Stock Code: 1472

Triocean Industrial Corporation Co., Ltd. and subsidiaries

Consolidated Financial Statements and Independent Auditor's Report

2023 and 2022

Address: No. 360, Jiabao Road, Dashe District, Kaohsiung City

Tel.: (07) 356-0666

§Table of Contents

Declaration of Consolidated Financial Statements of Affiliated Enterprises

Considering that the companies to be included in the consolidated financial statements of affiliated enterprises under the “Criteria Governing Preparation of Affiliation Reports, Consolidated Business Reports, and Consolidated Financial Statements of Affiliated Enterprises” were the same as those to be included in the consolidated financial statements of the parent and subsidiaries under IFRS 10 in 2023 (from January 1, 2022 to December 31, 2023), and the related information to be disclosed in the consolidated financial statements of affiliated enterprises was already disclosed in the said consolidated financial statements of the parent and subsidiaries, no consolidated financial statements of affiliated enterprises were prepared separately.

In witness whereof, the Declaration is hereby presented.

Company name: Triocean Industrial Corporation

Person in charge: Chiang Yu-Lien

March 12, 2024

Auditors' Review Report

To: Triocean Industrial Corporation Co., Ltd.:

Audit Opinions

We have audited the accompanying consolidated balance sheets of Triocean Industrial Corporation Co., Ltd. (the "Company") and its subsidiaries (collectively, the "Group") as of December 31, 2023 and 2022 and the relevant consolidated statements of comprehensive income, changes in equity and cash flows for the years then ended, and relevant notes to the consolidated financial statements (including a summary of significant accounting policies).

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as of December 31, 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, the International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) endorsed and issued into effect by the Financial Supervisory Commission (FSC) of the Republic of China.

Basis for opinion

We conducted our audits in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and auditing standards. 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 Accountant of the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the year ended December 31,

2023. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, we do not provide a separate opinion on these matters.

Key audit matters for the consolidated financial statements for the year ended December 31, 2023 are stated as follows:

Accuracy of revenue recognition of construction projects

After acquiring Shang-Ting Construction Co., Ltd., the Group is currently focusing on the construction business. For the accounting policy of recognition of construction revenue, please refer to Note 4. The degree of completion of the performance obligation is measured using the cost-based input method to measure the construction revenue recognized. The degree of completion of the performance obligation is the ratio of the actual input cost to the expected total cost.

Since the accounting treatment of construction engineering contracts involves significant accounting estimates and judgments made by management, the correctness of the construction engineering revenue recognized is a key audit matter.

The main audit procedures that we have performed are as follows:

1. Assess the completeness and accuracy of management’s estimate of the total cost of the construction contract.
2. Check the outsourced contracts and costs, and check the degree of completion of the performance obligation and whether the revenue recognition of the construction project is correct.

Other matter

Triocean Industrial Corporation Co., Ltd. has prepared the standalone financial statements for the years ended December 31, 2023 and 2022, on which we have issued an unqualified opinion for reference.

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 the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the IFRS, IAS, IFRIC, and SIC endorsed and issued into effect by FSC of the Republic of China, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements they 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.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high-level assurance but is not a guarantee that an audit conducted in accordance with the auditing standards will always detect a material misstatement when it exists. The misstatements might be due to fraud or error. If an individual or total amount misstated was reasonably expected to have an impact on the economic decision-making of users of the consolidated financial statements, the misstatement was deemed as material.

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

1. Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence 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, and 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 auditor's 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 disclosure, 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 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 communicated 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 identified during our audit.

We also provided those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicated 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 determined those matters that were of most significance in the audit of consolidated financial statements for the year ended December 31, 2023 and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulations 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 reviews resulting in this independent auditor's review report are Chen-Li Chen and Hsiu-Wen Chen.

Deloitte & Touche
Taipei, Taiwan
Republic of China

March 12, 2024

Notice to Readers

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

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

Triocean Industrial Corporation Co., Ltd. and Subsidiaries

CONSOLIDATED BALANCE SHEETS
(In Thousands of New Taiwan Dollars)

	December 31, 2023		December 31, 2022	
Assets	**Amount**	**%**	**Amount**	**%**
Current assets				
Cash (Notes 4 and 6)	$ 793,406	30	$ 253,649	9
Contract assets – current (Notes 4, 23, 25, and 32)	289,214	11	297,706	11
Accounts receivable (Notes 4, 10, 23, 25, and 32)	72,595	3	-	-
Other receivables	42,636	2	202	-
Current income tax assets (Notes 4 and 27)	332	-	190	-
Prepayments (Note 18)	138,516	5	99,923	4
Disposal group held for sale (Notes 4 and 11)	-	-	29,646	1
Other financial assets – current (Notes 4, 9, 23, and 33)	705,121	26	724,266	26
Other current assets	8,774	-	4,203	-
Total current assets	2,050,594	77	1,409,785	51
Non-current assets				
Financial assets at fair value through other comprehensive income – non-current (Notes 4 and 8)	-	-	31,500	1
Property, plant and equipment (Notes 4 and 13)	99,701	4	100,512	4
Right-of-use assets (Notes 4, 14, and 32)	40,957	1	37,415	1
Investment property, net (Notes 4, 15 and 33)	-	-	721,010	26
Goodwill (Notes 4 and 16)	428,702	16	428,702	16
Other intangible assets (Notes 4 and 17)	11,475	-	11,195	-
Deferred income tax assets (Notes 4 and 27)	17,940	1	12,831	1
Other financial assets – non-current (Notes 4, 9, 23, 32, and 33)	16,440	1	8,116	-
Other non-current assets	14	-	14	-
Total non-current assets	615,229	23	1,351,295	49
Total assets	$ 2,665,823	100	$ 2,761,080	100
Liabilities and equity				
Current liabilities				
Short-term borrowings (Notes 19 and 33)	$ 70,000	3	$ 456,340	16
Short-term bills payable (Notes 9, 19, and 33)	298,612	11	-	-
Contract liabilities – current (Notes 4, 23, and 25)	214,208	8	132,450	5
Notes payable (Notes 20, 23, and 32)	101,729	4	56,730	2
Accounts payable (Notes 20, 23, and 32)	100,479	4	98,747	4
Other payables (Note 21)	69,779	3	26,972	1
Other payables – Related parties (Note 32)	-	-	213,025	8
Current income tax liabilities (Notes 4 and 27)	21,323	1	18,597	1
Provision – current (Notes 4 and 22)	7,192	-	1,701	-
Liabilities directly related to the disposal group to be sold (Notes 4 and 11)	-	-	1,114	-
Lease liabilities – current (Notes 4, 14, and 32)	11,000	-	10,314	-
Long-term loans due within one business cycle (Notes 19, 23, and 33)	240,565	9	218,490	8
Other current liabilities	2,736	-	2,105	-
Total current liabilities	1,137,623	43	1,236,585	45
Non-current liabilities				
Financial liabilities at fair value through profit or loss (Notes 4, 7,12 and 32)	-	-	232,725	9
Long-term borrowings (Notes 19 and 33)	-	-	410,140	15
Provision – non-current (Notes 4 and 22)	73,167	3	38,166	1
Deferred income tax liabilities (Notes 4 and 27)	-	-	33,899	1
Lease liabilities – non-current (Notes 4, 14, and 32)	30,037	1	27,235	1
Guarantee deposits received	1,484	-	5,566	-
Total non-current liabilities	104,688	4	747,731	27
Total liabilities	1,242,311	47	1,984,316	72
Equity attributable to shareholders of the parent (Note 24)				
Ordinary share capital	424,881	16	249,881	9
Capital surplus	338,440	12	7,340	-
Unappropriated retained earnings (accumulated deficit)	667,107	25	(23,774)	(1)
Other equity	(6,916)	-	543,317	20
Total equity	1,423,512	53	776,764	28
Total liabilities and equity	$ 2,665,823	100	$ 2,761,080	100

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

Triocean Industrial Corporation Co., Ltd. and Subsidiaries

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2023		2022	
	Amount	**%**	**Amount**	**%**
Operating revenues (Notes 4, 25, and 32)	$ 1,947,532	100	$ 1,169,012	100
Operating costs (Notes 4, 26, and 32)	1,694,708	87	1,060,821	90
Gross profit	252,824	13	108,191	10
General and administrative expenses (Note 26)	123,470	6	115,121	10
Income (loss) from operations	129,354	7	(6,930)	-
Non-operating income and expenses (Note 26)				
Interest revenue	5,155	-	2,863	-
Other income	16,028	1	32,116	3
Other gains and losses	19,291	1	(13,713)	(1)
Finance costs (Note 32)	(17,960)	(1)	(16,773)	(2)
Total non-operating income and expenses	22,514	1	4,493	-
Income (loss) before income tax	151,868	8	(2,437)	-
Income tax expense (profit) (Note 4 and 27)	9,888	1	(5,720)	-
Net income from continuing operations	141,980	7	3,283	-
Net income from discontinued operations	-	-	434	-
Net income	141,980	7	3,717	-

(Continued)

Triocean Industrial Corporation Co., Ltd. and Subsidiaries

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2023		2022	
	Amount	**%**	**Amount**	**%**
Other comprehensive income				
Items that will not be reclassified subsequently to profit or loss:				
Unrealized gain/(loss) on investments in equity instruments at fair value through other comprehensive income	($ 1,478)	-	($ 1,359)	-
Items that may be reclassified subsequently to profit or loss:				
Exchange differences arising on translation of foreign operations	182	-	6,555	1
Income tax related to other comprehensive income components	(36)	-	(1,311)	-
	146	-	5,244	1
Other comprehensive income (loss), net of income tax	(1,332)	-	3,885	1
Total comprehensive income	$ 140,648	7	$ 7,602	1
Net income attributable to:				
Shareholders of the parent	$ 141,980	7	$ 3,717	-
Total comprehensive income attributable to:				
Shareholders of the parent	$ 140,648	7	$ 7,602	1
Earnings per share (Note 28)				
From continuing operations and discontinued operations				
Basic	$ 4.27		$ 0.15	
Diluted	$ 4.26		$ 0.15	
From continuing operations				
Basic	$ 4.27		$ 0.13	
Diluted	$ 4.26		$ 0.13	

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

Triocean Industrial Corporation Co., Ltd. and Subsidiaries

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
(In Thousands of New Taiwan Dollars)

	Equity attributable to owners of the Company							
				Other equity				
	Ordinary share capital	Capital surplus	Unappropriated retained earnings (accumulated deficit)	Exchange differences on translating foreign operations	Unrealized gains or losses on financial assets at fair value through other comprehensive income	Revaluation increment of property	Total	Total equity
Balance on January 1, 2022	$ 249,881	$ 7,340	($ 27,491)	($ 12,306)	($ 4,659)	$ 556,397	$ 539,432	$ 769,162
Net income	-	-	3,717	-	-	-	-	3,717
Other comprehensive income (loss), net of income tax	-	-	-	5,244	(1,359)	-	3,885	3,885
Total comprehensive income (loss)	-	-	3,717	5,244	(1,359)	-	3,885	7,602
Balance, December 31, 2022	249,881	7,340	(23,774)	(7,062)	(6,018)	556,397	543,317	776,764
Net income	-	-	141,980	-	-	-	-	141,980
Other comprehensive income (loss), net of income tax	-	-	-	146	(1,478)	-	(1,332)	(1,332)
Total comprehensive income (loss)	-	-	141,980	146	(1,478)	-	(1,332)	140,648
Capital increase in cash (Note 24)	175,000	331,100	-	-	-	-	-	506,100
Disposal of investment property (Notes 15 and 24)	-	-	556,397	-	-	(556,397)	(556,397)	-
Disposal of equity instruments at fair value through other comprehensive income	-	-	(7,496)	-	7,496	-	7,496	-
Balance, December 31, 2023	$ 424,881	$ 338,440	$ 667,107	($ 6,916)	$ -	$ -	($ 6,916)	$1,423,512

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

Triocean Industrial Corporation Co., Ltd. and Subsidiaries

CONSOLIDATED STATEMENTS OF CASH FLOWS
(In Thousands of New Taiwan Dollars)

	2023	2022
Cash flow from operating activities		
Net loss before tax		
Profit (loss) before income tax from continuing operations	$151,868	($ 2,437)
Profit before income tax from discontinued operation	-	434
Adjustments for:		
Depreciation expense	26,153	19,236
Amortization expense	104	37,920
Expected credit losses recognized	-	(159)
Net loss of financial assets measured at fair value through profit or loss and liabilities	-	14,316
Finance costs	17,960	16,773
Interest income	(5,155)	(2,863)
Dividend income	-	(2,584)
Loss (gain) from the disposal of property, plant and equipment	186	(722)
Gain on disposal of investment property	(17,976)	-
Loss on disposal of intangible assets	-	590
Gain on disposal of investment accounted for using the equity method	(1,416)	(2,730)
Provision	40,492	22,923
Loss on fair value adjustment of investment property	-	14,670
Others	(241)	-
Changes in operating assets and liabilities:		
Contract assets	8,492	(113,516)
Notes receivable	-	24,906
Accounts receivable	(72,595)	17,159
Other receivables	(41,551)	(97)
Prepayments	(38,593)	(79,664)
Other current assets	(4,571)	(3,681)
Contract liabilities	81,758	123,146
Notes payable	44,999	24,803
Accounts payable	1,732	68,232
Other payables	42,251	10,964
Provision	-	(93)
Other current liabilities	587	(8,147)
Cash generated from operations	$234,484	$179,379
Interest received	5,155	2,863
Dividends received	-	2,584
Interest paid	(18,504)	(15,828)

