshan District to other related party, at the amount of $67,560 thousand, recognized as inventory, due to business need. As of December 31, 2023, the Group had paid $16 thousand.

(c) Key management personnel compensation

	For the years ended December 31	
	2023	**2022**
Short-term employee benefits	$ 55,558	33,616
Post-employment benefits	665	645
	$ 56,223	**34,261**

(8) Pledged assets:

The information on pledged assets' carrying value is as follows:

Pledged assets	Object	December 31, 2023	December 31, 2022
Property, plant and equipment	Bank loan	$ 136,167	137,963
Investment property	〃	839,075	861,023
Inventories-construction	〃	5,161,781	7,476,078
Other financial assets-current and non-current	The warranty of the construction contract, and the trust of pre-sale building and land, etc.	127,688	555,120
		$ 6,264,711	**9,030,184**

(9) Significant contingent liabilities and unrecognized commitments:

(a) The Group's unrecognized contractual commitments are as follows:

(i) The Group entered into sales of presold and finished property. The amount of fixed property usage right and the contract of the land lease are as follows:

	December 31, 2023	December 31, 2022
Signed contract price	**$ 8,879,909**	**10,711,017**
Received	**$ 2,160,853**	**2,643,086**

(ii) The amounts of the construction contracts of the Group and the amounts received through the contract are as follows:

	December 31, 2023	December 31, 2022
Signed contract price for works	$ 2,199,504	2,551,688
Received on an approximate basis	$ 740,640	323,541

(iii) Unrecognized commitments generated by signing contracts for purchasing land for construction, development project of the MRT and urban renewal right are as follows:

	December 31, 2023	December 31, 2022
Inventory - construction industry	$ 788,129	391,048

1) The Group made an agreement with the executor of the urban renewal of Wuxing, Sec. 3, Xinyi District, Taipei, for the abovementioned urban renewal right, and was approved by the Taipei City Government on December 21, 2021.

2) After a successful bid on the “Development Project on the Entrance and Exit of Sanxia MRT Station (Sanying Line) in New Taipei City” on November 3, 2023, the Group entered into an agreement on the said project with the New Taipei Department of Rapid Transit Systems on December 1, 2023.

(iv) The Group has issued bank guarantee letters for its performance as follows:

	December 31, 2023	December 31, 2022
Issued guarantee letters	$ 148,004	68,234

(v) The Group issued refundable notes for construction projects and the detailes are as follows:

	December 31, 2023	December 31, 2022
Refundable notes (Note)	$ 222,026	91,326

Note: As of December 31, 2023 and 2022, the refundable notes included with related parties, which both amounted to $16,486 thousand.

(b) Contingencies

The subsidiary of the Group signed two separate engineering contracts with Chailease Construction and United Construction on March 25, 2020. Due to the disputes with both parties over the additional time for completion of the construction, the Group is currently and actively negotiating with the two parties. According to the assessment made by the Group's external lawyer, the application for additional time is reasonable. Moreover, all parties submitted the necessary documents to the Taipei Architects Association for time appraisal for trial.

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(10) Losses due to major disasters: None

(11) Subsequent events: None

(12) Other:

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

	For the years ended December 31					
	2023			2022		
By function / By item	Cost of Sale	Operating Expense	Total	Cost of Sale	Operating Expense	Total
Employee benefits						
Salary	$ 34,365	201,858	236,223	34,675	134,441	169,116
Labor and health insurance	3,581	9,435	13,016	3,648	8,956	12,604
Pension	1,891	4,610	6,501	2,114	4,412	6,526
Others	1,003	9,074	10,077	1,067	7,448	8,515
Depreciation	24,959	6,835	31,794	25,167	7,878	33,045
Depletion	-	-	-	-	-	-
Amortization	-	257	257	-	763	763

(b) Seasonality of Operations

The operation of the Group is not affected by seasonal or cyclical factors.