(Continued)

Triocean Industrial Corporation Co., Ltd. and Subsidiaries

CONSOLIDATED STATEMENTS OF CASH FLOWS
(In Thousands of New Taiwan Dollars)

Income tax paid	(46,348)	(3,608)
Net cash generated by operating activities	174,787	165,390
Cash flow from investing activities		
Disposal of financial assets at fair value through other comprehensive income	30,022	-
Disposal of financial assets at fair value through profit or loss	-	4,209
Other payables – Related parties	(445,750)	-
Net cash inflow from disposal of subsidiary	23,551	2,074
Purchase of property, plant and equipment	(11,960)	(7,852)
Proceeds from the disposal of property, plant and equipment	-	3,038
Purchase of intangible assets	(384)	(155)
Acquisition of investment property	-	(4,800)
Disposal of investment property	738,986	-
Decrease (increase) of other financial assets	10,821	(244,068)
Net cash generated by (used in) investing activities	345,286	(247,554)
Cash flow from financing activities		
Increase in short-term borrowings	70,000	372,400
Decrease in short-term borrowings	(456,340)	(583,971)
Increase in short-term bills payable	298,612	-
Repayment of corporate bonds	-	(288,900)
Borrowing of long-term loans	440,255	711,656
Repayment of long-term borrowings	(828,320)	(147,355)
Decrease in guarantee deposits received	(4,038)	(58)
Lease principal repayment	(11,490)	(6,191)
Capital increase in cash	506,100	-
Net cash generated by operating activities	14,779	57,581
Effect of exchange rate changes on cash	(21)	(32)
Net increase (decrease) in cash	534,831	(24,615)
Cash balance at the beginning of year	253,649	283,190
Cash included in the disposal group to be sold	$ 4,926	($ 4,926)
Cash balance at the end of year	$793,406	$253,649

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

Triocean Industrial Corporation Co., Ltd. and Subsidiaries
Notes to the Consolidated Financial Statements
For the years ended December 31, 2023 and 2022
(Expressed in Thousand NTD, Unless Stated Otherwise)

I. Organization and Operations

Triocean Industrial Corporation Co., Ltd. (hereinafter referred to as the "Company," the entities controlled by the Company are hereinafter referred to as the "Group") was established in Taipei City in October 1968. Its original business was in the weaving, printing and dyeing, and processing of various fibrous fabrics, trading, etc. The Company's Board of Directors resolved in November 2020 to stop the production and textile business and change the registered address to Kaohsiung City. Currently, the Company is primarily engaged in the construction business.

The Company's shares have been listed on the Taipei Exchange (TPEx) since January 1999. The Company has been listed on the Taiwan Stock Exchange (TWSE) since September 2000.

The consolidated financial statements are presented in NTD, which is the Company's functional currency.

II. Date and Procedures for Approval of the Financial Report

The consolidated financial statements were released after being approved by the Board of Directors on March 12, 2024.

III. Application of Newly Issued and Amended Standards and Interpretations

(I) Initial application of the amendments to the IFRS, International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) (collectively, the "IFRSs") endorsed and issued into effect by the FSC.

The application of the amendments to the IFRSs endorsed and issued into effect by the FSC will not have a material impact on the Group's accounting policies.

(II) The IFRSs endorsed by the FSC for application starting from 2023

New/Revised/Amended Standards and Interpretations	Effective Date Announced by IASB
Amendments to IFRS 16 “Lease Liability in a Sale and Leaseback”	January 1, 2024 (Note 2)
Amendments to IAS 1 “Classification of Liabilities as Current or Non-current”	January 1, 2024
Amendments to IAS 1 “Non-current Liabilities with Covenants”	January 1, 2024
Amendments to IAS 7 and IFRS 7 “Supplier Finance Arrangements”	January 1, 2024 (Note 3)

Note 1: Unless stated otherwise, the new/revised/amended standards and interpretations above are effective for annual reporting periods beginning on or after their respective effective dates.

Note 2: A seller-lessee should apply the amendments to IFRS 16 retrospectively to sale and leaseback transactions entered into after the date of initial application of IFRS 16.

Note 3: Partial exemption from disclosure requirements upon first application of these amendments.

As at the publication date of this consolidated financial statement, the Group is continuously assessing the possible impact that the application of other standards and interpretations will have on the Group’s financial position and financial performance.

(III) New IFRSs in issue but not yet endorsed and issued into effect by the FSC

New/Revised/Amended Standards and Interpretations	Effective Date Announced by IASB
Amendments to IFRS 10 and IAS 28 “Sale or Contribution of Assets between an Investor and its Associate or Joint Venture”	To be determined
IFRS 17 “Insurance Contracts”	January 1, 2023
Amendments to IFRS 17	January 1, 2023
Amendment to IFRS 17 “Initial Application of IFRS 17 and IFRS 9 – Comparative Information”	January 1, 2023
Amendments to IAS 21 “Lack of Exchangeability”	January 1, 2025 (Note 2)

Note 1: Unless stated otherwise, the new/revised/amended standards and interpretations above are effective for annual reporting periods beginning on or after their respective effective dates.

Note 2: Applicable to annual reporting periods beginning on or after January 1,

2025. When the amendment is applied for the first time, the effect is recognized in the retained earnings on the date of initial application. When the Group uses a non-functional currency as the presentation currency, it will affect the exchange differences of foreign operations under equity on the date of initial application.

Except for the above impact, as at the date the consolidated financial statements were authorized for issue, the Group is continuously assessing the possible impact that the application of other standards and interpretations will have on the Group’s financial position and financial performance and will disclose the relevant impact when the assessment is completed.

IV. Summary of Significant Accounting Policies

(I) Statement of compliance

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

(II) Basis of preparation

Except for financial instruments and investment property measured at fair value and contingent considerations for the acquisition of subsidiaries, the consolidated financial statements have been prepared on a historical cost basis.

The fair value measurements, which are grouped into Levels 1 to 3 based on the degree to which the fair value measurement inputs are observable and based on the significance of the inputs to the fair value measurement in its entirety, are described as follows:

1. Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities;
2. Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for an asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
3. Level 3 inputs are unobservable inputs for an asset or liability.

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

Current liabilities include:

1. Assets held primarily for the purpose of trading;
2. Assets expected to be realized within 12 months after the reporting date; and

3. Cash (excluding those restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period).

Current liabilities include:

1. Liabilities held primarily for the purpose of trading;
2. Liabilities due to be settled within 12 months after the reporting period; and
3. Liabilities for which the Group does not have an unconditional right to defer settlement for at least 12 months after the reporting period.

Assets and liabilities that are not classified as current are classified as non-current.

The Group is engaged in construction projects, and its operating cycle is longer than one year. Therefore, the assets and liabilities related to the construction business are classified as current or non-current based on the normal operating cycle.

(IV) Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and the entities controlled by the Company. Income and expenses of subsidiaries acquired or disposed of during the period are included in the consolidated statements of comprehensive income from the effective dates of acquisition up to the effective dates of disposal. The financial statements of subsidiaries have been adjusted to ensure consistency between their accounting policies and the Group's. All intra-group transactions, balances, income, and expenses are eliminated in full upon consolidation. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

For details of subsidiaries, shareholding ratio and business items, please refer to Note 12 and Table 7

(V) Foreign currency

In preparing the financial statements of each individual entity in the Group, transactions in currencies other than the entity's functional currency (i.e. foreign currencies) are recognized at the rates of exchange prevailing on the transaction dates.

At the end of each reporting period, monetary items denominated in foreign currencies are translated at the rates prevailing on that date. Exchange differences on monetary items arising from settlement or translation are recognized in profit or loss in the period in which they arise.

Non-monetary items measured at historical cost that are denominated in foreign currencies are translated at the rates of exchange prevailing on the transaction dates and are not retranslated.

When the consolidated financial statements are prepared, the assets and liabilities of the Company’s foreign operations (including subsidiaries or associates that operate in countries or adopt the functional currencies different from the Company) are translated into New Taiwan dollar at the rates of exchange prevailing at the end of each reporting period. Income and expense items are translated at the average exchange rates for the period. The resulting currency exchange differences are recognized in other comprehensive income.

(VI) Property, plant and equipment

Property, plant and equipment are initially recognized at cost and subsequently measured at cost less accumulated depreciation and accumulated impairment loss.

Each significant component of the remaining property, plant and equipment is depreciated separately on a straight-line basis within their useful lives. The Group conducts at least one annual review at the end of each year to assess the estimated useful life, residual value, and depreciation methods, and applies the effect of changes in applicable accounting estimates prospectively.

When derecognizing an item of property, plant and equipment, the difference between the net disposal proceeds and the carrying amount of the asset shall be recognized in loss or profit.

(VII) Investment property

Investment properties refers to properties held for the purpose of earning rents or capital appreciation or both. Investment properties also include land held for a currently undetermined future use.

Self-owned investment properties are initially measured at cost (including transaction cost). The investment properties acquired through lease are initially measured at cost (including the originally measured amount of the lease liabilities, the lease payments paid before the lease commencement date, the original direct cost, and the estimated cost of restoring the underlying asset, less the lease incentives received).

Starting January 1, 2022, the Group’s accounting policy for the subsequent measurement of investment properties was changed from the cost model to the fair value model. All investment properties were subsequently measured using the fair value model, with changes in fair value recognized in profit and loss for the period.

When property, plant and equipment is transferred to investment property after own-use, the difference between the original carrying amount and the fair value is recognized in other comprehensive income.

When investment properties are derecognized, the difference between the net disposal price and the carrying amount of the asset is recognized in profit or loss.

(VIII) Goodwill

The cost of goodwill from business combination is the amount of goodwill recognized at the acquisition date, and is subsequently measured at cost less accumulated impairment losses.

For the purposes of impairment testing, goodwill is allocated among each cash-generating unit or a group of cash-generating units (referred to as “CGUs”), which is expected to benefit from the synergies of the combination.

The carrying amount and recoverable amount of the CGUs to which goodwill is allocated will be compared every year (and whenever there is an indication that the unit may be impaired) as impairment testing on the units. If the goodwill allocated to the CGUs is acquired in a business combination during the year, the CGUs shall be tested for impairment before the end of the year. If the recoverable amount of CGUs to which goodwill is allocated is lower than its carrying amount, the impairment loss is first deducted from the carrying amount of the goodwill of said CGUs. Next, the carrying amount of other assets within said CGUs is deducted from the carrying amount of the goodwill of said CGUs in proportion to the carrying amount of each asset. Any impairment loss is recognized in loss in the current year. Impairment loss of goodwill shall not be reversed subsequently.

When disposing of a certain operation within the CGUs to which goodwill is allocated, the amount of goodwill related to the operation disposed of is included in the carrying amount of the operation to determine the gain or loss on the disposal.

(IX) Intangible assets

1. Acquired separately

Intangible assets with finite useful lives that are acquired separately are initially measured at cost and subsequently measured at cost less accumulated amortization. Intangible assets are amortized on a straight-line basis or based on the expected consumption pattern of future economic benefits within the useful lives. At the end of each year, the estimated useful life, residual value, and amortization method are reviewed, and the application of accounting estimates is deferred the impact of changes in accounting estimates prospectively. Intangible assets with indefinite useful lives are recognized at cost less accumulated impairment loss.

2. Acquired by business combination

The intangible assets acquired in a business combination are recognized at the fair value on the acquisition date and are recognized separately from goodwill, and the subsequent measurement is the same as the intangible assets acquired separately.

3. Derecognition

On derecognition of an intangible asset, the difference between the net disposal proceeds and the carrying amount of the asset is recognized in profit or loss for the year.

(X) Impairment of assets related to property, plant and equipment, right-of-use assets, investment properties, and intangible assets (excluding goodwill)

The Group assesses if there are any signs of possible impairment in property, plant, and equipment as well as right-of-use, investment properties, and intangible assets (excluding goodwill) at the end of each reporting period. If there is any sign of impairment, an estimate is made of its recoverable amount. If it is not possible to determine the recoverable amount of an individual asset, the Group estimates the recoverable amount of the CGU to which the asset belongs.

Intangible assets with indefinite useful lives and not yet available for use are tested for impairment at least annually and whenever there is an indication that the assets may be impaired.

The recoverable amount is the fair value less cost of sales or its value in use, whichever is higher. If the recoverable amount of an individual asset or a CGU is lower than its carrying amount, the carrying amount is reduced to the recoverable amount, and the impairment loss is recognized in profit or loss.

When the impairment loss is subsequently reversed, the carrying amount of the asset, the CGU, or the asset related to contract cost is increased to the revised recoverable amount, provided that the increased carrying amount shall not exceed the carrying amount (less amortization or depreciation) of the asset, CGU, or the asset related to contract cost which was not recognized in impairment loss in prior years. The reversal of the impairment loss is recognized in profit or loss.

(XI) Non-current assets held for sale

The carrying amount of the disposal group is classified as held for sale when it is expected to be recovered mainly through a sale transaction instead of continued use. The disposal groups meeting this classification must be available for immediate sale in the current state, and the probability of sale must be highly probable. When the appropriate level of management commits to sell the asset, and the sale is expected to be completed within one year from the date of classification, the probability of sale is highly likely.

If the Company loses control over the subsidiary at the time of sale, regardless of whether it retains non-controlling interests in the former subsidiary after the sale, all assets and liabilities of the subsidiary are fully classified as held for sale.

The disposal group classified as held for sale are measured at the lower of carrying amount or fair value less costs to sell, and depreciation of such assets is stopped.

(XII) Financial instruments

Financial assets and financial liabilities shall be recognized in the consolidated balance sheet when the Group becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities not at fair value through profit or loss are measured at fair value plus transaction costs directly attributable to the acquisition or issuance of financial assets or financial liabilities. The transaction costs directly attributable to the acquisition or issuance of financial assets or financial liabilities at fair value through profit or loss is immediately recognized in profit or loss.

1. Financial assets

   Regular trading of financial assets shall be recognized and derecognized in accordance with trade date accounting.

   (1) Measurement types

   Financial assets held by the Group are those measured at fair value through profit or loss (FVTPL) and at amortized cost, as well as investments in equity instruments measured at fair value through other comprehensive income (FVTOCI).

   A. Investments in equity instruments at FVTOCI

   The Group may, upon initial recognition, make an irrevocable election to designate as at FVTOCI the investments in equity instruments that are not held for trading and the ones that are not recognized by an acquirer in a business combination or with the contingent consideration.

   Investments in an equity instrument measured at FVTOCI are measured at fair value, and any subsequent fair value changes are recognized in other comprehensive income and accumulated in other equity. Upon disposal of investments, cumulative gain or loss is directly transferred to retained earnings and are not reclassified to profit or loss.

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

   B. Financial assets at amortized cost

   When the Group’s investments in financial assets meet the following two conditions simultaneously, they are classified as financial assets measured at amortized cost:

a. Held under a certain business model, of which the objective is to collect contractual cash flows by holding the financial assets; and
b. The cash flows on specific dates specified in the contractual terms are solely payments of the principal and interest on the principal amount outstanding.

Financial assets measured at cost after amortization (including cash, accounts receivable measured at cost after amortization, other receivables and other financial assets) are the total carrying amount determined by the effective interest method less any impairment loss, and any foreign currency exchange gains or losses are recognized in profit or loss.

Interest revenue is calculated by multiplying the effective interest rate by the total carrying amount of financial assets:

Financial assets are credit-impaired when the issuer or debtor has experienced major financial difficulty, default, and the debtor is likely to file for bankruptcy or other financial reorganization, or financial difficulties that cause the active market of the financial asset to disappear.

(2) Impairment of financial assets and contract assets

The Group assesses the impairment loss of financial assets measured at amortized cost (including trade receivables), finance lease receivables, and contract assets based on the expected credit loss at the end of each reporting period.

Trade receivables, finance lease receivables, and contract assets are recognized in loss allowance based on the lifetime expected credit losses (ECLs). Other financial assets are first assessed based on whether the credit risk has increased significantly since the initial recognition. If there is no significant increase in the risk, a loss allowance is recognized at an amount equal to 12-month ECLs.

If the risks have increased significantly, a loss allowance is recognized at an amount equal to lifetime ECLs. The ECLs refer to the weighted average credit loss with the risk of default as the weight. The 12-month ECLs represent the ECLs from possible defaults of a financial instrument within 12 months after the reporting date. The lifetime ECLs represent the ECLs from all possible defaults in a financial instrument over the expected life of a financial instrument.

For the purpose of internal credit risk management, the Group, without considering the collateral held, determines that the following situations represent defaults in the financial assets:

A. Internal or external information indicates that it is impossible for the debtor to settle the debt.

B. It is overdue for more than 90 days, unless there is reasonable and corroborative information showing that a default date postponed is more appropriate.

The Company recognizes an impairment loss for all financial assets with a corresponding downward adjustment to their carrying amount through a loss allowance account.

(3) Derecognition of financial assets

The Group derecognizes a financial asset when the contractual rights to the cash inflow from the financial asset expire or when it transfers the financial assets and substantially all the risks and rewards of ownership of the asset to another party.

On derecognition of a financial asset at amortized cost in its entirety, the difference between the asset’s carrying amount and the consideration received is recognized in profit or loss. When derecognizing an investment in equity instrument at FVTOC in its entirety, the cumulative profit or loss is transferred directly to retained earnings and is not reclassified to profit or loss.

2. Equity instruments

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

Equity instruments issued by the Group are recognized at the proceeds received, net of the cost of direct issue.

3. Financial liabilities

(1) Subsequent measurement

All financial liabilities are measured at amortized cost in the effective interest method, except for the following:

Financial liabilities measured at fair value through profit or loss

Financial liabilities measured at fair value through profit or loss include held for trading.

Financial liabilities held for trading are measured at fair value, and the related gains or losses are recognized in other gains and losses.

Please refer to Note 31 for the determination of fair value.

(2) Derecognition of financial liabilities

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

(XIII) Provision

The amount recognized in provisions is the best estimate of the expenditure required to settle the obligation at the end of the reporting period based on the consideration for the risks and uncertainties of the obligation. The provisions are measured at the discounted value of the cash flow estimated to settle the obligation.

1. Warranty

The warranty obligation to ensure that products conform to the agreed specifications is based on management's best estimate of the expenditure required to settle the Group's obligation, and is recognized when relevant products are recognized in revenue.

2. Contingent liabilities acquired in a business combination

If the contingent liabilities assumed for a business combination are present obligations arising from past events and the fair value of which can be reliably measured, they are recognized at the fair value as the original measurement amount on the acquisition date. On the subsequent reporting date, such contingent liabilities are measured at the amortized amount. However, if it is assessed that it is likely to be required to pay the present obligation amount, the subsequent measurement shall be based on the present obligation amount or the post-amortization amount, whichever is higher.

(XIV) Revenue recognition

After the Group identifies its performance obligations in contracts with customers, it allocates the transaction price to each performance obligation in the contracts and recognizes revenue when performance obligations are satisfied.

1. Service revenue

The labor service revenue comes from the procurement service of construction materials, and the related revenue is recognized when the labor service is provided.

2. Construction revenue

During the construction process, the property is a property construction contract controlled by the customer, and the Group recognizes it in income over time. As the cost of construction is directly related to the progress of completion of the performance obligation, the Group measures the progress of completion based on the actual investment cost as a percentage of the expected total cost. The Group gradually recognizes contract assets during the construction process, and reclassifies them to trade receivables upon billing. If the construction payment received exceed the amount of revenue recognized, the difference is recognized in contract liability. The retention of a construction project withheld by the customer in accordance with the contract terms aims to ensure that the Group completes all contractual obligations and is recognized in contract asset before the Group’s performance is completed.

If the result of the performance obligation cannot be measured reliably, the engineering service revenue is recognized only within the expected recoverable amount of the cost incurred when the performance obligation is met.

(XV) Leases

The Group assesses whether a contract belongs to a lease on the date of establishment of the contract.

For contracts that include lease and non-lease components, the Group allocates the consideration in the contracts based on the relative stand-alone prices and treats them separately.

With the Group as the lessor, when the lease terms do not transfer the risks and rewards attached to the ownership of assets to the lessee, the leases are classified as operating leases.

Under operating leases, lease payments are recognized as income on a straight-line basis over the lease terms. The initial direct cost incurred in obtaining an operating lease is added to the carrying amount of the underlying asset and recognized as expenses on a straight-line basis over the lease term.

With the Group as the lessee, except for low-value asset leases and short-term leases to which a recognition exemption applies, where lease payments are recognized as expenses on a straight-line basis over the lease terms, all leases are recognized with a right-of-use asset and a lease liability on the lease commencement date.

Right-of-use assets are initially measured at cost and subsequently measured at cost less accumulated depreciation and accumulated impairment losses. Right-of-use assets are presented on a separate line in the consolidated balance sheets.

Right-of-use assets are depreciated on a straight-line basis over the lease terms.

Lease liabilities are initially measured at the present value of the lease payments. If the lease implied interest rate can be easily determined, the lease payment is discounted at the said interest rate. If such interest rate cannot be easily determined, the lessee’s incremental borrowing interest rate shall apply.

Subsequently, the lease liability is measured at the amortized cost using the effective interest method, and the interest expense is amortized over the lease term. If there are changes in future lease payments during the lease period or in the index or rate used to determine lease payments, the Group will remeasure the lease liabilities and adjust the right-of-use assets accordingly. The remaining remeasurement amount is recognized in profit or loss. Lease liabilities are presented on a separate line in the consolidated balance sheets.

(XVI) Borrowing costs

Borrowing costs directly attributable to an acquisition, construction, or production of qualifying assets are added to the cost of said assets, until such time as the assets are substantially ready for their intended use or sale.

For specific borrowings, if the investment income earned by making a temporary investment before the capital expenditure that meets the requirements is incurred, it is deducted from the borrowing costs that meet the capitalization conditions.

Other than that which is stated above, all other borrowing costs are recognized in profit or loss in the period in which they are incurred.

(XVII) Employee benefits

1. Short-term employee benefits

Relevant liabilities for short-term employee benefits are measured by the non-discounted amount expected to be paid in exchange for employee services.

2. Post-employment benefits

Payments to defined contribution retirement benefit plans are recognized as expenses when employees have rendered services entitling them to the contributions.

(XVIII) Income tax

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

1. Tax currently payable

The Group determines the current revenue (loss) in accordance with the laws and regulations of the jurisdiction where the income tax returns are filed and, with this as a basis, calculates the income tax payable (receivable).

According to the Income Tax Act in the ROC, an additional tax on unappropriated earnings is provided for in the year the shareholders approve to retain earnings.

Adjustments of prior years' tax liabilities are added to or deducted from the current year's tax provision.

2. Deferred tax

Deferred income tax is calculated based on the temporary differences between the carrying amount of assets and liabilities and the corresponding tax bases used in the computation of taxable income.

Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are generally recognized for the extent that it is probable that taxable profits will be available against which to deduct the temporary differences and losses.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable income will be available to allow all or part of the asset to be recovered. A previously unrecognized deferred tax asset is also reviewed at the end of each reporting period, and its carrying amount will be increased as it has become probable that future taxable income will allow all or part of the asset to be recovered.

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

3. Current and deferred tax

Current and deferred taxes are recognized in profit or loss, except when they relate to items that are recognized in other comprehensive income

V. Critical Accounting Judgments and Key Sources of Estimation Uncertainty

In the application of the Group's accounting policies, management is required to make judgments, estimations, and assumptions about the relevant information that is not readily accessible from other sources based on historical experience and other relevant factors. Actual results may differ from these estimates.

When the Group develops significant accounting estimates, it will be included in the consideration of cash flow estimates, growth rates, discount rates, profitability, and other relevant major estimates. Management will continue to review the estimates and basic assumptions.

(I) Estimation of impairment of goodwill

When determining whether goodwill is impaired, the value in use of the cash-generating unit to which the goodwill is allocated shall be estimated. To calculate the value in use, management shall estimate the future cash flow expected to be generated from the CGU and determine an appropriate discount rate to be used in calculating the present value. If the actual cash flow is less than expected, or the facts and circumstances change resulting in a downward revision of the future cash flow or an upward revision of the discount rate, a significant impairment loss may be incurred.

(II) Construction contract

The profit or loss of a construction contract project is recognized as revenue and cost with reference to the degree of completion of the contract activities, and the degree of completion is measured based on the proportion of contract costs incurred for the completion of construction to date to the estimated total contract costs. Since the estimated total cost and contract items are based on the evaluation and judgment of the management based on the nature, expected contract amount, construction duration, engineering implementation and construction methods of different projects, they may affect the calculation of the percentage of completion and project profit and loss.

VI. Cash

	December 31, 2023	December 31, 2022
Cash	$ 3,089	$ 2,185
Checks and demand deposits	790,317	251,464
	$793,406	$253,649

The credit quality of the financial institutions with which the Group has business dealings is good. The Group has a number of financial institutions to diversify credit risks, so there is no expected credit loss.