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(13) Other disclosures:

(a) Information on significant transactions:

The following is the information on significant transactions required by the “Regulations Governing the Preparation of Financial Reports by Securities Issuers” for the Group:

(i) Fund financing to other parties: None

(ii) Guarantees and endorsements for other parties: None

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

(In Thousands of New Taiwan Dollars)

Name of holder	Category and name of security	Relationship with company	Account title	Ending balance				Highest percentage of ownership (%)	Note
				Shares/Units (thousands)	Carrying value	Percentage of ownership (%)	Fair value		
Hsin Tung Yang Construction Co., Ltd.	Stocks - Yushan Financial Holdings (shares)	-	Financial assets at fair value through profit and loss - current	3,249	$ 83,822	- %	83,822	- %	
"	Beneficiary certificate -Taishin 1699 Money Market Fund	-	"	2,155	30,050	- %	30,050	- %	
"	Beneficiary certificate - CAPITAL MONEY MARKET FUND	-	"	2,113	35,049	- %	35,049	- %	
"	Beneficiary certificate - FSITC Taiwan Money Market Fund	-	"	2,227	35,049	- %	35,049	- %	
"	Beneficiary certificate - PGIM Money Market Fund	-	"	923	15,008	- %	15,008	- %	

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

(In Thousands of New Taiwan Dollars)

Name of company	Category and name of security	Account name	Name of counter-party	Relationship with the company	Beginning Balance		Purchases		Sales				Ending Balance	
					Shares	Amount	Shares	Amount	Shares	Price	Cost	Gain (loss) on disposal	Shares	Amount
The Company	Great Harbor Limited	Investments accounted for using the equity method	capital refunded and reduction	Subsidiary of the Company	16,320	$ 469,327	-	-	13,528	-	481,317	-	2,792	30,425

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

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

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

(In Thousands of New Taiwan Dollars)

Name of company	Related party	Nature of relationship	Transaction details				Transactions with terms different from others		Notes/Accounts receivable (payable)		Note
			Purchase/Sale	Amount	Percentage of total purchases/sales	Payment terms	Unit price	Payment terms	Ending balance	Percentage of total notes/accounts receivable (payable)	
Sunty Development Co., Ltd.	Hsin Tung Yang Construction Co., Ltd.	Subsidiary of the Company	Purchase	$ 532,193	27.86 %		Equivalent	Normal equivalents	(164,601)	(35.50)%	Note 1
Hsin Tung Yang Construction Co., Ltd.	Sunty Development Co., Ltd.	Parent company	Sale	530,402	(62.00) %		〃	〃	164,601	76.14%	Note 2

Note 1: The purchase price is the same as the amount priced of each period.

Note 2: The amount of sales revenue is recognized by using the percentage of completion method.

Note 3: The aforementioned transactions are reconciliated in the preparation of consolidated report.

(Continued)

SUNTY DEVELOPMENT CO., LTD. AND SUBSIDIARIES
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(viii) Receivables from related parties with amounts exceeding the lower of NT$100 million or 20% of the capital stock:

(In Thousands of New Taiwan Dollars)

Name of company	Counter-party	Nature of relationship	Ending balance	Turnover rate	Overdue		Amounts received in subsequent period	Allowance for bad debts
					Amount	Action taken		
Hsin Tung Yang Construction Co., Ltd.	Sunty Development Co., Ltd.	Parent company	$ 164,601	3.65	-		133,110	-

Note: The above transaction was eliminated when compiling the consolidated financial statements.

(ix) Trading in derivative instruments: None

(x) Business relationships and significant intercompany transactions:

(In Thousands of New Taiwan Dollars)

No.	Name of company	Name of counter-party	Nature of relationship	Intercompany transactions			
				Account name	Amount	Trading terms	Percentage of the consolidated net revenue or total assets
0	Sunty Development Co., Ltd.	Hsin Tung Yang Construction Co., Ltd.	1	Investment property	$ 11,555	-	0.09%
0	"	"	1	Rental income	4,178	-	0.10%
0	"	G. H.	1	Service income	(4,273)	-	(0.01)%
0	"	Sunty Development Co., Ltd.	1	Leasing income	21	-	-%
0	"	Sunty International Land Development Co., Ltd.	1	Leasing income	21	-	-%
1	Hsin Tung Yang Construction Co., Ltd.	Sunty Development Co., Ltd.	2	Operating income	530,402	-	12.50%
1	"	"	2	Operating costs	478,086	-	11.27%
1	"	"	2	Accounts receivable	164,601	-	1.25%
1	"	"	2	Contract liabilities	64,956		0.49%

Note 1: Description of number are as follows:
1. Parent company labeled 0.
2. Subsidiaries labeled in number sequence from 1.