VII. Financial instruments measured at fair value through profit or loss – only as at December 31, 2022

	December 31, 2022
Financial liabilities – non-current	
Non-derivative financial liabilities	
Contingent consideration (Note 12)	$232,725

VIII. Financial assets measured at fair value through other comprehensive income – non-current – only as at December 31, 2022

	December 31, 2022
Financial assets measured at fair value through other comprehensive income	
Measured investment in equity instruments	
Domestic listed stocks	$ 31,500

The common shares mentioned above are designated to be measured at FVTOCI as they are investments for medium- and long-term strategic purposes.

IX. Other financial assets

	December 31, 2023	December 31, 2022
Repurchase agreements	$300,000	$ -
Restricted bank deposits	323,421	596,582
Refundable deposits	$ 98,140	$135,800
	721,561	732,382
Less: Other financial assets – current	(705,121)	(724,266)
Other financial assets – non-current	$ 16,440	$ 8,116

The annual interest rate for the bonds with repurchase agreement and restricted bank deposits as at December 31, 2023 and 2022 is 0.51% to 1.57% and 0.40% to 1.44%, respectively.

The counterparties of the Group and the counterparties in contract performance are financial institutions with good credit ratings, and there is no major concern about performance of the contract. Therefore, it is expected that there is no significant credit risk.

For information on the pledge of other financial assets of the Group, please refer to Note 33.

X. Accounts receivable – only as at December 31, 2022

	December 31, 2023
Accounts receivable – arising from operations	
Measurement of total carrying amount at amortized cost	$ 72,595
Less: Loss allowance	-
	$ 72,595

To mitigate credit risk, management of the Group has assigned a dedicated team to be responsible for credit limit determination, credit approval and other monitoring procedures to ensure that appropriate actions are taken in the recovery of overdue receivables. In addition, the Group reviews the recoverable amounts of accounts receivable on a case-by-case basis on the balance sheet date to ensure that appropriate impairment losses have been recorded for uncollectible accounts receivable. Accordingly, the Group's management believes that the Group's credit risk has been significantly reduced.

The Group adopts individual evaluation and a simplified approach as in IFRS 9 to recognize loss allowance for trade receivables based on the lifetime ECLs. The lifetime ECLs are calculated using a provision matrix that takes into account customers' past default history and current financial position, as well as GDP forecasts. The Group's receivables are mainly from construction projects of government agencies, and there is no possibility of expected credit impairment. As the Group's historical credit loss experience shows that there is no significant difference in the loss patterns of different customer groups, the provision matrix does not further differentiate between customer segments, and only uses the number of days past due for receivables to set the expected credit loss rate.

If there is evidence that a counterparty is facing serious financial difficulties and the Group cannot reasonably expect to recover the amount, the Group will directly write off the relevant trade receivables, but will continue to try to collect the receivable. The recovered amount is recognized in profit or loss.

The following table details the loss allowance of trade receivables based on the Group's provision matrix:

December 31, 2023

	Not past due	1 to 90 days past due	91 to 180 days past due	Total
Expected credit loss rate (%)	-	-	100	
Gross carrying amount	$ 72,595	$ -	$ -	$ 72,595
Loss allowance (lifetime expected credit losses)	-	-	-	-
Amortized cost	$ 72,595	$ -	$ -	$ 72,595

Information on changes in the allowance for losses on accounts receivable is as follows:

	2022
Opening balance	$ 159
Gains on reversal for the year	(159)
Closing balance	$ -

XI. Disposal group held for sale – only as at December 31, 2022

On December 26, 2022, the Group's Board of Directors resolved to sell 100% of the equity of its subsidiary, Shanghai Laishida Co., Ltd., to a non-related party and subsidiary, and sell 100% of the equity of its subsidiary, Zhao-Ting Property Co., Ltd. to the related party Hong-Ting Co., Ltd., respectively. The transactions were completed in February 2023.

As at December 31, 2022, the Group had reclassified the assets and liabilities of the subsidiaries to be held for sale and presented them separately in the consolidated balance sheet. The main categories of the assets and liabilities of the subsidiaries held for sale are as follows:

	December 31, 2022		
	Zhao-Ting Property	Shanghai Laishida	Total
Cash	$ 1,765	$ 3,161	$ 4,926
Financial assets at fair value through profit or loss – current	24,495	-	24,495
Other assets	-	225	225
Total amount of disposal groups to be sold	$ 26,260	$ 3,386	$ 29,646
Liabilities directly related to the disposal group to be sold	$ 120	$ 994	$ 1,114

XII. Subsidiaries

The entities in the consolidated financial statements are as follows:

Name of investment company	Name of subsidiary	Nature of business	Percentage of equity held (%) December 31, 2023	Percentage of equity held (%) December 31, 2022	Description
The Company	San-Long Investment Co., Ltd. ("San-Long")	General investment	-	-	Note 1
	Tri Ocean Textile (Thailand) Co., Ltd.	Manufacturing, processing and trading of fibrous fabrics	100	100	
	Zhao-Ting Property Co., Ltd. ("Zhao-Ting" formerly known as Triocean Meng-Gong-Chang Co., Ltd.)	Wholesale and trading of building materials	-	100	Note 2
	Shanghai Laishida Furnishings Co., Ltd. (Shanghai Laishida)	Furniture trading	-	100	Note 3
	Shang-Ting Construction Co., Ltd. (Shang-Ting Construction)	Trading of integrated construction and building materials	100	100	Note 4
	Triocean Energy Co., Ltd. (Triocean Energy)	Manufacturing of power generation, transmission and distribution machinery	-	-	Note 5

Note 1: Based on the purpose of integrating group resources and streamlining organizational structure, the Board of Directors resolved on April 22, 2022 to set May 1, 2022 as the based date for the short-form merger between the Company and San-Long. After the merger, the Company became the surviving company, with San-Long being extinguished. The assets and liabilities of San-Long were generally assumed by the Company.

Note 2: In order to improve the management efficiency of the Group and reduce the operating costs of the Group, on December 26, 2022, the Company's Board of Directors resolved to sell 100% of the equity of the subsidiary, Zhao-Ting Property Co., Ltd., to the related party, Hong-Ting Co., Ltd. The disposal price was determined with reference to the net equity value of the subsidiary, and the transaction was completed in February of 2023. For information on the disposal of the subsidiary, please refer to Note 29.

Note 3: In January 2022, Shanghai Laishida returned RMB2,800,000 from the capital reduction and completed company change registration. In order to improve the management efficiency of the Group and reduce the operating costs of the Group, on December 26, 2022, the Company's Board of Directors resolved to sell 100% of the equity of the subsidiary, Shanghai Laishida, to a non-related party. The transaction was completed in February of 2023. For information on the disposal of the subsidiary, please refer to Note 29.

Note 4: In December 2020, the Company acquired 100% equity of Shang-Ting Construction Company from Hung Hung-Chang and Chiang Yu-Lian for a total consideration of NTD 775,750 thousand, of which the remaining amount at the end of 2022 was NTD 445,750 thousand (recorded in other payables – related parties and financial liabilities measured at FVTPL, respectively) were paid in July 2023.

The Company increased its cash capital by NTD 700,000 thousand and NTD 150,000 thousand in 2023 and 2022, respectively, and the change of company registration has been completed.

Note 5: In order to improve the management efficiency of the Group and reduce the operating costs of the Group, on April 22, 2022, the Company's Board of Directors resolved to sell 100% of the equity of the subsidiary, Tri Ocean Energy, to a non-related party. The transaction was completed in April of 2022. For information on the disposal of the subsidiary, please refer to Note 29.

XIII. Property, plant and equipment

(I) Property, plant, and equipment are listed as follows:

2023

	Self-owned land	Buildings	Machinery and equipment	Transportation equipment	Office equipment	Other equipment	Total
Cost							
Balance on January 1, 2023	$ 32,295	$190,234	$448,638	$ 4,607	$ 8,492	$ 15,381	$699,647
Addition	-	-	-	-	447	12,613	13,060
Disposal	-	-	(189)	(3,591)	(139)	-	(3,919)
Exchange difference, net	266	1,617	3,565	1	40	111	5,600
Balance as at December 31, 2023	32,561	191,851	452,014	1,017	8,840	28,105	714,388
Accumulated depreciation and impairment							
Balance on January 1, 2023	6,942	170,550	399,774	4,114	5,373	12,382	599,135
Depreciation expense	-	7,418	4,020	196	1,234	1,608	14,476
Disposal	-	-	(3)	(3,591)	(139)	-	(3,733)
Exchange difference, net	59	1,460	3,146	1	40	103	4,809
Balance as at December 31, 2023	7,001	179,428	406,937	720	6,508	14,093	614,687
Net as at December 31, 2023	$ 25,560	$ 12,423	$ 45,077	$ 297	$ 2,332	$ 14,012	$ 99,701

2022

	Self-owned land	Buildings	Machinery and equipment	Transportation equipment	Office equipment	Other equipment	Total
Cost							
Balance on January 1, 2022	$ 30,215	$177,596	$420,483	$ 5,316	$ 5,167	$ 13,366	$652,143
Addition	-	-	289	1,874	3,244	2,445	7,852
Disposal	-	-	-	(2,592)	(209)	(1,291)	(4,092)
Reclassified to the disposal group held for sale	-	-	-	-	(21)	-	(21)
Exchange difference, net	2,080	12,638	27,866	9	311	861	43,765
Balance as at December 31, 2022	32,295	190,234	448,638	4,607	8,492	15,381	699,647
Accumulated depreciation and impairment							
Balance on January 1, 2022	6,478	152,344	371,512	4,245	4,726	11,749	551,054
Depreciation expense	-	7,048	3,812	240	459	1,136	12,695
Disposal	-	-	-	(379)	(106)	(1,291)	(1,776)
Reclassified to the disposal group held for sale	-	-	-	-	(16)	-	(16)
Exchange difference, net	464	11,158	24,450	8	310	788	37,178
Balance as at December 31, 2022	6,942	170,550	399,774	4,114	5,373	12,382	599,135
Ne as at December 31, 2022	$ 25,353	$ 19,684	$ 48,864	$ 493	$ 3,119	$ 2,999	$100,512

(II) The Group’s property, plant and equipment is depreciated on a straight-line basis over the following useful lives:

Buildings	20 years
Machinery and equipment	5 to 20 years
Transportation equipment	2 to 10 years
Office equipment	3 to 5 years
Other equipment	2 to 5 years

(III) In order to revitalize assets, improve financial structure, and enrich working capital, in January 2024, the Board of Directors resolved to sign a transaction agreement with a non-related party for the sale of land, buildings and equipment in Thailand for the price of THB 165,000 thousand.

XIV. Lease agreement

(I) Right-of-use assets

	December 31, 2023	December 31, 2022
Carrying amount of right-of-use assets		
Land and buildings	$ 33,088	$ 29,604
Transportation equipment	7,869	7,811
	$ 40,957	$ 37,415

	2023	2022
Addition of right-of-use assets	$ 15,469	$ 38,938
Disposal of right-of-use assets	$ 250	$ 20,493
Depreciation expense of right-of-use assets		
Land and buildings	$ 7,249	$ 2,465
Transportation equipment	4,428	4,076
	$ 11,677	$ 6,541

(II) Lease liabilities

	December 31, 2023	December 31, 2022
Carrying amount of lease liabilities		
Current	$ 11,000	$ 10,314
Non-current	$ 30,037	$ 27,235

Discount rate interval (%) of lease liabilities is as follows:

	December 31, 2023	December 31, 2022
Land and buildings	1.75～2.24	1.08～1.98
Transportation equipment	0.87～2.56	0.87～2.10

(III) Important leasing activities and terms and conditions

The Group leases land, buildings and transportation equipment for offices and business vehicles, and the lease terms are 2 to 5 years. Upon termination of the lease term, the Group has no preferential rights to acquire the land, buildings and transportation equipment leased, and leases an office building with a substantive related party for office use. Please refer to Note 32.

(IV) Other lease information

	2023	2022
Total cash outflow for leases		
Short-term lease expense	$ 2,946	$ 3,369
Low-value asset lease expense	$ 1,253	$ 2,225
Total cash outflow for leases	($ 16,307)	($ 12,140)

XV. Investment property – only as at December 31, 2022

	December 31, 2022
Measured at fair value	
Land	$499,749
Buildings and structures	221,261
Total	$721,010

In order to revitalize assets, improve financial structure, and enrich working capital, the Company entered into a business agreement with a non-related party by resolution of the Board of Directors in May 2023 for NTD 755,000 thousand (before tax). The transaction was completed in July 2023. The necessary costs after expenses amounted to NTD 738,986 thousand, and the gain on disposal of the investment property amounted to NTD 17,976 thousand.

The original lease term of the investment property before disposal is 5 years, and the lessee is granted the option to extend the lease term. When the lessee exercises the right to renew the lease, it is agreed that the rent will be adjusted according to the market price. The lessee does not have the preferential right to acquire the investment property at the end of the lease term.

Investment property measured at fair value

	Land	Buildings and structures	Total
Balance on January 1, 2023	$ 499,749	$ 221,261	$ 721,010
Disposal	499,749	(221,261)	(721,010)
Balance as at December 31, 2023	$ -	$ -	$ -
Balance on January 1, 2022	$ 497,204	$ 233,676	$ 730,880
Addition	-	4,800	4,800
Gains (losses) on changes in fair value	2,545	(17,215)	(14,670)
Balance as at December 31, 2022	$ 499,749	$ 221,261	$ 721,010

The investment property is measured at fair value on a recurring basis. The fair value of the investment property was appraised in December 2022 by qualified appraisers Wang Fu-Sheng and Chen Ming-Chuan Jing Rui Real Estate Appraisal of Grand Elite Property Appraisal Co., Ltd. The fair value of the income derived from the land and buildings as at December 31, 2022 and 2021 were NTD 721,010 thousand and NTD 730,880 thousand, respectively. Based on the evaluation by the Group's management, there was no significant change in the fair value of the investment property before the disposal date from December 31, 2022 and 2021.

The above fair value measurement has taken into account the uncertainty of the impact of subsequent developments of COVID-19 on market fluctuations.

The fair value of investment property is valued under the income approach, and the important assumptions are as follows. When the estimated future net cash inflow increases or the discount rate decreases, the fair value will increase.

	December 31, 2022
Estimated future cash inflow	$990,626
Estimated future cash outflow	71,842
Estimated future net cash inflow	$918,784
Discount rate (%)	2.71

The rents in the area where the investment properties are located are about NTD 430 to NTD 530 per ping, and the rents of similar objects in the market are about NTD 433 to NTD 522 per ping.

The investment property was leased out under operating leases before it was disposed of. The rent incomes generated in 2023 and 2022 were NTD 14,225 thousand and NTD 26,236 thousand, respectively. Future cash inflow expected to be generated from the investment property includes rental income, interest income of deposits and the value of disposals at the end of the period. The rental income is estimated based on the Group's current lease contract and considering the future annual rental growth rate. The income analysis period is estimated to be 10 years; interest income from deposits was estimated based on the average of one-year time deposit rates of the five major banks; and the ending value of dispositions was estimated using the direct capitalization method of the income approach. Future cash outflows expected to be generated from investment properties include expenditures for land value taxes, housing taxes, insurance premiums, maintenance fees and management fees. These expenditures are estimated based on the current level of expenditures and take into consideration future adjustments to the announced land value and the tax rates set out in the House Tax Act.

The discount rate was determined by taking into account the 2-year postal time deposits plus 3-digit amount declared by Chunghwa Post Co., Ltd. and adding the risk premium related to the investment property.

For the amount of investment property pledged by the Group as collateral for loans, please refer to Note 33.

XVI. Goodwill

	2023	2022
Cost		
Opening balance	$428,702	$480,157
Reclassified to the disposal group held for sale	-	(51,455)
Closing balance	$428,702	$428,702
Accumulated impairment loss		
Opening balance	$ -	$ 51,455
Reclassified to the disposal group held for sale	-	(51,455)
Closing balance	$ -	$ -
Closing net amount	$428,702	$428,702

The adjusted increase (decrease) of relevant items in the balance sheet is as follows:

The Group conducts impairment assessment on the recoverable amount of goodwill at the end of the annual financial reporting period, and uses the value in use as the calculation basis for the recoverable amount. The calculation of the value in use for 2023 and 2022 is based on the cash flow of the financial forecast of the cash-generating unit in the next 5 years as the basis of estimation, and uses an annual discount rate of 14% and 10%, respectively, to reflect the specific risks of the relevant CGU. The recoverable amount for 2023 and 2022 was still greater than the carrying amount and no impairment loss was recognized.

XVII. Other intangible assets

2023

	Contract value	Construction permit	Computer software	Trademark rights	Total
Cost					
Balance on January 1, 2023	$ 63,000	$ 11,000	$ 3,840	$ 50,460	$ 128,300
Addition	-	-	384	-	384
De-booking	(63,000)	-	(3,585)	(38,710)	(105,295)
Balance as at December 31, 2023	$ -	$ 11,000	$ 639	$ 11,750	$ 23,389
Accumulated amortization and impairment					
Balance on January 1, 2023	$ 63,000	$ -	$ 3,645	$ 50,460	$ 117,105
De-booking	(63,000)	-	(3,585)	(38,710)	(105,295)
Amortization expense	-	-	104	-	104
Balance as at December 31, 2023	$ -	$ -	$ 164	$ 11,750	$ 11,914
Net as at December 31, 2023	$ -	$ 11,000	$ 475	$ -	$ 11,475

2022

	Contract value	Construction permit	Computer software	Trademark rights	Patent right	Total
Cost						
Balance on January 1, 2022	$ 63,000	$ 11,000	$ 5,080	$ 73,979	$ 12	$153,071
Addition	-	-	155	-	-	155
De-booking	-	-	(1,395)	-	(12)	(1,407)
Reclassified to the disposal group held for sale	-	-	-	(23,519)	-	(23,519)
Balance as at December 31, 2022	$ 63,000	$ 11,000	$ 3,840	$ 50,460	$ -	$128,300
Accumulated amortization						
Balance on January 1, 2022	$ 25,200	$ -	$ 4,330	$ 73,979	$ 12	$103,521
De-booking	-	-	(805)	-	(12)	(817)
Amortization expense	37,800	-	120	-	-	37,920
Reclassified to the disposal group held for sale	-	-	-	(23,519)	-	(23,519)
Balance as at December 31, 2022	$ 63,000	$ -	$ 3,645	$ 50,460	$ -	$117,105
Ne as at December 31, 2022	$ -	$ 11,000	$ 195	$ -	$ -	$ 11,195

The contract value of the Group's acquisition of Shang-Ting is amortized in accordance with the expected benefits, and the construction permit is not amortized with indefinite useful life.

Other intangible assets are amortized on a straight-line basis over the following useful lives:

Computer software	3 to 5 years

XVIII. Prepayments

	December 31, 2023	December 31, 2022
Prepayment for construction	$100,585	$ 69,448
Prepayment	36,111	28,756
Residual tax credit	1,719	1,537
Others	101	182
	$138,516	$ 99,923

XIX. Loans

(I) Short-term loans

	December 31, 2023	December 31, 2022
Secured bank loans	$ 70,000	$456,340

As at December 31, 2023 and 2022, the annual interest rate was 2.18% and 1.86% to 2.75%, respectively.

In December 2023, the Group applied to the bank for a short-term financing loan amount of NTD 297,500 thousand, and the substantive related party Hung Hung-Chang provided TWSE/TPEX listed stocks as collateral. If the value of the shares fell to 125% of the guarantee amount, the Group must use pledged deposits to make up the difference. As of December 31, 2023, the Group had not provided pledged deposits to make up for the difference.

(II) Short-term bills payable – only as at December 31, 2022

	December 31, 2023
Commercial paper payable	$300,000
Less: Discounts on short-term bills payable	(1,388)
	$298,612
Interest rate per annum (%)	1.4

The abovementioned short-term bills payable were guaranteed by a subsidiary in an amount equivalent to NTD 300,000 thousand with repurchase bonds. For details, please refer to Note 9.

(III) Long-term loans

	December 31, 2023	December 31, 2022
Credit guarantee fund guarantees bank loans	$ 76,294	$ 27,996
Secured bank loans	164,271	600,634
Less: Long-term loans due within one business cycle	(240,565)	(218,490)
Long-term borrowings	$ -	$410,140
Credit guarantee fund guarantees bank loans		
Interest rate per annum (%)	2.00～2.75	2.34～3.18
Maturity period	August 2024–July 2026	July 2024–November 2026
Secured bank loans		
Interest rate per annum (%)	2.48～2.95	2.00～2.89
Maturity period	July 2024–April 2028	December 2023–August 2025

XX. Notes payable and accounts payable

	December 31, 2023	December 31, 2022
Notes payable		
From operations	$101,729	$ 56,730
Accounts payable (including related parties, Note 32)		
From operations	100,479	98,747

In the accounts payable, the amounts of construction retention payable under construction contracts as at December 31, 2023 and 2022 were NTD 89,325 thousand and NTD 38,974 thousand, respectively. Construction retentions are non-interest bearing and will be paid at the end of the retention period of each construction contract. The retention period is the normal operating cycle of the Group, which is usually more than one year. For the description of the construction contract, please refer to Note 25.

XXI. Other payables

	December 31, 2023	December 31, 2022
Payables for salaries, bonuses and unused leave of absence	$ 46,080	$ 12,822
Business tax payable	10,641	5,710
Remuneration payable to directors and employees	3,728	-
Labor service payable	2,600	2,297
Payables for equipment	1,100	-
Others	5,630	6,143
	$ 69,779	$ 26,972

XXII. Provision

	2023	2022
Opening balance	$ 39,867	$ 17,037
New additions in the current year	40,492	22,923
Used in the current year	-	(93)
Closing balance	80,359	39,867
Less: Provision – current	(7,192)	(1,701)
Provision – non-current	$ 73,167	$ 38,166

XXIII. Maturity analysis of assets and liabilities

The Group's assets and liabilities related to the construction business are classified as current or non-current according to the operating cycle, and the relevant amounts recognized are based on the amounts expected to be recovered or settled over one year and more than one year after the balance sheet date as listed below:

December 31, 2023	Within 1 year	After 1 year	Total
Assets			
Contract assets	$ 289,214	$ -	$ 289,214
Accounts receivable	72,595	-	72,595
Other financial assets – current	374,185	30,880	405,065
	$ 735,994	$ 30,880	$ 766,874
Liabilities			
Contract liabilities	$ 214,208	$ -	$ 214,208
Notes payable and accounts payable	188,048	14,160	202,208
Long-term borrowings	60,723	179,842	240,565
	$ 462,979	$ 194,002	$ 656,981

December 31, 2022			
Assets			
Contract assets	$ 297,706	$ -	$ 297,706
Other financial assets – current	463,955	-	463,955
	$ 761,661	$ -	$ 761,661
Liabilities			
Contract liabilities	$ 132,450	$ -	$ 132,450
Accounts payable	150,451	5,026	155,477
Long-term borrowings	16,766	201,724	218,490
	$ 299,667	$ 206,750	$ 506,417

XXIV. Equity

(I) Share capital

Common shares

	December 31, 2023	December 31, 2022
Rated number of shares (thousand shares)	99,000	99,000
Authorized share capital	$990,000	$990,000
Number of shares issued and fully paid (thousand shares)	42,488	24,988
Share capital issued	$424,881	$249,881

Common shares issued have a par value of NTD 10 and each share is entitled to one voting right and the right to receive dividends.

As of December 31, 2023 and 2022, the abovementioned number of issued shares, including the number of commons stocks privately placed, was 31,853 thousand shares and 14,353 thousand shares, respectively, and the public offering procedures have not yet been processed. Information on previous private placements of common shares is as follows:

Date of private placement	Number of private placement (capital reduction) shares (thousand shares)	Amount of private placement
July 20, 2012	5,000	$ 40,000
December 5, 2012	2,150	28,595
September 30, 2013	5,000	75,500
December 28, 2015	2,500	29,750
March 31, 2017	2,223	20,007
September 1, 2017	(7,445)	-
December 4, 2020	40,000	226,400
August 25, 2021	(35,075)	-
July 13, 2023	17,500	506,100
Total	31,853	$926,352

On June 28, 2023, the Board of Directors of the Company resolved to increase capital by NTD 175,000 thousand through private placement of 17,500 thousand common shares at a premium price of NTD 28.92 per share with July 13, 2023 as the base date, obtaining NTD 506,100 thousand of additional paid-in capital, and capital surplus was increased by NTD 331,100 thousand. The paid-in capital was NTD 424,881 thousand after the capital increase, and the registration of change was completed.

A cash capital increase of the Company was approved by the Board of Directors on March 12, 2024. A total of 10 million shares with par value of $10 per share will be issued at a tentaive price of $55 per share (to be adjusted depending on the situation). This cash capital increase will be proceeded after the effective registration with the Securities and Futures Bureau, Financial Supervisory Commission.

(II) Capital reserve

	December 31, 2023	December 31, 2022
May be used to offset losses, distribute cash or capitalize on share capital (Note)		
Stock options for expired convertible corporate bonds	$ 7,340	$ 7,340
Premium from stock issuance	331,100	-
	$338,440	$ 7,340

Note: Such capital reserves may be used to make up for losses, and may be used to distribute cash or capitalize on share capital when the Company has no losses. However, the capital reserves shall be limited to a certain percentage of the Company's paid-in capital each year.