Note 2: Relationship is classified into three types:
1. Parent company to subsidiary.
2. Subsidiary to parent company.
3. Subsidiary to subsidiary.

Note 3: The aforementioned inter-company transactions have been eliminated in the consolidated financial statements.

(b) Information on investees:

The following is the information on investees for the years ended December 31, 2023 (excluding information on investees in Mainland China):

(In Thousands of New Taiwan Dollars)

Name of investor	Name of investee	Location	Main businesses and products	Original investment amount		Balance as of December 31, 2023			Highest Percentage of ownership	Net income (losses) of investee	Share of profits/losses of investee	Note
				December 31, 2023	December 31, 2022	Shares (thousands)	Percentage of ownership	Carrying value				
Sunty Development Co., Ltd.	Hsin Tung Yang Construction Co., Ltd.	Taiwan	Civil engineering contractors, etc.	$ 121,734	119,282	12,307	75.97 %	121,195	75.97 %	33,179	1,302	
"	Sunty Land Development Co., Ltd.	Taiwan	Construction, sales, and leasing of residential and commercial buildings	1,200	1,200	120	100.00 %	921	100.00 %	(68)	(68)	
"	Sunty International Land Development Co., Ltd.	Taiwan	Construction, sales, and leasing of residential and commercial buildings	123,800	123,800	12,380	100.00 %	96,126	100.00 %	(11,200)	(11,200)	
"	Great Harbor Limited	Samoa	Investment holding	34,559	1,044,112	3	17.98 %	30,425	51.00 %	(43,423)	14,991	Associate

Note: Except for G.H., the above transactions were eliminated when compiling the consolidated financial statements. G.H. was changed from subsidiary to associate, please refer to notes 6(e) and 6(f).

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(c) Information on investment in mainland China:

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

(In Thousands of New Taiwan Dollars)

Name of investee	Main businesses and products	Total amount of paid-in capital	Method of investment	Accumulated outflow of investment from Taiwan as of January 1, 2023	Investment flows		Accumulated outflow of investment from Taiwan as of December 31, 2023	Net income (losses) of the investee	Percentage of ownership	Highest percentage of ownership	Investment income (losses)	Book value	Accumulated remittance of earnings in current period
					Outflow	Inflow							
Cheng Du Sheng Yang Real Estate Development Limited Company	Real estate development	$ 709,992 (US23,123)	(Note 1)	1,059,323 (US34,500)	-	476,235 (US15,510)	583,088 (US18,990)	(49,136) (CNY(11,174))	17.98%	51.00%	4,369 (CNY994)	30,675 (CNY7,112)	-

Note 1: It is the Company's third-region investment business through the Great Harbor Limited.

Note 2: Between 2018 to 2021, the Board of Directors had approved the capital reduction, a total of US$20,900 thousand were refunded to the shareholders, and the registration procedures had been completed. The refund had been already transferred to the third-region investment business of the Company. On December 20, 2023, the Board of Directors of the third-region investment business had approved the capital reduction, wherein the amount of US$15,510 thousand will be refunded to the shareholders. The refund had been already transferred to the Company.

(ii) Limitation on investment in Mainland China:

Accumulated Investment in Mainland China as of December 31, 2023	Investment Amounts Authorized by Investment Commission, MOEA	Upper Limit on Investment in Mainland China set by Investment Commission Ministry
$ 583,088 (US18,990)	1,100,958 (US35,856)	3,620,918

Note: US Dollar exchange rate on December 31, 2023 closing rate: NT$30.7050, CNY$0.1405.

(iii) Significant transactions: None

(d) Major shareholders:

Shareholding / Shareholder's Name	Shares	Percentage
Chen Yang Investment Co., Ltd.	41,303,941	11.72 %
Shang Yang Investment Co., Ltd.	41,234,312	11.70 %
Hsin Tung Yang Real Estate Agent Co., Ltd.	41,081,767	11.66 %
Ting Yang Investment Co., Ltd.	40,738,478	11.56 %
Hsing Yang Investment Co., Ltd.	30,856,309	8.75 %
Yuan Shang Co., Ltd.	27,072,005	7.68 %
Shi Yang Construction Co., Ltd.	25,855,653	7.33 %
Cathay United Bank holding J-Ten Ltd. Investment Account	23,933,000	6.79 %

Note: The major shareholders information in this table is based on the last business day at the end of each quarter by Taiwan Depository and Clearing Corporation, which calculates that shareholders hold more than 5% of the company's ordinary shares that have been delivered without physical registration.