(III) Retained earnings and dividend policy

If there are earnings in the annual final accounting, the Company shall pay tax and make up for the accumulated losses, and then set aside 10% as the legal reserve, and the rest shall be set aside or reversed as special reserve in accordance with the laws and regulations. For the remaining earnings, the Board of Directors shall prepare a proposal for the distribution of earnings to be submitted to the shareholders' meeting for resolution on the distribution of dividends to shareholders. For the distribution policy of the remuneration to employees and director, please refer to Note 26(6) Remuneration to employees and directors.

In addition, in accordance with the Company's Articles of Incorporation, earnings may be distributed in the form of cash dividends or stock dividends. Cash dividends are preferred for the distribution of earnings, or may be distributed in the form of stock dividends. However, the percentage of stock dividends may not be distributed at a rate of no more than 50% of the total dividends as a principle. Where the Company has no earnings to distribute for the year, or the Company has earnings but the amount of earnings is far less than the actual earnings distributed by the Company in the previous year, or based on the Company's finance, business, and operating conditions, all or a portion of the Company's reserves may be distributed in accordance with the laws and regulations of the competent authorities.

The loss appropriation proposals for 2022 and 2021 were approved by the Company's general shareholders' meetings held on June 19, 2023 and June 8, 2022, respectively.

The 2023 earnings distribution was proposed by the Board of Directors on March 12, 2024 as follows:

	2023
Legal reserve	$ 66,711
Special reserves	$ 6,916
Cash dividends	$ 84,976
Cash dividend per share (NTD)	$ 2

The 2023 earnings distribution is pending resolution by the shareholders' meeting in May 2024.

(IV) Other equity items

1. Exchange differences on translation of financial statements of foreign operations

	2023	2022
Opening balance	($ 7,062)	($ 12,306)
Occurred in the current year		
Exchange differences on foreign operations	770	6,555
Income tax on translation of foreign operations	(154)	(1,311)
Disposal of foreign operations (Note 28)	(588)	-
Income tax on disposal of foreign operations	118	-
Closing balance	($ 6,916)	($ 7,062)

2. Unrealized gain or loss on financial assets at fair value through other comprehensive income

	2023	2022
Opening balance	($ 6,018)	($ 4,659)
Occurred in the current year		
Unrealized profit or loss	(1,478)	(1,359)
Accumulated gains and losses on disposal of equity instruments transferred to retained earnings	7,496	-
Closing balance	$ -	($ 6,018)

3. Revaluation gains of property

	2023	2022
Opening balance	$556,397	$556,397
Reclassified to retained earnings	(556,397)	-
Closing balance	$ -	$556,397

XXV. Revenue

	2023	2022
Revenue from contracts with customers		
Construction revenue	$1,947,532	$1,169,012

(I) Contract balance

	2023 December 31	2022 December 31	2022 January 1
Notes receivable (Note 10)	$ -	$ -	$ 24,706
Accounts receivable (Note 10)	$ 72,595	$ -	$ 17,000
Contract assets			
Engineering construction	$289,214	$277,250	$174,252
Construction retention receivable	-	20,456	9,938
	$289,214	$297,706	$184,190
Contract liabilities			
Engineering construction	$214,208	$132,450	$ 9,304

The change in contract assets and liabilities is mainly due to the difference between the point of meeting the performance obligation and the time of payment by the customer.

The credit risk management of contract assets adopted by the Group is the same as that of accounts receivable. Please refer to Note 10 for details.

(II) Breakdown of revenue from contracts with customers

Please refer to Note 36 for the breakdown of revenue.

(III) Contracts with customers not yet completed

As of December 31, 2023 and 2022, the transaction prices allocated to the unsatisfied performance obligations of the Consolidated Company were $6,306,832 thousand and $3,747,582 thousand, respectively. The Consolidated Company expects to satisfy these performance obligation by the end of 2027 and 2026 and recognize the revenue over time.

XXVI. Net profit before tax

(I) Other income

	2023	2022
Dividend income	$ -	$ 2,584
Rental income	14,225	26,236
Others	1,803	3,571
	16,028	32,391
Less: Other income from discontinued operations	-	(275)
	$ 16,028	$ 32,116

(II) Other gains and losses

	2023	2022
Gains on disposal of investment property	$ 17,976	$ -
Gain on disposal of equity-method subsidiaries (Note 29)	1,416	2,730
Disposal of property, plant and equipment losses (gains)	(186)	722
Losses on financial instruments at fair value through profit or loss	-	(14,316)
Net foreign exchange gain or loss	262	12,856
Adjusted income on investment property at fair value (Note 15)	-	(14,670)
Other expenses	(177)	(1,035)
	$ 19,291	($ 13,713)

(III) Financial cost

	2023	2022
Borrowing interest	$ 17,312	$ 15,874
Interest on convertible corporate bonds	-	507
Interest on lease liabilities	618	355
Others	30	37
	$ 17,960	$ 16,773

(IV) Depreciation and amortization

	2023	2022
Property, plant and equipment	$ 14,476	$ 12,695
Right-of-use assets	11,677	6,541
Intangible assets	104	37,920
	$ 26,257	$ 57,156
Depreciation expenses by function		
Operating cost	$ 2,932	$ 1,564
Operating expenses	23,221	17,672
	$ 26,153	$ 19,236
Amortization expenses by function		
Operating expenses	$ 104	$ 37,920

(V) Employee benefits expense

	2023	2022
Short-term employee benefits	$181,556	$ 85,567
Post-employment benefits		
Defined contribution plan	5,755	3,962
	$187,311	$ 89,529
Summary by function		
Operating cost	$109,866	$ 54,817
Operating expenses	77,445	34,712
	$187,311	$ 89,529

(VI) Remuneration to employees and directors

The Company appropriates no less than 1% and no more than 1% of the Company's earnings before income tax for the year as remuneration to employees and directors, respectively. However, where the Company has accumulated losses, an amount to offset the losses shall be retained in advance and then remuneration to employees and directors shall be appropriated in accordance with the aforementioned percentages.

As there was still losses to be offset for 2022, remuneration of employees and directors was not estimated. The estimated remuneration of employees and directors for 2023 is as follows:

	2023
Estimated percentage (%)	
Remuneration to employees	1.68
Remuneration to directors	0.84
Amount	
Remuneration to employees	$ 2,485
Remuneration to directors	1,243

If there is a change in the amount of the annual consolidated financial statements after the publication date, it will be treated as a change in the accounting estimate and will be adjusted and accounted for in the following year.

It was resolved by the Board of Directors not to distribute employees' remuneration and directors' remuneration in 2022 and 2021.

For information on the remuneration of employees and directors resolved by the Board of Directors in 2023 and 2022, please visit the Market Observation Post System of the Taiwan Stock Exchange.

(VII) Gain (loss) on foreign currency exchange

	2023	2022
Total foreign currency exchange gains	$ 980	$ 20,949
Total foreign currency exchange losses	(718)	(8,093)
Net foreign exchange gain or loss	$ 262	$ 12,856

XXVII. Income tax

(I) Income tax recognized in profit or loss

Major components of income tax expenses (benefit) are as follows:

	2023	2022
Current income tax		
Incurred in the current year	$ 15,381	$ 8,228
Adjusted in prior years	58	-
Deferred income tax		
Incurred in the current year	(5,145)	(13,948)
Adjusted in prior years	(406)	-
Income tax expense (benefit) recognized in profit or loss	$ 9,888	($ 5,720)

Reconciliation of accounting income and income tax expense (profit) is as follows:

	2023	2022
Profit (loss) before tax	$151,868	($ 2,003)
Net loss before tax at income tax calculated at statutory tax rate	$ 30,374	($ 401)
Non-deductible loss and deductible income	(2,060)	(1,907)
Unrecognized deductible temporary differences	3,011	5,953
Recognizable loss carryforwards	(21,089)	(9,365)
Adjustments in prior years	(348)	-
Income tax expense (benefit) recognized in profit or loss	$ 9,888	($ 5,720)

(II) Income tax recognized in other comprehensive income

	2023	2022
Deferred income tax		
Incurred in the current period		
Translation of the financial statements of foreign operations	($ 36)	($ 1,311)

(III) Current income tax assets and liabilities

	December 31, 2023	December 31, 2022
Current income tax assets		
Tax refund receivable	$ 332	$ 190
Current income tax liabilities		
Income tax payable	$ 21,323	$ 18,597

(IV) Deferred income tax assets and liabilities

Changes in deferred income tax assets and liabilities are as follows:

2023

Deferred income tax assets	Opening balance	Recognized in profit or loss	Recognized in other comprehensive income	Closing balance
Temporary difference				
Unrealized gains of subsidiaries	$ 157	($ 19)	$ -	$ 138
Warranty liabilities	7,974	8,098	-	16,072
Translation of the financial statements of foreign operations	$ 1,766	$ -	($ 36)	$ 1730
Unrealized valuation loss of investment property	2,934	(2,934)	-	-
	$12,831	$ 5,145	($ 36)	$17,940

Deferred income tax liabilities	Opening balance	Recognized in profit or loss	Actual payment	Closing balance
Temporary difference				
Reserve for land increment tax	$33,899	$ 406	($34,305)	$ -

2022

Deferred income tax assets	Opening balance	Recognized in profit or loss	Recognized in other comprehensive income	Closing balance
Temporary difference				
Unrealized exchange losses	$ 681	($ 681)	$ -	$ -
Unrealized gains of subsidiaries	176	(19)	-	157
Warranty liabilities	3,799	4,175	-	7,974
Translation of the financial statements of foreign operations	3,077	-	(1,311)	1,766
Unrealized valuation loss of investment property	-	2,934	-	2,934
Others	21	(21)	-	-
	$ 7,754	$ 6,388	($ 1,311)	$12,831

Deferred income tax liabilities	Opening balance	Recognized in profit or loss	Recognized in other comprehensive income	Closing balance
Temporary difference				
Reserve for land increment tax	$33,899	$ -	$ -	$33,899
Unrealized gains	7,560	(7,560)	-	-
	$41,459	($ 7,560)	$ -	$33,899

(V) Deductible temporary differences of deferred income tax assets not recognized in the consolidated balance sheet and tax credits of unused loss carryforwards

	December 31, 2023	December 31, 2022
Loss carryforwards	$123,717	$144,806

(VI) Information on tax credits of unused loss carryforwards

As of December 31, 2023, information on loss carryforwards is as follows:

Outstanding tax credits	Last year of credit
$ 4,629	2025
46,186	2026
7,936	2027
9,083	2028
14,115	2029
30,816	2030
10,952	2031
$123,717	

(VII) Assessment of income tax

The profit-seeking enterprise income tax returns of the Company and its domestic subsidiaries have been assessed by the tax authorities up to 2021. There was no significant difference between the audit results and the declared amount.

XXVIII. Earnings per share

The net profit and the weighted average number of ordinary shares used to calculate the earnings per share of continuing operations are as follows:

Net income for the year

	2023	2022
Net income attributable to owners of the Company for the year	$141,980	$ 3,717
Less: Net profit of discontinued operations for the year used to calculate basic earnings per share of discontinued operations	-	434
Net income for the year used to calculate the basic and diluted earnings per share of continuing operations	$141,980	$ 3,283

Number of shares

Unit: Thousand shares

	2023	2022
Weighted average number of common shares used to calculate basic earnings per share	33,235	24,988
Employee remuneration due to dilutive effect of potential ordinary shares	60	-
Weighted average number of common shares used to calculate diluted earnings per share	33,295	24,988

If the Group can settle the compensation to employees in cash or shares, the Group assumes the entire amount of the compensation would be settled in shares and the resulting potential shares are included in the weighted average number of shares outstanding used in the computation of diluted earnings per share if the effect is dilutive. Such a dilutive effect of the potential shares is included in the computation of diluted earnings per share until the shareholders resolve the number of shares to be distributed to employees at their meeting in the following year.

XXIX. Disposal of subsidiaries

In addition to as stated in Note 12, the Group's disposal of Tri Ocean Energy, Zhao-Ting Property and Shanghai Laishida, is as follows:

(I) Consideration received

	Tri Ocean Energy	Zhao-Ting Property	Shanghai Laishida
Cash	$ 6,230	$ 26,414	$ 2,063
Other receivables	-	-	883
Total consideration received	$ 6,230	$ 26,414	$ 2,946

(II) Analysis of assets and liabilities over which control is lost

	Tri Ocean Energy	Zhao-Ting Property	Shanghai Laishida
Current assets			
Cash	$ 4,156	$ 1,765	$ 3,161
Financial assets measured at fair value through profit or loss	-	24,495	-
Other current assets	135	-	220
Non-current assets			
Property, plant and equipment	-	-	5
Right-of-use assets	20,427	-	-
Current liabilities			
Other current liabilities	(85)	(120)	(994)
Non-current liabilities			
Lease liabilities	(21,133)	-	-
Net assets disposed of	$ 3,500	$ 26,140	$ 2,392

(III) Gains from disposal of subsidiary

	Tri Ocean Energy	Zhao-Ting Property	Shanghai Laishida
Consideration received	$ 6,230	$ 26,414	$ 2,946
Net assets of disposal subsidiary	(3,500)	(26,140)	(2,392)
Accumulated exchange differences on the subsidiary's net assets reclassified from equity to profit or loss due to loss of control over the subsidiary	$ -	$ -	$ 588
Gains on disposal	$ 2,730	$ 274	$ 1,142

(IV) Net cash inflow (outflow) from disposal of subsidiary

	Tri Ocean Energy	Zhao-Ting Property	Shanghai Laishida
Consideration received in cash	$ 6,230	$ 26,414	$ 2,063
Less: Cash balance from disposals	(4,156)	(1,765)	(3,161)
	$ 2,074	$ 24,649	($ 1,098)

XXX. Capital risk management

The Group performs capital management to ensure that each enterprise within the Group can maximize shareholders' equity by optimizing the amount of debt and equity under the premise of continuing to operate.

The Group's key management reviews the Group's capital structure from time to time in accordance with the economic environment and business considerations. Based on the recommendations of the key management personnel and in accordance with the laws and regulations, the Group will balance its overall capital structure through fund-raising in the capital market and bank financing.

XXXI. Financial instruments

(I) Fair value information – financial instruments measured at fair value on a recurring basis

1. Fair value hierarchy

December 31, 2022

	Level 1	Level 2	Level 3	Total
Financial assets at fair value through other comprehensive income				
Investment in equity instruments				
Domestic listed stocks	$ 31,500	$ -	$ -	$ 31,500
Financial liabilities measured at fair value through profit or loss				
Contingent consideration (Note 12)	$ -	$ -	$232,725	$232,725

There were no transfers between Level 1 and Level 2 fair value measurements in 2023 and 2022.

2. Reconciliation of Level 3 fair value measurement of financial instruments

The Groups only financial liability that adopts Level 3 fair value for subsequent measurement is the contingent consideration related to the acquisition of Shang-Ting Construction. The contingent consideration-related valuation loss recognized in 2022 was NTD 12,975 thousand.

3. Valuation techniques and inputs for Level 3 fair value measurement

Type of financial instrument	Valuation technique and inputs
Agreement with contingent consideration	Discount the estimated fair value based on the payment risk interest rate and credit risk discount rate in accordance with the negotiated conditions.

(III) Types of financial instruments

	December 31, 2023	December 31, 2022
Financial assets		
Financial assets measured at fair value through other comprehensive income		
Investment in equity instruments	$ -	$ 31,500
Financial assets measured at amortized cost (Note 1)	1,630,198	986,233
Financial liabilities		
Financial liabilities measured at fair value through profit or loss	-	232,725
Measured at amortized cost (Note 2)	832,884	1,473,188

Note 1: The balances include financial assets measured at amortized cost, including cash, accounts receivable, other receivables, and other financial assets.

Note 2: The balance includes short-term borrowings, short-term bills payable, notes payable, accounts payable, other payables (including related parties), long-term liabilities due within one operating cycle, long-term borrowings and refundable deposits (including current recognized in other current liabilities) (under) and other financial liabilities measured at amortized cost, but excluding the amount of short-term employee benefits payable.

(IV) Financial risk management objectives and policies

The Group's major financial instruments include accounts receivable, accounts payable, lease liabilities and borrowings. The Group's financial management department monitors and manages the financial risks related to the Group's operations through the internal risk report that analyzes exposures based on the level and breadth of risks. Such risks include market risk (including interest rate risk and other price risk), credit risk and liquidity risk.

1. Market risk

The main market risk assumed by the Group's operating activities is the risk of changes in foreign currency exchange rates and the risk of changes in interest rates.

There has been no change to the Group's exposure to market risks and the management and measurement of such exposures.

(1) Exchange rate risk

The Group is not material to the fluctuations in the exchange rate of USD in 2023 and 2022.

(2) Interest rate risk

The carrying amounts of the Group's financial assets and financial liabilities with exposure to the interest rate risk on the balance sheet date are as follows:

	December 31, 2023	December 31, 2022
Fair value interest rate risk		
Financial assets	$ 300,000	$ -
Financial liabilities	369,475	176,416
Cash flow interest rate risk		
Financial assets	1,113,735	852,969
Financial liabilities	280,739	946,103

Sensitivity analysis

For assets and liabilities with floating interest rates, the change rate used in the Groups internal reporting of interest rate risk to key management personnel is 100 basis points. If the interest rate increased by 100 basis points (1%) on the balance sheet date, all other variables remained unchanged under such circumstances, the Group's net profit before tax for 2023 and 2022 would have increased (decreased) by NTD 8,330 and (931) thousand, respectively. Mainly due to the Group's bank borrowings and deposits at variable interest rates.

(3) Other price risk – 2022 only

The Group is exposed to the equity price risk due to its investment in the listed equity securities. The Group's management manages risks by holding different risk portfolios.

Sensitivity analysis

The following sensitivity analysis is based on the equity price exposure on the balance sheet date.

If the equity price had increased/decreased by 5%, other comprehensive income would have increased/decreased by NTD 1,575 thousand in 2022 due to the increase/decrease in fair value of financial assets measured at FVTOCI.

2. Credit risk

The financial assets are potentially affected by the Group's counterparty or other party's failure to fulfill a contract. The impact includes the credit risk concentration, components and contract value of the Group's financial instruments. The credit risk of each financial asset of the Group is based on the contract with a positive fair value on the balance sheet date. The credit risk amount of the financial assets held by the Group is approximately equivalent to the book value.

The credit risk of the public construction projects undertaken by the Group is mainly concentrated in the government agencies, and the credit risk is expected to be insignificant.

3. Liquidity risk

The Group manages and maintains sufficient cash to cover its operating expenses and mitigate the impact of cash flow fluctuations. The Group's management monitors the use of the bank's financing facilities and ensures that they are sufficient. Therefore, there is no liquidity risk due to the inability to raise funds to fulfill contractual obligations.

The following table shows the Group's agreed repayment period of the remaining contractual maturity of its non-derivative financial liabilities. The table was based on the earliest date on which the Group may be required to make repayments, and prepared using the undiscounted cash flows of the financial liabilities, consisting of cash flows of interest and principal.

December 31, 2023

Non-derivative financial liabilities	Pay on demand or in less than 1 month	1 to 3 months	3 months to 1 year	1 to 5 years
Non-interest-bearing liabilities	$144,760	$ 31,344	$ 81,767	$ 15,644
Fixed interest rate liabilities	$ 58	$300,053	$ 13,223	$ 17,124
Liabilities at floating interest rates	$ 70,641	$ 460	$ 60,189	$170,481
Lease liabilities	$ 1,037	$ 2,442	$ 9,016	$ 30,955

December 31, 2022

Non-derivative financial liabilities	Pay on demand or in less than 1 month	1 to 3 months	3 months to 1 year	1 to 5 years
Non-interest-bearing liabilities	$106,457	$246,859	$ 37,131	$243,318
Fixed interest rate liabilities	$ 307	$ 614	$ 3,068	$140,631
Liabilities at floating interest rates	$ 1,780	$ 3,563	$482,276	$488,058
Lease liabilities	$ 983	$ 1,968	$ 7,881	$ 27,978

XXXII. Transactions with related parties

Intercompany transactions, account balances, income, and expenses have been eliminated upon consolidation and are not disclosed in this note. Except as stated in other notes, the transactions between the Group and other related parties are as follows:

The transactions between the Group and other related parties are as follows:

(I) Names of related parties and their relationships

Name of related party	Relationship with the Group
Hung Hung-Chang	Substantive related party
Chiang Yu-Lien	Chairman of the Company (since June 2023)
Hsu Cheng-Che	General Manager of the Company (from June 2023)
Lian-Chuang Enterprise Co., Ltd. (Lian-Chuang)	Substantive related party
Lung-Ting Cement Co., Ltd.	Substantive related party
Hong-Ting Co., Ltd.	Substantive related party
Jia Jie Biomedical Co., Ltd.	Substantive related party (not a substantive related party since February 2023)

(II) Operating revenue

Construction contracting

1. 2023

Name of related party	Total contract price	Recognized construction revenue for the year	Accumulated construction revenue recognized	Prepayment for construction
Lian-Chuang	$ 85,424	$ 1,929	$ 85,424	$ 85,424

2. 2022

Name of related party	Total contract price	Recognized construction revenue for the year	Accumulated construction revenue recognized	Prepayment for construction
Lian-Chuang	$ 85,424	$ 42,065	$ 83,495	$ 85,424

The total price of the construction contract with the related party is based on the negotiation between the two parties, and the payment is collected according to the construction progress, and the payment terms are equivalent to those of non-related parties.

(III) Purchase – 2023 only

Name/category of related party	2023
Substantive related party	$ 371

The trading terms of the Group's purchase from the related party are equivalent to those of a general manufacturer.

(IV) Contractual liabilities – only as at December 31, 2022

Presentation item	Category of related party	December 31, 2022
Contract liabilities	Lian-Chuang	$ 1,929

(V) Accounts payable to related parties

Presentation item	Name/category of related party	December 31, 2023	December 31, 2022
Accounts payable	Substantive related party	$ -	$ 40
Notes payable	Substantive related party	$ 16	$ -
Other payables	Hung Hung-Chang	$ -	$ 255,450
	Chiang Yu-Lien	-	190,300
		-	445,750
Included in other payables		-	(213,025)
Included in financial liabilities measured at fair value through profit or loss – non-current		$ -	$ 232,725

Other payables – related parties are mainly payments due to acquisition of shares of subsidiaries. Including the contingent consideration is recognized at fair value on the date of acquisition, recognized as financial liabilities measured at fair value through profit or loss – non-current.

The abovementioned other payables and contingent consideration agreements have been paid in full. Please refer to Note 12 for details.

(VI) Lease agreements

Presentation item	Category/Name of related party	December 31, 2023	December 31, 2022
Right-of-use assets	Substantive related party		
	Lian-Chuang	$ 33,088	$ 29,604
Lease liabilities – current	Substantive related party		
	Lian-Chuang	$ 6,355	$ 6,178
Lease liabilities – non-current	Substantive related party		
	Lian-Chuang	26,733	23,502
		$ 33,088	$ 29,680

Presentation item	Category/Name of related party	2023	2022
Interest on lease liabilities	Substantive related party		
	Lian-Chuang	$ 454	$ 162

Presentation item	Category/Name of related party	2023 December 31	2022 December 31
Refundable deposits (included in other financial assets – non-current)	Substantive related party		
	Lian-Chuang	$ 1,100	$ 1,100

The Group leased the Lian-Chuang Building from its substantive related party, Lian-Chuang, for use as offices in September 2022. The rent was based on the rent level of similar assets, with fixed monthly payment in accordance with the lease agreement. In December 2023, the Group renegotiated the lease agreement to extend the lease contract period to December 2028. Therefore, the lease liabilities were re-measured and the right-of-use assets were adjusted accordingly.

(VII) Endorsements/guarantees

Chairman Chiang Yu-Lian, General Manager Hsu Cheng-Che, and substantive related party Hung Hung-Chang, provided endorsements and guarantees for the Group’s loans.

(VIII) Other related party transactions – 2022 only

Presentation item	Category/Name of related party	2022
Other expenses	Substantive related party	$ 236

(IX) Remuneration of key management personnel

	2023	2022
Salaries, bonuses, allowances and bonuses	$ 19,667	$ 13,685

The remuneration of directors and other key management personnel is determined by the Remuneration Committee in accordance with individual performance and market trends.

XXXIII. Assets pledged as collateral

The following assets of the Group have been provided as performance bonds, warranty deposits and financial guarantees:

	December 31, 2023	December 31, 2022
Other financial assets	$ 607,977	$ 653,464
Investment property	-	721,010
	$ 607,977	$ 1,374,474

XXXIV. Significant contingent liabilities and unrecognized contractual commitments

Except as described in other notes, the significant commitments and contingencies of the Group as of the balance sheet date are as follows:

As at December 31, 2023 and 2022, the amount of the performance guarantee provided by the bank for the contracted projects was NTD 1,008,064 thousand and NTD 834,458 thousand.

XXXV. Additional Disclosures

(I) Information on major transactions and (2) Information on investees

1. Loaning of funds to others: Table 1.
2. Endorsements/guarantees for others: Table 2.
3. Marketable securities held at the end of the period: None.
4. Marketable securities acquired or disposed of at costs or prices at least NTD 300 million or 20% of the paid-in capital: Table 3.
5. Acquisition of individual real estate at costs of at least NTD 300 million or 20% of the paid-in capital: None.