(14) Segment information:

(a) General information

The Group consist of two department, real estate sales department and engineering contracting department. Each business group has different marketing attributes and marketing strategies, which are described as follows:

Real estate sales department: Commissioning contractor to construct residential buildings for sales.

Engineering contracting department: Comprehensively organizes all works involved in constructions, including building and management, as a general contractor.

(b) Information about reportable segments and their measurement and reconciliations

The Group uses the internal management report that the chief operating decision maker reviews as the basis to determine resource allocation and make a performance evaluation. The internal management report includes profit before taxation, excluding any extraordinary activity and foreign exchange gains or losses, because taxation, extraordinary activity and foreign exchange gains or losses are managed on a group basis, and hence they are not able to be allocated to each reportable segment. In addition, not all reportable segments include depreciation and amortization of significant non-cash items. The reportable amount is the same as the report used by the chief operating decision maker. The operating segment accounting policies are similar to the ones described in note 4 "Significant accounting policies" except for the recognition and measurement of pension cost, which is on a cash basis. The Group treated intersegment sales and transfers as third party transactions. They are measured at market price.

For the year ended December 31, 2023		Sales of real estate department	Construction contractor department	Reconciliation and elimination	Total
Revenue:					
Revenue from external customers	$	3,915,627	326,723	-	4,242,350
Intersegment sales		(53)	530,402	(530,349)	-
Interest income		19,940	278	-	20,218
Total revenue	$	3,935,514	857,403	(530,349)	4,262,568
Interest expense	$	32,576	46	-	32,622
Depreciation and amortization		29,343	2,708	-	32,051
Reportable segment profit or loss	**$**	**734,926**	**(9,700)**	**-**	**725,226**
Assets:					
Non-current asset capital expenditure	$	1,079,098	3,434	-	1,082,532
Reportable segment assets	**$**	**12,688,406**	**453,015**	**-**	**13,141,421**
Reportable segment liabilities	**$**	**6,808,910**	**297,648**	**-**	**7,106,558**

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For the year ended December 31, 2022		Sales of real estate department	Construction contractor department	Reconciliation and elimination	Total
Revenue:					
Revenue from external customers	$	2,604,118	304,253	-	2,908,371
Intersegment sales		6,435	406,899	(413,334)	-
Interest income		6,580	80	-	6,660
Total revenue	**$**	**2,617,133**	**711,232**	**(413,334)**	**2,915,031**
Interest expense	$	23,451	155	-	23,606
Depreciation and amortization		29,978	3,830	-	33,808
Reportable segment profit or loss	**$**	**210,030**	**(19,865)**	**-**	**190,165**
Assets:					
Non-current asset capital expenditure	$	1,039,859	69,538	-	1,109,397
Reportable segment assets	**$**	**13,931,132**	**343,575**	**-**	**14,274,707**
Reportable segment liabilities	**$**	**8,255,368**	**182,209**	**-**	**8,437,577**

(c) Product and service information

For information of revenue from external customers of the Group, please refer to 6(v).

(d) Geographic information

In presenting the information on the basis of geography, segment revenue is based on the geographical location of customers, and segment assets are based on the geographical location of the assets.

Geographical information		**For the years ended December 31 2023**	**2022**
Revenue from external customers:			
Taiwan	$	4,117,360	2,777,814
Mainland China		124,990	130,557
	$	**4,242,350**	**2,908,371**
Non-current assets:			
Taiwan	$	1,243,933	1,251,188
Mainland China		-	202
Total	**$**	**1,243,933**	**1,251,390**

Non-current assets include property, plant and equipment, right-of-use assets, intangible assets and other assets, not including financial instruments, deferred tax assets, pension fund assets, and rights arising from insurance contracts (non-current).

(e) Major customer information

The Group does not generate the income from a single customer that exceed 10% of the consolidated income statement. Thus, the group does not disclose any major customer information.