6. Disposal of individual real estate at costs of at least NTD 300 million or 20% of the paid-in capital: Table 4.
7. Total purchases from or sales to related parties amounting to at least NTD 100 million or 20% of the paid-in capital: Table 5.
8. Receivables from related parties amounting to at least NTD 100 million or 20% of the paid-in capital: None.
9. Trading in derivative instruments: None.
10. Others: Business relationships and significant transactions between parent company and subsidiaries and among subsidiaries: Table 6.

(II) Information on investees: Table 7.

(III) Investment information in Mainland China

1. Information on any investee in Mainland China, showing the name, principal business activities, paid-in capital, method of investment, inward and outward remittance of funds, ownership percentage, current income or loss and investment income or loss recognized, carrying amount of the investment at the end of the period, repatriations of investment income, and limit on the amount of investment in the Mainland China area: None; as stated in Note 12, the disposal of subsidiary – Shanghai Laishida has been completed, and the relevant change of the investment amount in Mainland China has been submitted to the Investment Commission of the Ministry of Economic Affairs.
2. Any of the following significant transactions with investees in Mainland China, either directly or indirectly through a third party, and their prices, payment terms, and unrealized gains or losses: None.
   (1) Amount and percentage of purchases and related payables at the end of the period.
   (2) Amount and percentage of sales and related receivables at the end of the period.
   (3) Amount of property transactions and the amount of gain or loss arising therefrom.
   (4) Ending balance of negotiable instruments endorsed or provided as collateral and the purpose thereof.
   (5) Maximum balance, ending balance, interest rate range, and total interest for the current period of the financing.

(6) Other transactions that have a significant impact on the current profit or loss or financial position, such as the provision or receipt of services.

(IV) Information on major shareholders: Names of shareholders with a shareholding ratio of more than 5%, number of shares held, and percentage: Table 8.

XXXVI. Segment Information

- The Company and Shang-Ting Construction mainly operate in Taiwan and the source of revenue is the public construction projects undertaken by government agencies.

(I) Segment revenue and operating results

The following is an analysis of the Group's revenue and operating results by the reporting segment:

2023

	Triocean	Shang-Ting Construction	Other companies	Adjustments and write-offs	Total
Revenue from external customers	$ 62,424	$1,885,108	$ -	$ -	$1,947,532
Inter-segment revenue	221,193	-	-	(221,193)	-
Consolidated revenue	$ 283,617	$1,885,108	$ -	($ 221,193)	$1,947,532
Profit or loss before tax from continuing operations	$ 128,829	$ 38,095	($ 15,056)	$ -	$ 151,868

2022

	Triocean	Shang-Ting Construction	Other companies	Adjustments and write-offs	Total
Revenue from external customers	$ 37,506	$1,131,506	$ -	$ -	$1,169,012
Inter-segment revenue	47,550	-	-	(47,550)	-
Consolidated revenue	$ 85,056	$1,131,506	$ -	($ 47,550)	$1,169,012
Profit or loss before tax from continuing operations	($ 4,571)	$ 17,589	($ 15,455)	$ -	($ 2,437)

(II) Departmental total assets and liabilities

	December 31, 2023	December 31, 2022
Segment assets		
Triocean	$ 782,404	$1,569,263
Shang-Ting Construction	1,799,272	1,107,745
Other companies	84,147	84,072
Consolidated total assets	$2,665,823	$2,761,080
Segment liabilities		
Triocean	$ 611,359	$1,341,643
Shang-Ting Construction	630,796	642,477
Other companies	156	196
Consolidated total liabilities	$1,242,311	$1,984,316

Triocean Industrial Corporation Co., Ltd. and Subsidiaries

Loaning of funds to others

For the year ended December 31, 2023

Table 1

(Unit: Thousand NTD, unless Stated Otherwise)

No. (Note 1)	Lending company	Borrower	Financial statement account	Related party	Highest balance in the current year (Note 2)	Balance at the end of the year	Actual amount borrowed at the end of the year (Note 3)	Interest rate range (%)	Nature of loan	Business transaction amount	Reasons for short-term financing	Allowance for impairment loss	Collateral		Financing limit for each borrower	Aggregate amount of loan	Notes
													Name	Value			
1	Shang-Ting Construction Co., Ltd.	Tri Ocean Textile (Thailand) Co., Ltd	Other receivables – Related parties	Yes	$ 18,452	$ 9,017	$ 5,410	4	Short-term loan	$ -	Operating turnover	$ -	-	$ -	$ 494,812	$ 494,812	

Note 1: The amount lent by a subsidiary to an individual shall not exceed 40% of the net worth of the company to which the funds are lent.

Note 2: The total amount of loans to others by the Company and its subsidiaries is limited to 40% of the net worth of the company to which the funds are lent.

Note 3: Eliminated upon the preparation of the consolidated financial statements.

Triocean Industrial Corporation Co., Ltd. and Subsidiaries

Endorsements/Guarantees for Others

For the year ended December 31, 2023

Table 2

Unit: NTD thousand

(unless otherwise stated)

No.	Name of endorser/guarantor	Endorsee/Guarantee		Limit on endorsement/ Guarantee given on behalf of each party (Note 1)	Outstanding endorsement/ Guarantee during the year	Outstanding endorsement/ Guarantee at the end of the period	Actual amount borrowed	Amount endorsed/ guaranteed by collateral	Ratio of accumulated endorsement/Guarantee to net equity in latest financial statements (%)	Aggregate endorsement/guarantee limit (Note 2)	Endorsement/ Guarantee given by parent on behalf of subsidiaries	Endorsement/ Guarantee given by subsidiaries on behalf of parent	Endorsement/ Guarantee given on behalf of companies in Mainland China	Notes
		Name of company	Relationship											
1	Shang-Ting Construction Co., Ltd.	Triocean Industrial Corporation Co., Ltd.	Parent company	$ 618,516	$ 300,000	$ 300,000	$ 300,000	$ 300,000	24	$ 2,474,062	N	Y	N	

Note 1: The limit of the endorsement/guarantee provided by a subsidiary as a whole to a single enterprise shall not exceed 50% of the net worth of the subsidiary.

Note 2: The total amount of endorsements/guarantees accumulated by the subsidiary as a whole shall not exceed twice the net worth of the subsidiary.

Triocean Industrial Corporation Co., Ltd. and Subsidiaries

Marketable securities acquired or disposed of at costs or prices at least NTD 300 million or 20% of the paid-in capital

For the year ended December 31, 2023

Table 3

(Unit: Thousand NTD, unless Stated Otherwise)

Buying/selling company	Type and name of marketable securities	Financial statement account	Counterparty	Relationship	Beginning of the year		Buying in		Selling				End of the year	
					Number of shares	Amount	Number of shares	Amount	Number of shares	Selling price	Carrying cost	Disposal gains (losses)	Number of shares	Amount
Triocean Industrial Corporation Co., Ltd.	Common stock													
	Shang-Ting Construction Co., Ltd.	Investment under the equity method	Note 2	Subsidiary	50,000,000	$ 965,598	70,000,000	$ 700,000	-	$ -	$ -	$ -	120,000,000	$ 1,695,327

Note 1: The amount of investment under the equity method includes investment gains and losses recognized under the equity method and related adjustments of investment under the equity method, which were eliminated upon the preparation of the consolidated financial statements.

Note 2: For cash capital increase.

Triocean Industrial Corporation Co., Ltd. and Subsidiaries

Disposal of individual real estate at costs of at least NTD 300 million or 20% of the paid-in capital

For the year ended December 31, 2023

Table 4

(Unit: Thousand NTD, unless Stated Otherwise)

Disposal of property	Property name	Date of occurrence	Original acquisition date	Carrying amount	Transaction amount (Note)	Collection of payment	Disposal gain or loss	Counterparty	Relationship	Purpose of disposal	References for price determination	Others Covenants
The Company	Investment property – land and buildings	2023.05.09	1990.12.15 and 2000.10.01	$ 721,010	$ 738,986	Note 15	$ 17,976	Pegatron Corporation	None	Revitalize assets, improve financial structure, and replenish working capital	Appraisal report	-

Note: Necessary costs have been deducted.

Triocean Industrial Corporation Co., Ltd. and Subsidiaries

Amount of significant purchases from or sales to related parties amounting to at least NTD 100 million or 20% of the paid-in capital

For the year ended December 31, 2023

Table 5

Unit: Thousand NTD, unless Stated Otherwise

Purchase (sale) company	Counterparty	Relationship	Transaction status				Circumstances and reasons for the difference between the transaction conditions and general transactions		Notes and accounts receivable (payable)		Notes
			Purchase (sale)	Amount	As a percentage to total purchase (sales) (%)	Credit period	Unit price	Credit period	Balance	As a percentage to total notes and accounts receivable (payable) (%)	
The Company	Shang Ting Construction	Subsidiary company	Operating revenue	($221,193)	(11)	Monthly settlement 30–60 days	Note 1	-	$ 368	0.51	Notes 2 and 3

Note 1: The Company acts as an agency of Shang Ting Construction for purchasing and subcontacting, and the transaction price is set as the sum of cost and markup. Because there are not any similar transations for comparison, the Company’s revenue is recognized in net using the percentage-of-completion method.

Note 2: Receivables (payable) arising from non-sales and purchases have been excluded.

Note 3: Eliminated upon the preparation of the consolidated financial statements.

Triocean Industrial Corporation Co., Ltd. and Subsidiaries

Business relationships and significant transactions between parent company and subsidiaries and among subsidiaries

For the year ended December 31, 2023

Table 6

Unit: NTD thousand

				Transactions with each other			
No.	Name of counterparty	Counterparty	Relationship with the counterparty	Item	Amount	Payment terms	As a percentage of consolidated total revenue or total assets (%)
0	The Company	Shang-Ting	Parent company to subsidiary	Operating revenue	$ 221,193	Note 1	11
0	The Company	Shang-Ting	Parent company to subsidiary	Accounts receivable	368	Note 2	-
0	The Company	Shang Ting Construction	Parent company to subsidiary	Contract assets	6,325	Note 2	-
0	The Company	Shang-Ting	Parent company to subsidiary	Management service income	36,656	Note 3	2
0	The Company	Shang-Ting	Parent company to subsidiary	Other receivables	5,462	Note 3	-
1	Shang-Ting	The Company	Subsidiary to parent company	Prepayment for construction	60,810	Note 2	2
1	Shang-Ting	Tri Ocean Textile (Thailand) Co., Ltd	Subsidiary to subsidiary	Other receivables	5,547	Note 4	-

Note 1: The purchases and subcontracted projects of the Shang-Ting on behalf of others through the Company are measured at cost-plus pricing with elasticity considerations. Since there are no other similar transactions, the comparison cannot be made, a portion of the Company’s revenues was recorded on a net basis.

Note 2: There is no significant difference between the payment terms and the general customers.

Note 3: The parent company calculates the price based on a at cost-plus pricing with elasticity considerations at actual occurrence.

Note 4: Principal and interest on loans between subsidiaries.

Note 5: Transactions between parent and subsidiary were eliminated upon the preparation of the consolidated financial statements.

Triocean Industrial Corporation Co., Ltd. and Subsidiaries

Information on investees

For the year ended December 31, 2023

Table 7

Unit: NTD thousand

Name of investment company	Name of investment company	Location	Main business items	Initial investment amount		Held at the end of the year			Investee profit (loss) for the year	Investment income (loss) recognized in the current year (Note 1 and Note 2)	Notes
				End of the year	End of last year	Number of shares	Percentage (%)	Carrying amount (Note 1)			
Triocean Industrial Corporation Co., Ltd.	Tri Ocean Textile (Thailand) Co., Ltd.	Thailand	Manufacturing, processing and trading of fibrous fabrics	$ 390,478	$ 390,478	9,372,500	100	$ 78,444	($ 15,056)	($ 15,056)	
	Shang-Ting Construction Co., Ltd.	Kaohsiung City	Integrated Construction	1,701,025	1,001,025	120,000,000	100	1,695,327	30,532	52,041	

Note 1: Eliminated upon the preparation of the consolidated financial statements.

Note 2: The investment gains and losses recognized in the current year include the adjustment of unrealized gains and losses.

Triocean Industrial Corporation Co., Ltd. and Subsidiaries

Information of major shareholders

December 31, 2023

Table 8

Name of major shareholder	Shares	
	Number of shares held	Shareholding ratio (%)
Hong-Ting Co., Ltd.	16,238,000	38.21
Shun-Mei Enterprise Co., Ltd.	11,324,859	26.65

Note: This table states the shareholders who hold 5% or more of the Company's common shares and preferred shares (including treasury shares) that have been registered and delivered as dematerialized securities in total on the last business day of the year according to the record of Taiwan Depository & Clearing Corporation. The share capital recorded in the Company's consolidated financial statements and the number of shares actually delivered by the Company with the dematerialized registration completed may differ due to different calculation bases.